



Oak Park Elementary School District 97

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TO: Board of Education
Dr. Carol Kelley, Superintendent

FROM: Paul Starck-King, Assistant Superintendent of Finance and Operations

SUBJECT: FY2019 Tentative Budget Update Discussions

DATE: September 25, 2018

To summarize our budget process to date:

- A partial (~\$19M) preliminary budget was presented to the board on 5/8.
- On 7/24, FORC reviewed the budget adoption process and schedule. They also reviewed a proposed updating of the financial reports, budget reports and levy reports provided to FORC and the board in order to address the recently adopted transparency policy. FORC recommended the reporting package to board.
- On 8/14, the Tentative Budget (in the new format) was presented, discussed and approved by the board and publication on the notice of public hearing was also approved. This version of the Tentative Budget contained revenues that were derived from the 5-year forecast (the forecast was displayed in summary form as a chart) with the revenue assumptions described. It was also stated that the expenditures came from an existing expenditure budget file and were as yet not reviewed. The board requested regular updates of the tentative budget.
- On 8/27, FORC was presented with FY2018 Actuals (unaudited) compared to FY2018 Amended Budget. FORC was also presented with a comparison between FY2019 tentative budget and FY2018 Actuals (unaudited). The Tentative Budget (as of 8/14) was reviewed along with the 5-year projection. The FORC committee noticed that the 5-year projection was now reflecting all funds whereas previous 5-year projection discussions only involved the operating funds. FORC asked that information regarding the Holmes project payments and the scheduling of Lincoln and Longfellow project costs be next to be reflected in the budget and forecast. FORC requested that further 5-year projections only include the operating funds to facilitate comparison to prior projection reports (although "all fund" reports may also be needed from time to time).
- At the 9/4 meeting, the Board received (informational) the FY2018 Actuals (unaudited) compared to FY2018 Amended Budget that FORC saw the previous week. The tentative budget (handout) was updated to reflect the completion of the revenue budget and the Holmes, Lincoln, and Longfellow projects as requested by FORC.
- On 9/7, the board was given the to-date tentative budget information in the format seen in prior years to facilitate comparison and to gain confidence in this year's budget process.
- During the week of 9/17, FORC was presented with the current iteration of the tentative budget and a series of meetings with individual members were held. The board has received a report which summarizes the comments from individual FORC members to the board.
- On 9/25 (today), the board is being updated on the current iteration of the tentative budget in order to track changes. The following summarizes the updates:

- Real Estate taxes are more aligned with expectations than the previously used Forecast5 projections (Note: the Forecast5 model has been updated to agree to these revisions).
- TIF Settlement Payment has been adjusted upwards from \$2M (contained in the prior iteration of the Tentative Budget) to \$3M.
- TIF's are budgeted to expire as (currently) planned.
- \$9M summer work (Holmes and life safety) are budgeted to be paid for in FY2019.
- Construction costs (\$30M) and timing are reflected.
- \$7.5M of DSEB and \$30M referendum bonds issuance is reflected.
- \$1.5 fund balance transfer from O&M to Capital is reflected.