



Embracing Today – Inspiring Tomorrow

PATTON | OLIVE | IVY HILL | GREENBRIER | THOMAS

WINDSOR | WESTGATE | DRYDEN | SOUTH

2018-19 TENTATIVE BUDGET

Presented
July 19, 2018

By
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New for 2018-19 Budget



Illinois State Board of Education

**Every Student Succeeds Act
Site-Based Expenditure Reporting
Guidance**

2018-19 Budget Assumptions

- Revenues
 - Property Taxes
 - CPI = 2.1% for 2017 and 2018
 - 99% collection rate
 - Reallocating between funds
 - Interest income = 1.5% (up from 1.0%)
 - No TIF Surplus
 - CPPRT flat
 - State Funds
 - Many MCATS now incorporated into EBF Model
 - Federal Funds
 - Title I
 - IDEA Rm & Bd



Arlington Heights School District #25

Summary of Revenues 2017-18 and 2018-19

	Budget 2017-18	Unaudited Actual* 2017-18	Difference 2017-18	Budget 2018-19	% Change over 2017-18 Budget
<i>Operating Funds</i>					
Education (excludes State "on-b	\$ 62,359,379	\$ 62,175,523	\$ (183,856)	\$ 61,983,258	-0.60%
Operations & Maintenance	\$ 7,514,067	\$ 7,518,909	\$ 4,842	\$ 7,409,794	-1.39%
Transportation	\$ 2,631,124	\$ 2,837,907	\$ 206,783	\$ 2,852,931	8.43%
Capital Projects Fund	\$ 24,908	\$ 61,968	\$ 37,060	\$ 20,855	
Working Cash	\$ 8,194,551	\$ 8,280,571	\$ 86,020	\$ 187,000	
Operating Fund Totals:	\$ 80,724,029	\$ 80,874,878	\$ 150,849	\$ 72,453,838	-10.25%
IMRF/FICA	\$ 2,139,038	\$ 2,115,754	\$ (23,284)	\$ 1,914,834	-10.48%
Tort Fund	\$ 367,338	\$ 364,071	\$ (3,267)	\$ 354,295	-3.55%
Life Safety	\$ 140,675	\$ 145,310	\$ 4,635	\$ 40,487	-71.22%
Other Funds Sub-Total	\$ 2,647,051	\$ 2,625,135	\$ (21,916)	\$ 2,309,616	-12.75%
Sub-Total Funds less Bond	\$ 83,371,080	\$ 83,500,013	\$ 128,933	\$ 74,763,454	-10.32%
Bond & Interest	\$ 3,992,846	\$ 4,250,568	\$ 257,722	\$ 4,473,220	
Total All Funds (\$8,127,252)	\$ 87,363,926	\$ 87,750,581	\$ 386,655	\$ 79,236,674	4 -9.30%
Without Bond Proceeds	\$ 79,304,175	(\$67,501)		\$ 79,236,674	-0.085%

Changes in Revenue Budget

REVENUES			
	2017-18 <u>Budget</u>	2018-19 <u>Budget</u>	% Difference <u>Budget to Budget</u>
Property Taxes	\$64,012,711	\$65,967,012	3.1%
CPPRT	798,621	798,000	-0.1%
Interest	518,700	842,500	62.4%
Food Service	1,645,500	1,676,000	1.9%
Textbooks	312,900	292,800	-6.4%
Tuition	290,000	177,000	-39.0%
Rentals	966,600	980,700	1.5%
Other Local	1,049,688	467,525	-55.5%
State	7,447,148	6,128,789	-17.7%
Federal	2,262,307	1,906,346	-15.7%
Bond Proceeds	8,059,751	0	
	\$87,363,926	\$79,236,672	0.4%

Total Revenue Budget Decrease

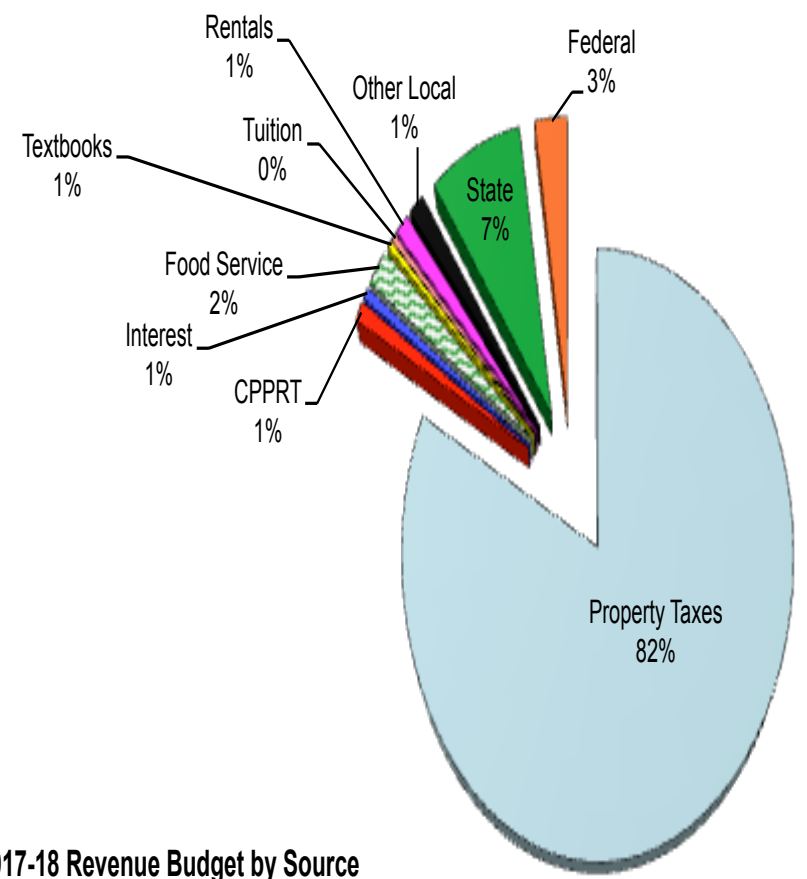
(\$8,127,252)

Major Changes in Revenue Budget from 2017-18

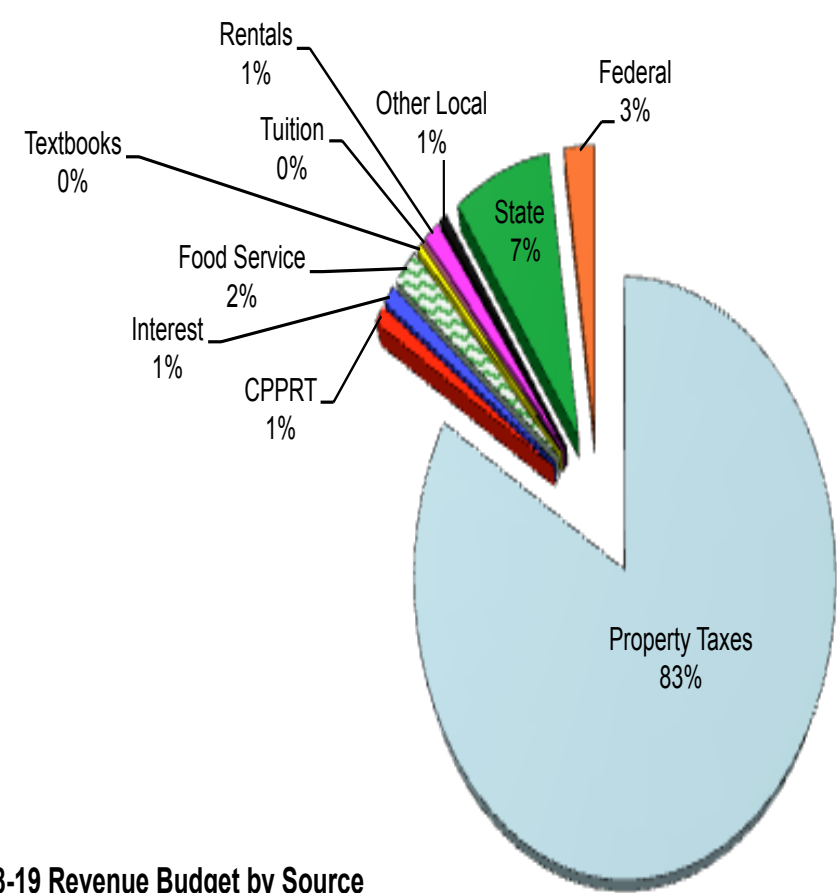
Property Taxes	\$ 1,954,301
TIF Surplus	\$ (600,000)
Bond Proceeds ★	\$ (8,059,751)
Special Ed Private Reimb	\$ (243,442)
Funds for Children..SPED Svcs	\$ (316,621)
SPED Personnel Reimb	\$ (704,739)
SPED Summer School	\$ (8,644)
Language Stars Tuition	\$ (120,000)
Title I Grant	\$ (105,218)
Title II/III	\$ (41,011)
Food Service Revenues	\$ 71,500
Bilingual Ed Grant	\$ (48,582)
IDEA Room & Board Grant	\$ (192,000)
Medicaid Reimbursement	\$ (64,000)
Interest Income	\$ 323,800
Erate	\$ 42,000
Total	\$ (8,112,407)

➤ Now part of
EBF Model

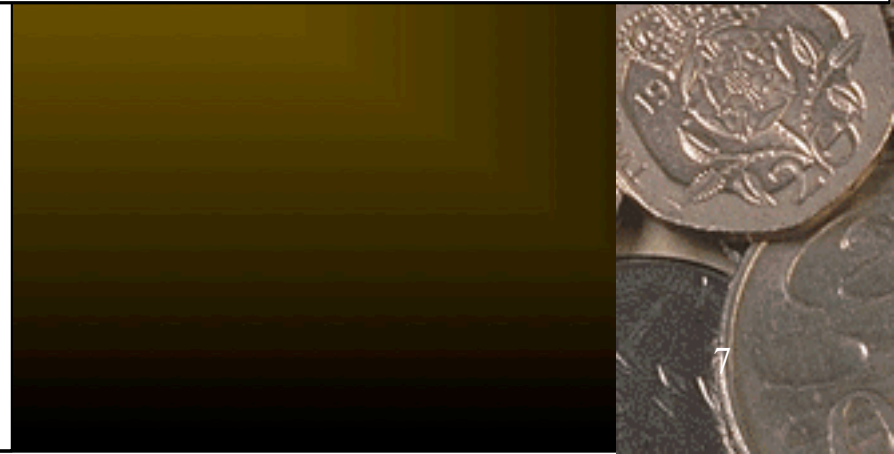
Total Revenue Budget Decrease (\$8,127,252)



2017-18 Revenue Budget by Source
(excludes bond proceeds)



2018-19 Revenue Budget by Source
(excludes bond proceeds)



2018-19 Budget Assumptions

- Expenditures
 - 2018-19 Personnel Plan approved in April 2018
 - Salaries
 - Based on current collective bargaining agreements
 - Tied to CPI
 - Health Insurance costs increased by 6%
 - No pension shift incorporated at this time
 - Cost neutral to the extent possible
 - Carryover for writing curriculum
 - Technology Plan budget of \$1,357,500
 - Decrease in Special Education Tuition
 - Increase in Special Education Transportation Budget ★

2018-19 Budget Assumptions

- Expenditures
 - Continue District vehicle replacement
 - Capital Projects
 - \$3.5 million balance of Greenbrier addition
 - Summer Projects of \$2.4 million
 - Transfer of \$4.5 of bond proceeds from Working Cash Fund
 - Debt service on bond issues
 - Contingency Funds
 - 5 certified staff
 - 6 non-certified staff
 - \$100,000 non-staff in Ed Fund
 - \$50,000 in Capital Projects Fund

Arlington Heights School District #25

Summary of Expenditures 2017-18 and 2018-19

	Budget 2017-18	Unaudited Actual 2017-18	Difference 2017-18	Budget 2018-19	% Change over 2017-18 Budget
<i>Operating Funds</i>					
Education (excludes State "on-behalf" payments)	\$ 62,515,296	\$ 60,777,883	\$ 1,737,413	\$ 63,476,544	1.54%
Operations & Maintenance	\$ 5,444,454	\$ 5,369,828	\$ 74,626	\$ 5,500,630	1.03%
Transportation	\$ 2,425,210	\$ 2,387,559	\$ 37,651	\$ 2,767,560	14.12%
Capital Projects Fund	\$ 22,984,185	\$ 21,407,294	\$ 1,576,891	\$ 5,951,358	-74.11%
Working Cash			\$ -		
Operating Fund Totals:	\$ 93,369,145	\$ 89,942,564	\$ 3,426,581	\$ 77,696,092	-16.79%
IMRF/FICA	\$ 2,229,140	\$ 2,053,740	\$ 175,400	\$ 2,283,620	2.44%
Tort Fund	\$ 373,000	\$ 336,156	\$ 36,844	\$ 373,000	0.00%
Life Safety	\$ 505,350	\$ -	\$ 505,350	\$ 495,350	-1.98%
Other Funds Sub-Total	\$ 3,107,490	\$ 2,389,896	\$ 717,594	\$ 3,151,970	1.43%
Sub-Total Funds less Bond & Interest	\$ 96,476,635	\$ 92,332,460	\$ 4,144,175	\$ 80,848,062	-16.20%
Bond & Interest	\$ 4,100,213	\$ 4,327,938	\$ (227,725)	\$ 4,384,287	
Total All Funds (\$15,344,499)	\$ 100,576,848	\$ 96,660,398	\$ 3,916,450	\$ 85,232,349	10 -15.26%
Without Capital Projects	\$ 77,592,663	\$ 75,253,104	+ \$1,688,328	\$ 79,280,991	2.176%

Changes in Expenditure Budget

EXPENDITURES			
	2017-18 <u>Budget</u>	2018-19 <u>Budget</u>	% Difference <u>Budget to Budget</u>
Salaries	\$48,731,662	\$49,541,116	1.7%
Employee Benefits	9,567,091	9,954,486	4.0%
Purchased Svcs	5,507,924	5,915,255	7.4%
Supplies	4,908,808	5,250,185	7.0%
Capital Outlay	1,126,667	809,517	-28.1%
Construction	22,984,185	5,951,358	-74.1%
Other	209,425	216,675	3.5%
Special Ed Tuition	2,935,523	2,715,070	-7.5%
Debt	4,100,213	4,383,337	6.9%
Life Safety	505,350	495,350	-2.0%
	\$100,576,848	\$85,232,349	-3.9%

Total Expenditure Budget Decrease

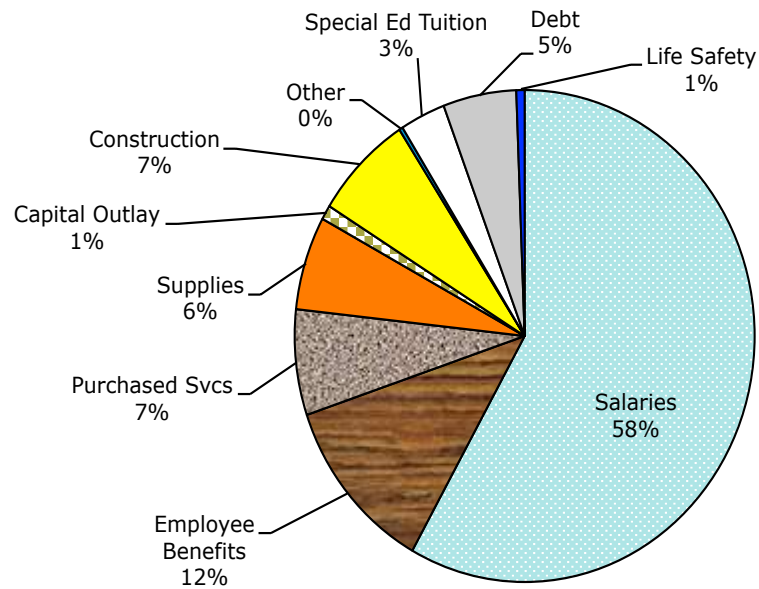
(\$15,344,499)

Major Changes in Expenditure Budget from 2017-18

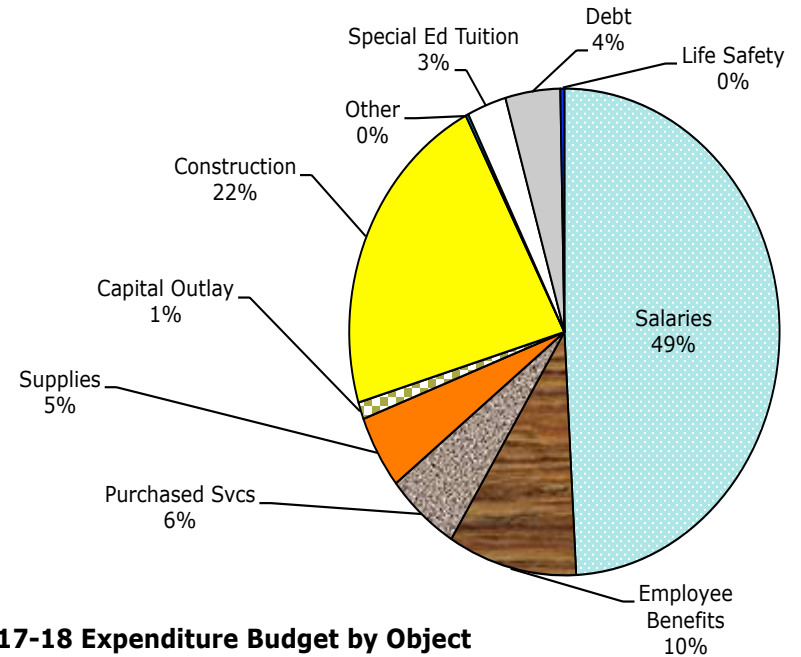
Salaries	\$ 809,454
Employee Benefits	\$ 387,395
Debt Service Payment	\$ 283,124
Capital Outlay (technology switches)	\$ (374,200)
Instruction Department Budget (carryover for writing curriculum)	\$ 251,000
Assistive Technology	\$ (52,000)
Textbooks	\$ (87,980)
Transportation	\$ 346,800
SPED Tuition	\$ (220,453)
Supplies	\$ 418,500
Construction (life safety)	\$ (10,000)
Construction (capital projects)	\$ (17,032,827)
Total	\$ (15,281,187)

Total Expenditure Budget Decrease

\$15,344,499

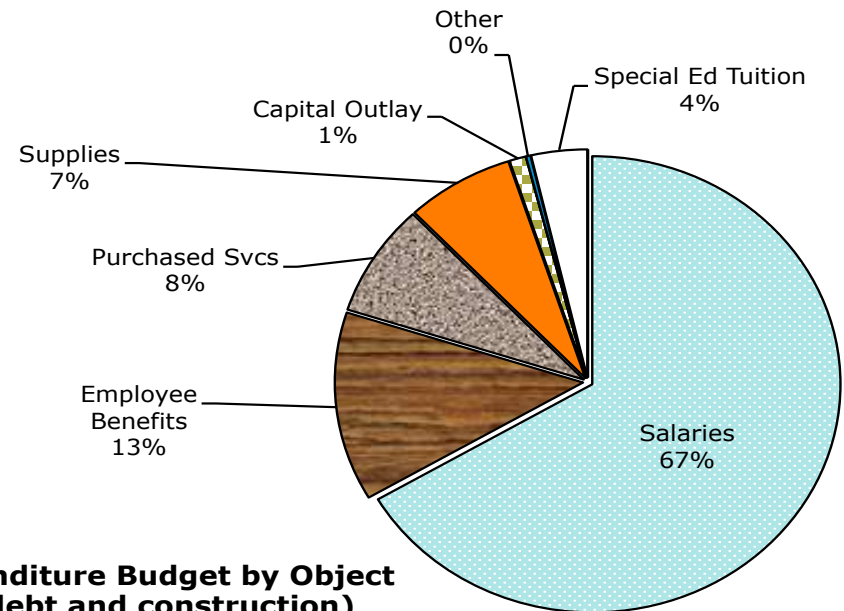


2018-19 Expenditure Budget by Object



2017-18 Expenditure Budget by Object

Personnel Costs = 80% of Budget
(Excluding Debt & Construction)



**2018-19 Expenditure Budget by Object
(excluding debt and construction)**

Arlington Heights School District #25

Summary of Fund Balance 2018-19 Tentative Budget

	Unaudited Fund Balance 6/30/18	Revenue Projection	Transfers In	Expenditure Projection	Transfers Out	Projected Fund Balance 6/30/19	Surplus (Deficit)
<i>Operating Funds</i>							
Education:	\$ 37,578,671	\$ 61,983,258		\$ 63,476,544		\$ 36,085,385	\$ (1,493,286)
Operations & Maintenance	\$ 2,853,009	\$ 7,409,794	\$ 4,543,900	\$ 5,500,630	\$ 5,930,503	\$ 3,375,570	\$ 522,561
Transportation	\$ 1,400,970	\$ 2,852,931		\$ 2,767,560		\$ 1,486,341	\$ 85,371
Capital Projects Fund	\$ -	\$ 20,855	\$ 5,930,503	\$ 5,951,358		\$ -	\$ -
Working Cash	\$ 12,504,876	\$ 187,000		\$ -	\$ 4,543,900	\$ 8,147,976	\$ (4,356,900)
Operating Fund Totals:	\$ 54,337,526	\$ 72,453,838	\$ 10,474,403	\$ 77,696,092	\$ 10,474,403	\$ 49,095,272	\$ (5,242,254)
IMRF/FICA	\$ 1,816,070	\$ 1,914,834		\$ 2,283,620		\$ 1,447,284	\$ (368,786)
Tort Fund	\$ 229,665	\$ 354,295		\$ 373,000		\$ 210,960	\$ (18,705)
Life Safety	\$ 953,191	\$ 40,487		\$ 495,350		\$ 498,328	\$ (454,863)
Other Funds Sub-total	\$ 2,998,926	\$ 2,309,616	\$ -	\$ 3,151,970	\$ -	\$ 2,156,572	\$ (842,354)
Sub-Total Funds less Bond & Interest	\$ 57,336,452	\$ 74,763,454	\$ 10,474,403	\$ 80,848,062	\$ 10,474,403	\$ 51,251,844	\$ (6,084,608)
Bond & Interest	\$ 1,200,538	\$ 4,473,220		\$ 4,384,287		\$ 1,289,471	\$ 88,933
Total All Funds	\$ 58,536,990	\$ 79,236,674	\$ 10,474,403	\$ 85,232,349	\$ 10,474,403	\$ 52,541,315	\$ (5,995,675)

2018-19 Budget Impact

Deficit Due to Construction/ Life Safety	\$ 6.5 million ★
Total Budget Deficit	<u>\$ 6.0 million</u> ★
Operating Budget Surplus	\$ 0.5 million ★

Deficit Due to Construction/ Life Safety	\$ 6.5 million
Bond proceeds transferred	<u>\$ 4.5 million</u>
Net Deficit	\$ 2.0 million

	Est Actual 2017/18	Budget 2018/19
Revenues		
Property Taxes	\$ 63,325,559	\$ 65,967,012
CPPRT	\$ 877,401	\$ 798,000
Interest	\$ 729,904	\$ 842,500
Food Service	\$ 1,744,294	\$ 1,676,000
Rentals	\$ 948,276	\$ 980,700
Other Local (tuition, fees, etc.)	1,871,296	937,325
Bonds	8,063,725	-
State	7,767,551	6,128,789
Federal	2,422,576	1,906,346
Total Revenues	\$87,750,582	\$79,236,672
Expenditures		
Salaries	47,772,109	49,541,116
Employee Benefits	9,415,808	9,954,486
Purchased Svcs	5,227,218	5,915,255
Supplies	4,670,292	5,250,185
Capital Outlay	1,004,429	809,517
Other	232,253	216,675
Tuition	2,727,188	2,715,070
Debt	4,203,807	4,383,337
Sub-Total Expenditures	\$75,253,104	\$78,785,641
Sub-Total Surplus/(Deficit)	\$ 12,497,478 ★	\$ 451,031 ★
Construction/Life Safety	21,407,294	6,446,708
Total Surplus/(Deficit)	\$ (8,909,816) ★	\$ (5,995,677) ★
Ending Fund Balance	58,536,990	52,541,313
Less: Debt Service FB	(1,200,538)	(1,289,471)
Net Fund Balance	57,336,452	51,251,842
% of next yr's budget	70.9%	65.0%

Budget Timeline

Nov 2017	Adopt tax levy
Jan-Mar 2018	Build budget assumptions
Feb - Jun 2018	Build budget (building allocations, departments, staffing, enrollment)
Apr 2018	Personnel Plan approved by Board
July 2018	Presentation of Tentative Budget
Aug 2018	Continue budget account setup for ESSA site-based reporting implementation
Sept 20, 2018	Public Hearing and Final budget adoption





STRATEGIC

2020

VISION

VISION

Embracing Today - Inspiring Tomorrow

STRATEGIC

2020

VISION



Arlington
Heights
SCHOOL DISTRICT 25

MISSION

Arlington Heights School District 25 cultivates innovative learners within a nurturing and collaborative community to thrive in an ever changing world.

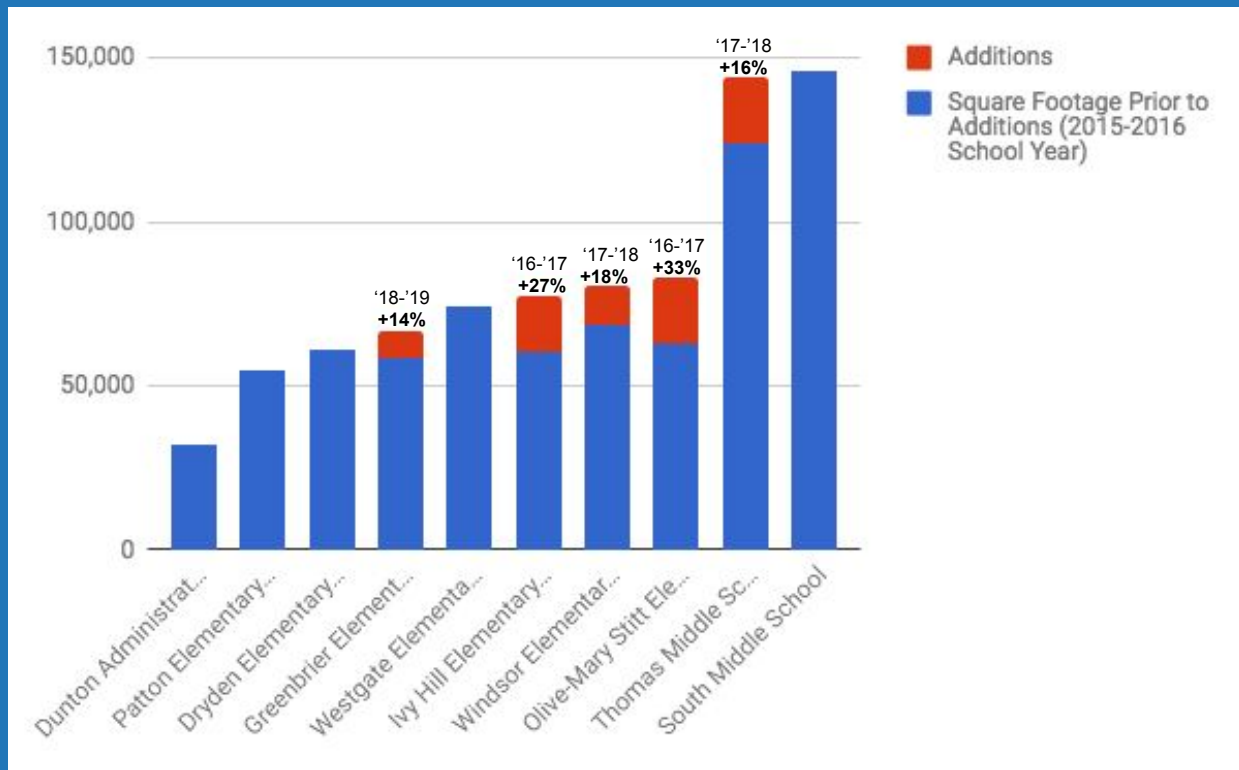
BROAD GOALS

STRATEGIC 2020 VISION



1. BROADEN BEST PRACTICES
2. EXPLORE PROGRAM EXPANSION
3. STRENGTHEN COMMUNITY RELATIONS
4. ENHANCE STAFF SUPPORT
5. MAINTAIN & ENHANCE HIGH QUALITY FACILITIES

Building Portfolio - Square Footage



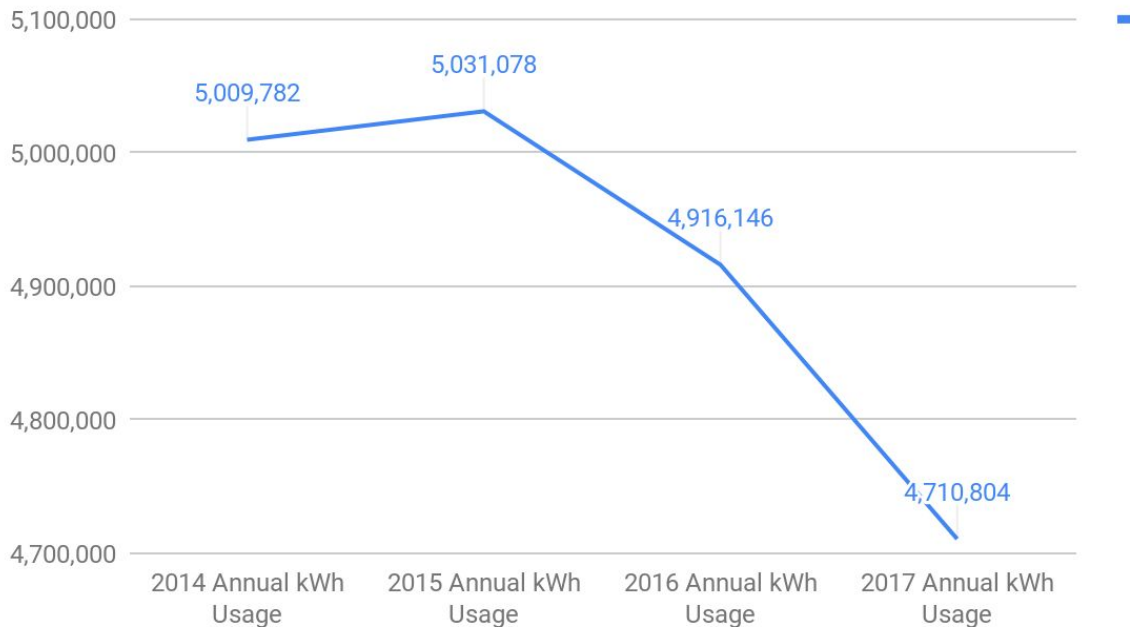
- **10.6% Total Building Square Footage Increase Since 2016-2017 School Year (+78,254sf)**

Growth has caused variability in utility usage at buildings with additions.

- Construction Project Usage / Shutdowns
- Additional Building Square Footage and Equipment

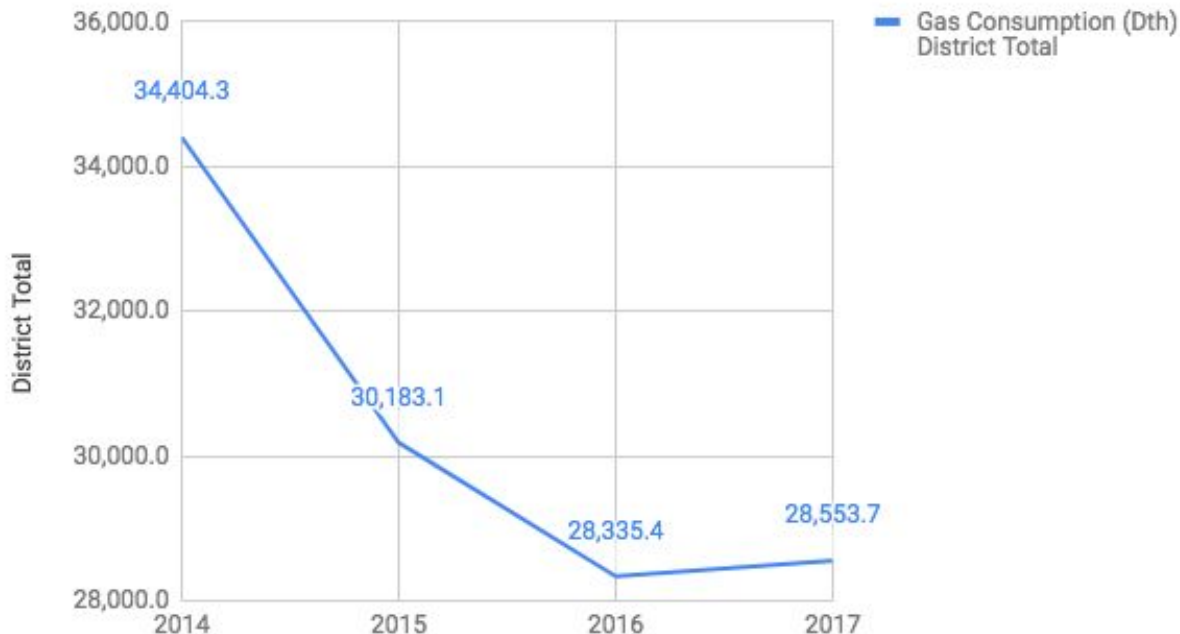
District Electricity Consumption (kWh)

Electricity Consumption



District Natural Gas Consumption

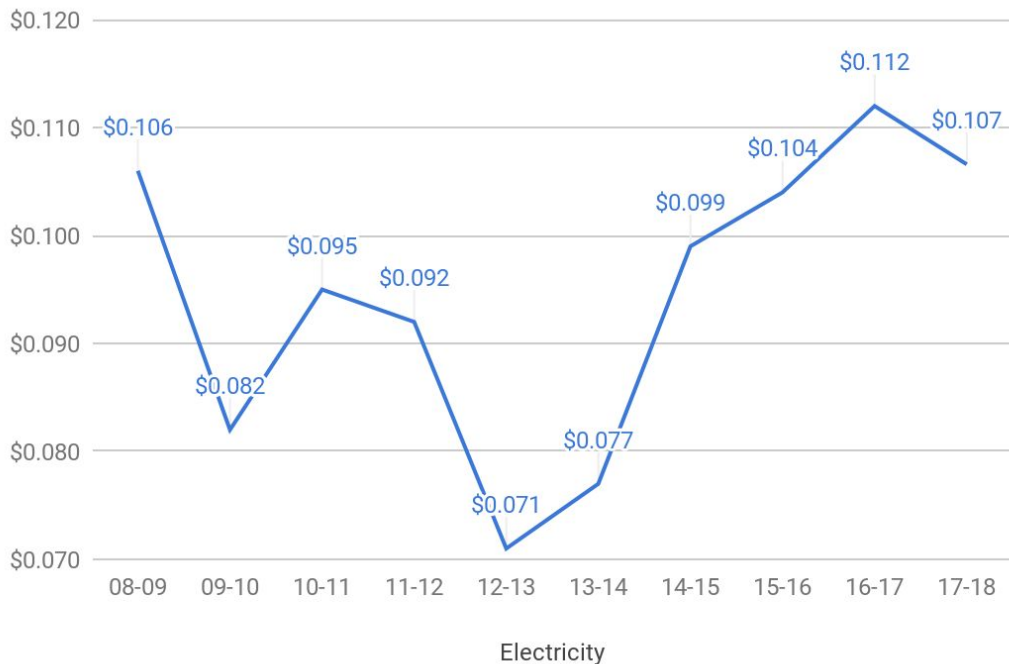
Gas Consumption



Average Annual Temperature

- 2017: 53°F
- 2016: 52°F
- 2015: 50°F
- 2014: 48°F

Historical Electricity Rates



Current Breakdown

\$ 0.06571 kWh - Electricity Supply
(AEP Through May 2020)

\$ 0.04129 kWh - Distribution Charges
(Variable with ComEd and ICC)

Historical Natural Gas Rates



Current Breakdown

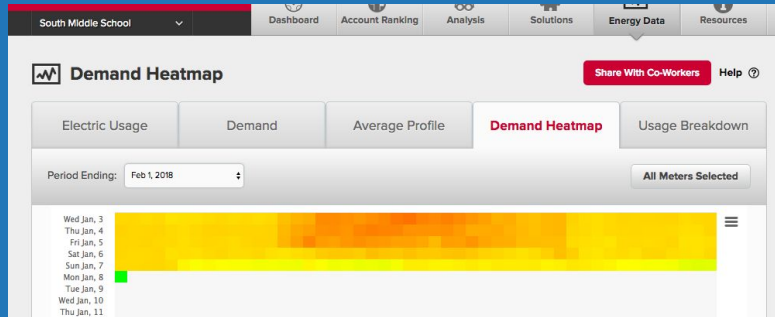
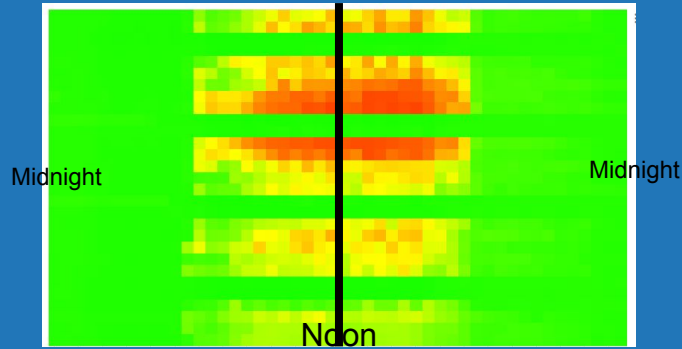
\$ 0.29850 - Gas Supply
(Constellation Energy)

\$ 0.171 - Distribution Charges
(Nicor Gas with ICC)

Ongoing Energy Efficiency Measures

- **Occupancy Sensors in Rooms**
 - Turns off Lights when no activity
 - Closes HVAC Outside Air Damper to Re-circulate Room Air
- **Building Automation System**
 - Sets Room Temperatures
 - Time of Day System Operates
 - Sequences of Equipment
- **Enhanced Commissioning Study with ComEd and DLR**
 - No cost study to evaluate HVAC building operation sequences
 - Provide Recommendations and Anticipated Energy Savings
 - Implement equipment optimization strategy
- **AirCare Plus - Cleaning and Tune Up**
 - ComEd program for detailed maintenance on Air Conditioning Units
- **Preventative Maintenance of Equipment**
 - Internal - Routine Schedule
- **AEP - PowerPerks**
 - Reduce Energy During Hot Weather Events
 - District 25 will receive a check in December for the amount of energy saved during these events (\$500 /MWh)
- **ComEd Business Analyzer Program**

Business Energy Analyzer



Discover and Correct Operational Problems



Verify Operational Changes Are Having The Desired Impact

Business Energy Analyzer

Account Ranking

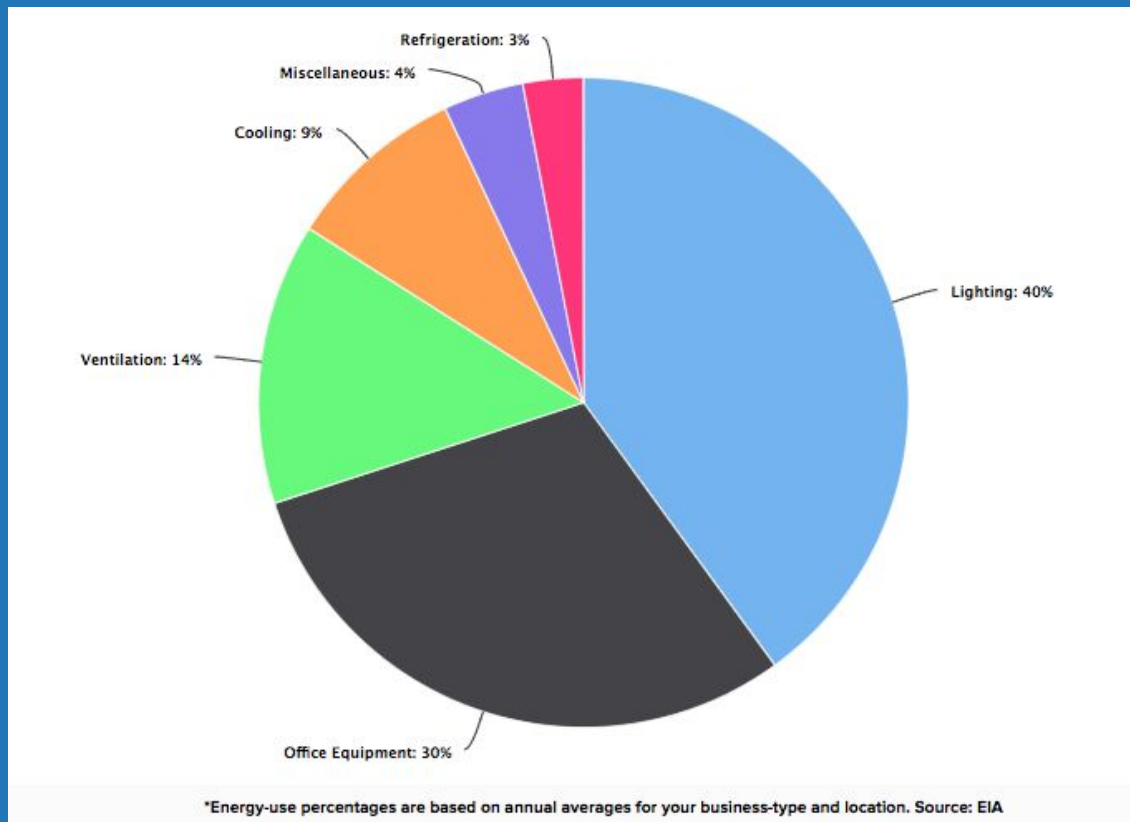
- Relative Ranking Based on Input Information (not the electricity bill)
- Annual Estimated Cost per SF
- Off Hour Energy Reduction
 - Need to review further to determine differences between buildings

Close relationship between building square footage and account ranking

Account Ranking

Account Annual Cost	Annual cost per sq ft.	Off-hour reduction
South Middle School \$ 90,633	\$0.62 / sq ft.	Reduces 58%
Thomas Middle School \$ 88,876	\$0.62 / sq ft.	Reduces 64%
Westgate School \$ 39,448	\$0.49 / sq ft.	Reduces 66%
Futabakai (Rand) \$ 39,290	\$0.47 / sq ft.	Reduces 56%
Dryden School \$ 39,106	\$0.64 / sq ft.	Reduces 39%
Windsor School \$ 39,080	\$0.48 / sq ft.	Reduces 82%
Ivy Hill School \$ 38,092	\$0.49 / sq ft.	Reduces 81%
Olive Mary Stitt School \$ 36,610	\$0.44 / sq ft.	Reduces 69%
Greenbrier School \$ 33,773	\$0.58 / sq ft.	Reduces 52%
Patton School \$ 31,591	\$0.58 / sq ft.	Reduces 56%
Dunton Administration \$ 14,891	\$0.47 / sq ft.	Reduces 57%
Miner School \$ 13,537	\$0.17 / sq ft.	Reduces 62%

Typical Annual Energy Usage Breakdown



Energy Star Scorecard



- Compares each building against similar buildings across the U.S.
- Rated on a scale of 1 - 100

Building	Energy Star Rating 2007	Energy Star Rating 2016
Windsor	57	98
Westgate	45	98
Thomas	50	98
Dryden	47	96
Olive	64	96
Miner	87	96
Patton	49	96
South	46	95
Dunton	70	93
Greenbrier	37	91
Ivy	49	85

Energy Efficiency Improvements

- **Recent Projects**

- **South Middle School Lighting Replacement** 3rd (2016), 2nd (2017), 1st (2018)
- **Boiler Replacements** at Windsor and Olive

- **Building Additions**

- LED Lighting
- Energy Efficient Condensing Boilers
- Roofs meet R-30 Throughout System

- **Future Considerations**

- Re-Lamping or Replacement of Lights with LED bulbs or fixtures
- Implement findings from ComEd / DLR Enhanced Commissioning Study
- Replacement of Watertube boilers with high efficiency condensing boilers as condition warrants
- Replacement of Dunton Thermostats with smart thermostats to provide automation for time of day schedules
- Continue to monitor market conditions for pricing opportunities

Goals - Electricity

1. Improve High Performers and Reduce Annual kWh at Elementary Schools to 5.65 kWh/sf
2. Improve Thomas and Reduce Annual kWh at South Middle School to below 6.00 kWh/sf

Facility	2017 Annual kWh Usage	Square Footage	Annual kWh / SF	Type
Windsor School	373,353	80,602	4.63	Elementary
Olive Mary Stitt School	403,709	83,293	4.85	Elementary
Westgate School	403,859	80,300	5.03	Elementary
Dryden School	369,712	61,101	6.05	Elementary
Patton School	339,276	54,934	6.18	Elementary
Ivy Hill School	485,862	77,088	6.30	Elementary
Greenbrier School	377,788	58,207	6.49	Elementary

South Middle School	937,248	146,013	6.42	Middle School
Thomas Middle School	863,000	144,270	5.98	Middle School

Goals - Gas

1. Improve High Performers and Reduce Annual (Thm) at Elementary Schools to 0.354 Thm/sf
2. Improve Thomas and Reduce Annual (Thm) at South Middle School to below 0.354 Thm/sf
 - a. Need to Review South in More Detail to Determine Higher Usage

Building	2017 Gas Usage (Thm)	Square Footage	Annual Thm / SF
Olive-Mary Stitt	24,576	83,293	0.295
Windsor	24,207	80,602	0.300
Westgate	27,413	80,300	0.341
Dryden	21,861	61,101	0.358
Patton	19,838	54,934	0.361
Greenbrier	23,334	58,207	0.401
Ivy Hill	32,387	77,088	0.420

South Middle School	58,745	146,013	0.402
Thomas Middle School	39,398	144,270	0.273