



AGENDA
BOARD OF EDUCATION – MOKENA SCHOOL DISTRICT 159
FINANCE COMMITTEE MEETING
Mokena Elementary School
May 6, 2019
7:00 PM

- I. ROLL CALL**
- II. PLEDGE OF ALLEGIANCE**
- III. PUBLIC COMMUNICATION**
- IV. Approval of Previous Minutes** 2
- V. OLD BUSINESS**
 - A. Facilities Update
- VI. NEW BUSINESS**
 - A. Amended Budget 2019-2020 4
 - B. Special Education Services Department and Function

MINUTES
MOKENA SCHOOL DISTRICT 159 FINANCE COMMITTEE
MOKENA ELEMENTARY SCHOOL
March 11, 2019

BOARD OF EDUCATION

	PRESENT	ABSENT
Dr. Victoria Albon	✓	
Mrs. Debi Blank	✓	
Mr. Eric Bush	✓	
Mr. Alex Fenske	✓	
Ms. Laurel McGowan	✓	
Mrs. Carolyne Scanlan	✓	
Dr. Teri Shaw	✓	
Mrs. Rita Ulrich	✓	
Mrs. Bonnie Ushijima	✓	
Dr. Don White		✓
Mrs. Lisa Zielinski	✓	

BOE Members present: Jennifer Riedl, Mr. Everett

STAFF present: Janet Walker

VISITORS present: None

PRESS: None

ROLL CALL /PLEDGE OF ALLEGIANCE

At 7:00pm Roll Call was taken; Chairman Bush led the committee and audience in the reciting of the Pledge of Allegiance.

III. COMMUNICATIONS

PUBLIC: None

IV. APPROVAL OF PREVIOUS MINUTES

A motion was made by Mr. Bush to approve the February 11, 2019 minutes as presented; Mrs. Albon second the motion.

V. OLD BUSINESS

VI. NEW BUSINESS

A. Food Service Review

- Revenue started to decline in 2011, but started to go back up in 2016
- Reasons for decline:
 - Declining enrollment
 - Placed a variety on the menu that was not well received
 - Moved to healthier foods that was not well received
- Food Service expenses made up of:
 - Salaries
 - Benefits
 - Purchases Services
 - Supplies & Materials
 - Joined the cooperative for better pricing; Supplies & Materials went down
 - Buying through the contract – Rather than buying what you may want, you buy what is available

- Revenue versus Expense History
 - \$11.00 loss per student in 2018
 - Total (\$17,883)
 - Revenue Comparison
 - Revenue received is mostly from local sources
 - Food Service accounts for 1.73% of total operating revenue
 - District received \$194 per student for food service in 2018
 - Expense Comparison
 - District spends 1.89% of its total operating budget on Food Service
 - District spends \$202 per student on food service per year
 - Future revenue is projected to be flat
 - Future expenses appear to be going up
 - Questions:
 - Board policy is to have a nonprofit lunch account
 - Should we consider raising lunches this year or next year by 5 cents or 10 cents?
 - Lunches ~ $(43,756 * .05 = \mathbf{\$2,187.80})$
 - Lunches ~ $(43,756 * .10 = \mathbf{\$4,375.60})$
 - There is room for an increase from a \$3.05 lunch
- B. Custodian and Maintenance RFP Update
- Five companies submitted bids
 - Multisystems is out because it was considered a non-responsive bidder; the bid was incomplete
 - Decisions:
 1. RJB has lowest bid using our Current Model at \$797,127
 2. ABM has lowest bid for Custodial at \$515,288
 3. Aramark has lowest bid for Maintenance at \$257,901
 4. Renew current ABM contract by increase of 1.9% (CPI) at \$821,974
 - Weekly report card for ABM has been all A's for custodial work

VII. ITEMS FOR APRIL 8, 2019 MEETING

- A. Amended Budget
- B. Custodial and Maintenance update

VIII. ADJOURNMENT

At 7:47pm Chairman Bush adjourned the Finance Committee March 11, 2019 meeting. Mrs. Ulrich second the motion. Committee adjourned all in favor.

Minutes Respectfully Submitted by
Janet Walker, Administrative Secretary



May 2019 Finance Committee Amended Budget Publish Tools

Budget Fiscal Year 2019	Beginning Fund Balance	Revenue	Expenses	Over/Under	Ending Fund Balance	Percentage of balance to annual expenditures
EDUCATION FUND	7,975,439	15,300,530	15,301,796	(1,266)	7,974,173	52%
OPERATIONS & MAINTENANCE	1,978,700	1,785,198	2,910,900	(1,125,702)	852,998	29%
BOND & INTEREST FUND	1,470,354	2,209,566	2,262,387	(52,821)	1,417,533	63%
TRANSPORTATION FUND	1,454,008	685,874	990,198	(304,324)	1,149,684	116%
MRF/SOCIAL SECURITY FUND	268,243	372,766	476,256	(103,490)	164,753	35%
SITE AND CONSTRUCTION/CAPITAL	59,843	2,500	-	2,500	62,343	
of New Construction	5,545				5,545	
WORKING CASH FUND	2,241,870	93,419	1	93,418	2,335,288	233528800%
TORT FUND	116,906	142,394	153,101	(10,707)	106,199	69%
LIFE SAFETY FUND	803	-	-	-	803	
Totals:	15,571,711	\$ 20,592,247	\$ 22,094,639	\$ (1,502,392)	14,069,319	64%

4:20 Fund Balances

The School District seeks to maintain the year-end average fund balance to no less than the range of 33-65 percent of the annual expenditures in each fund. In the event that the year-end average fund balance falls outside of this range the Superintendent or designee shall provide the Board with an explanatory report detailing plans for operating outside the established range and a timeline for returning within this range. For example, implementing a curriculum or technology improvement plan, or saving for a significant capital improvement project.

Amended Budget Fiscal Year 2019	Beginning Fund Balance	Revenue	Expenses	Over/Under	Ending Fund Balance	Percentage of balance to annual expenditures
EDUCATION FUND	7,975,439	15,275,087	15,459,044	(183,957)	7,791,482	50%
OPERATIONS & MAINTENANCE	1,978,700	1,794,198	2,944,400	(1,150,202)	828,498	28%
BOND & INTEREST FUND	1,470,354	2,217,566	2,262,387	(44,821)	1,425,533	63%
TRANSPORTATION FUND	1,454,008	638,061	987,677	(349,616)	1,104,392	112%
IMRF/SOCIAL SECURITY FUND	268,243	424,386	510,372	(85,986)	182,257	36%
SITE AND CONSTRUCTION/CAPITAL	59,843	4,500	-	4,500	64,343	
New Construction	5,545				5,545	
WORKING CASH FUND	2,241,870	98,419	1	98,418	2,340,288	234028800%
TORT FUND	116,906	144,493	153,101	(8,608)	108,298	71%
LIFE SAFETY FUND	803	-	-	-	803	
Totals:	15,571,711	\$ 20,596,710	\$ 22,316,982	\$ (1,720,272)	13,851,439	62%

\$217,880 increase in expenses

Mainly in Education Fund – salary & benefits adjustments as we transition to site-based accounting; additional SPED funding Adjustment in O&M for additional HVAC work

Revenue - \$50,000 less in SPED transportation reimbursement from state



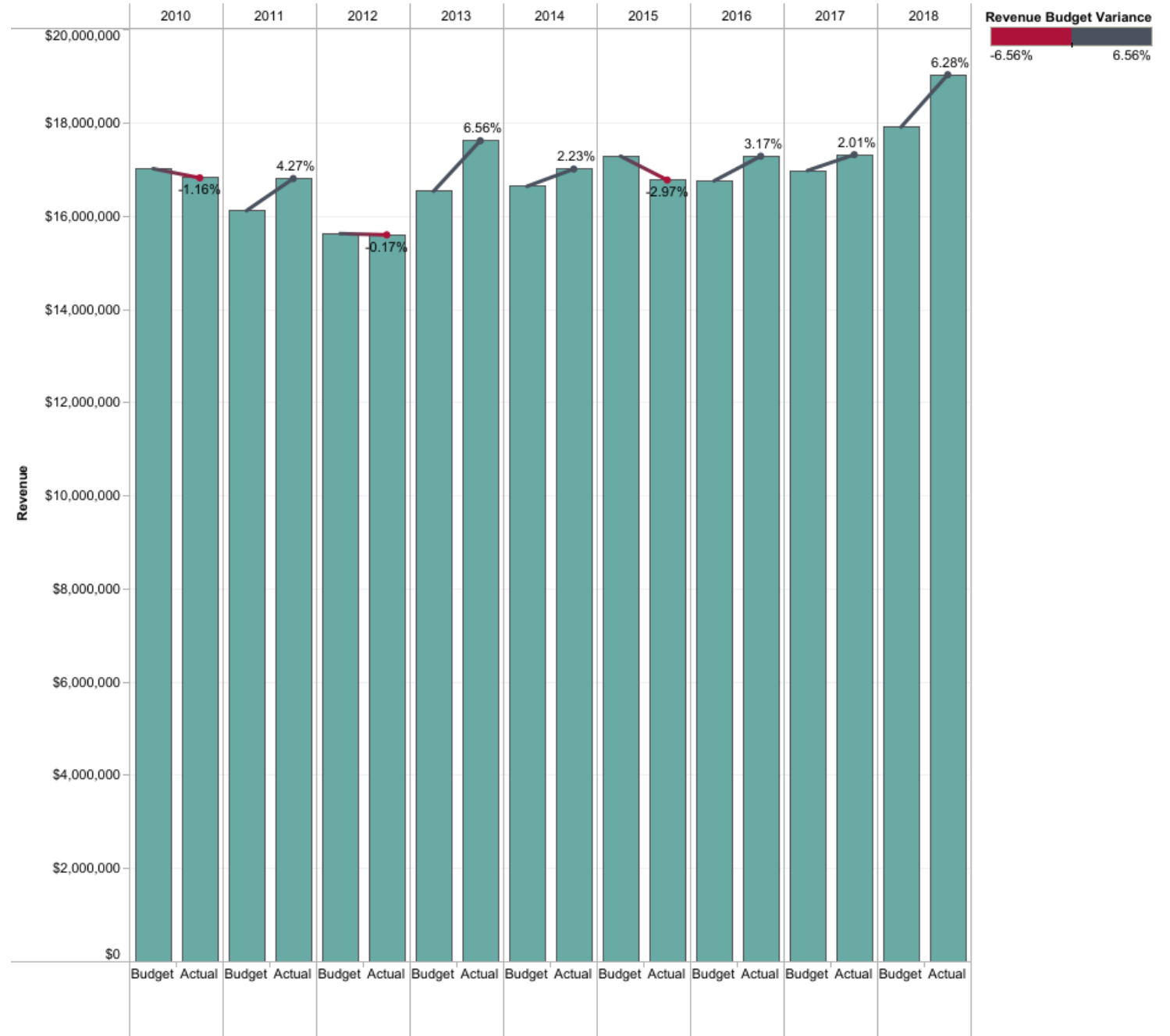
- Revenues
- Budget to Actual
- 6/9 years budget surplus
- 3/9 years budget deficit

7

Revenue Budget Performance

Mokena SD 159

Source: Budget and AFR





- Expenses
- Budget to Actual
- 9/9 years budget surplus
- Under budget each year

8

Expense Budget Performance

Mokena SD 159

Source: Budget and AFR

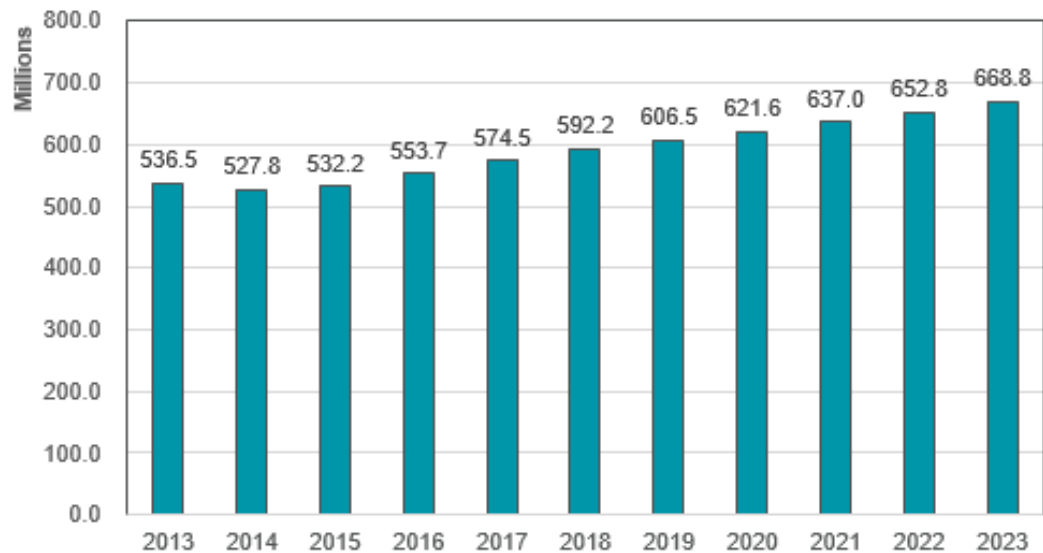


Equalized Assessed Valuation Analysis

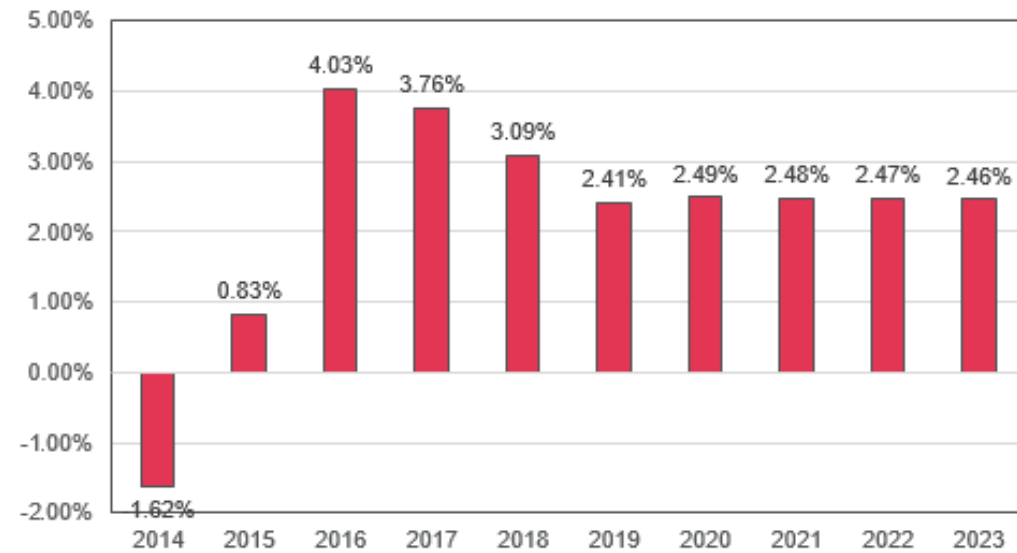
LEVY YEAR	ACTUAL 2013	ACTUAL 2014	ACTUAL 2015	ACTUAL 2016	ACTUAL 2017	PROJECTED 2018	PROJECTED 2019	PROJECTED 2020	PROJECTED 2021	PROJECTED 2022	PROJECTED 2023
Consumer Price Index	1.70%	1.50%	0.80%	0.70%	2.10%	2.10%	1.90%	2.00%	2.00%	2.00%	2.00%
Equalized Assessed Valuation (EAV)	536,496,945	527,828,734	532,203,181	553,652,807	574,488,096	592,223,676	606,475,926	621,605,444	637,037,553	652,778,304	668,833,870
% Change in EAV		-1.62%	0.83%	4.03%	3.76%	3.09%	2.41%	2.49%	2.48%	2.47%	2.46%
New Growth	2,674,357	4,583,550	3,452,235	6,623,232	5,692,805	7,644,024	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
% of Total EAV	0.50%	0.87%	0.65%	1.20%	0.99%	1.29%	0.49%	0.48%	0.47%	0.46%	0.45%
Existing EAV		(13,251,761)	922,212	14,826,394	15,142,484	10,091,556	11,252,250	12,129,519	12,432,109	12,740,751	13,055,566
% of Total EAV		-2.47%	0.17%	2.79%	2.74%	1.76%	1.90%	2.00%	2.00%	2.00%	2.00%



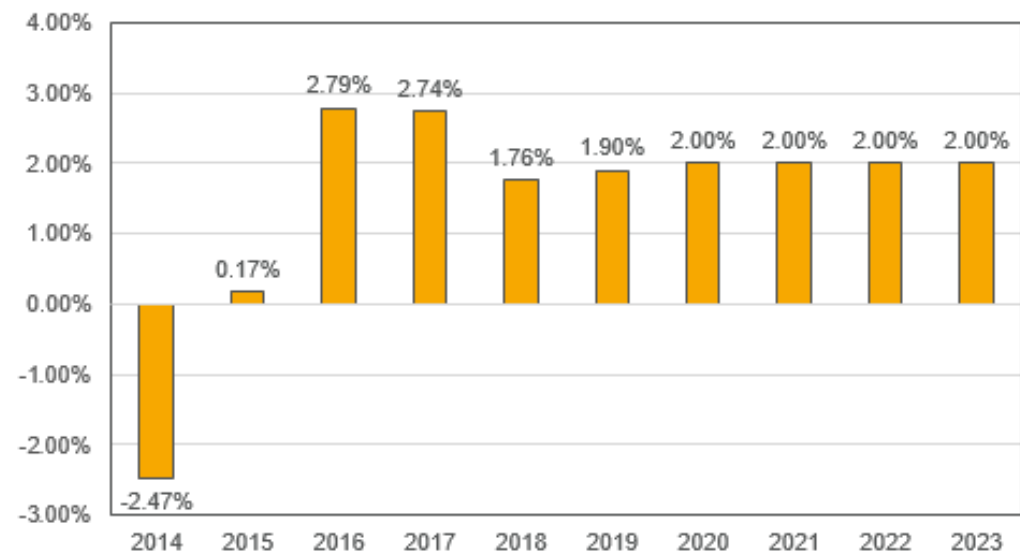
Total EAV Analysis



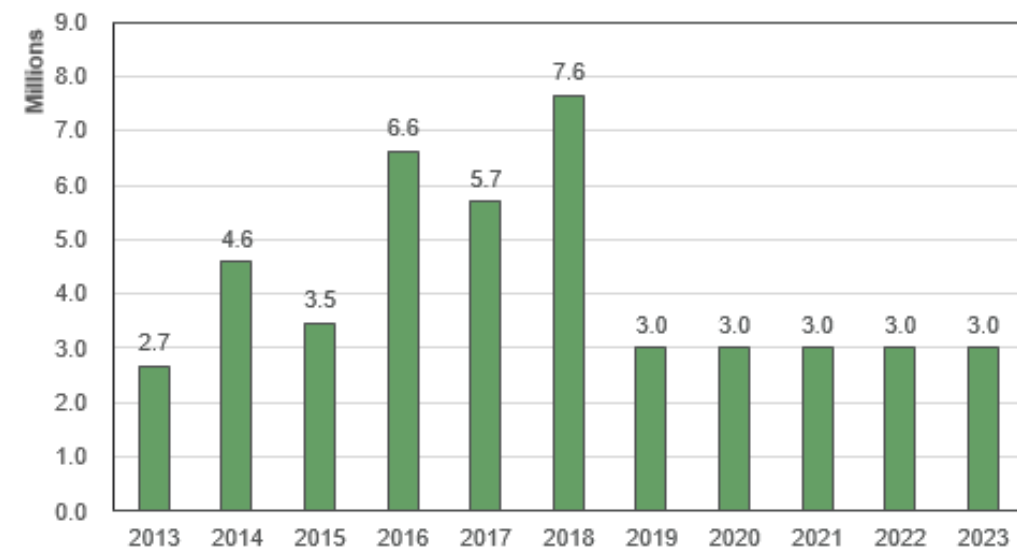
Total EAV % Change



Existing EAV % Change



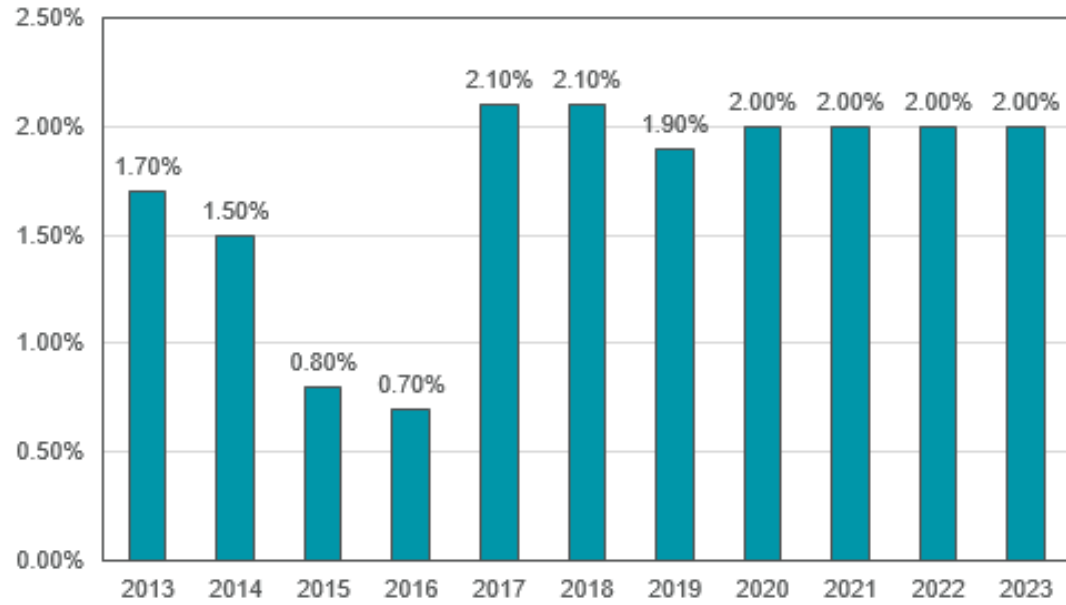
New EAV Growth



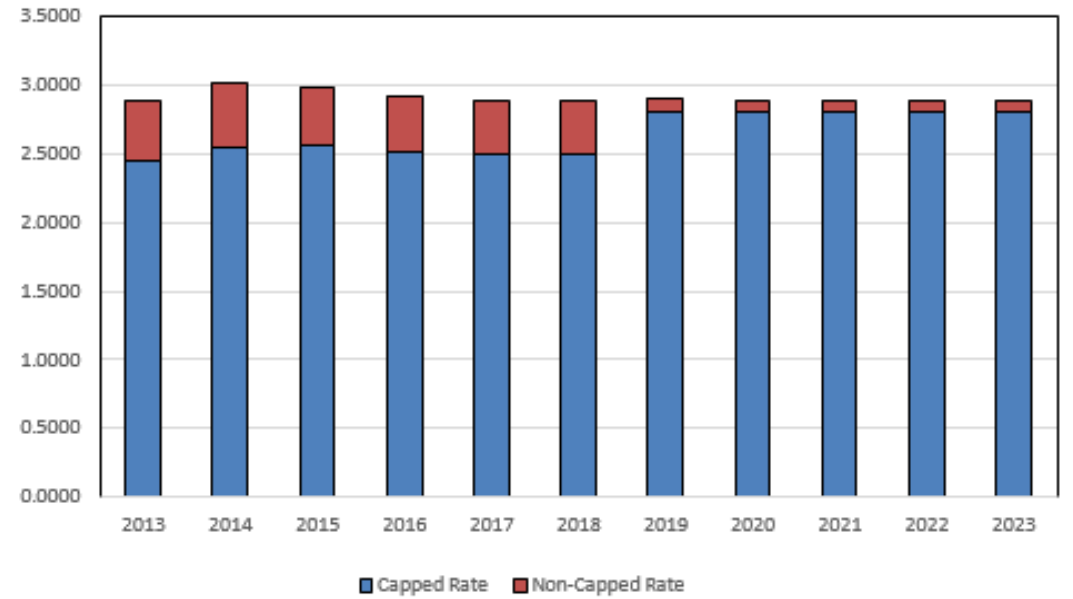
Extension Analysis and Consumer Price Index Assumptions

	2017		2018		2019		2020		2021		2022		2023	
	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate
Education Fund	11,625,341	2.0236	12,074,108	2.0388	12,384,107	2.0420	12,693,048	2.0420	13,008,169	2.0420	13,329,591	2.0420	13,657,443	2.0420
Leasing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Education	467,633	0.0814	476,399	0.0804	487,864	0.0804	500,034	0.0804	512,448	0.0804	525,111	0.0804	538,026	0.0804
Other Tax Levies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operations & Maintenance Fund	1,221,362	0.2126	1,243,733	0.2100	3,073,664	0.5068	3,150,342	0.5068	3,228,553	0.5068	3,308,328	0.5068	3,389,699	0.5068
Other Tax Levies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	2,248,546	0.3914	2,250,250	0.3800	550,000	0.0907	550,000	0.0885	550,000	0.0863	550,000	0.0843	550,000	0.0822
Transportation Fund	417,653	0.0727	426,033	0.0719	436,286	0.0719	447,170	0.0719	458,272	0.0719	469,595	0.0719	481,145	0.0719
Other Tax Levies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IMRF Fund	197,049	0.0343	200,870	0.0339	205,704	0.0339	210,835	0.0339	216,070	0.0339	221,409	0.0339	226,854	0.0339
IMRF Fund Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Security/Medicare Fund	197,049	0.0343	200,870	0.0339	205,704	0.0339	210,835	0.0339	216,070	0.0339	221,409	0.0339	226,854	0.0339
Other Tax Levies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Working Cash Fund	68,939	0.0120	70,512	0.0119	72,209	0.0119	74,010	0.0119	75,847	0.0119	77,722	0.0119	79,633	0.0119
Tort Fund	148,218	0.0258	151,097	0.0255	154,733	0.0255	158,593	0.0255	162,530	0.0255	166,546	0.0255	170,643	0.0255
Fire Prevention and Safety Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$16,591,791	2.8881	\$17,093,871	2.8864	\$17,570,271	2.8971	\$17,994,869	2.8949	\$18,427,959	2.8928	\$18,869,711	2.8907	\$19,320,297	2.8887
Tax-Capped Totals	\$14,343,244	2.4967	\$14,843,621	2.5064	\$17,020,271	2.8064	\$17,444,869	2.8064	\$17,877,959	2.8064	\$18,319,711	2.8064	\$18,770,297	2.8064

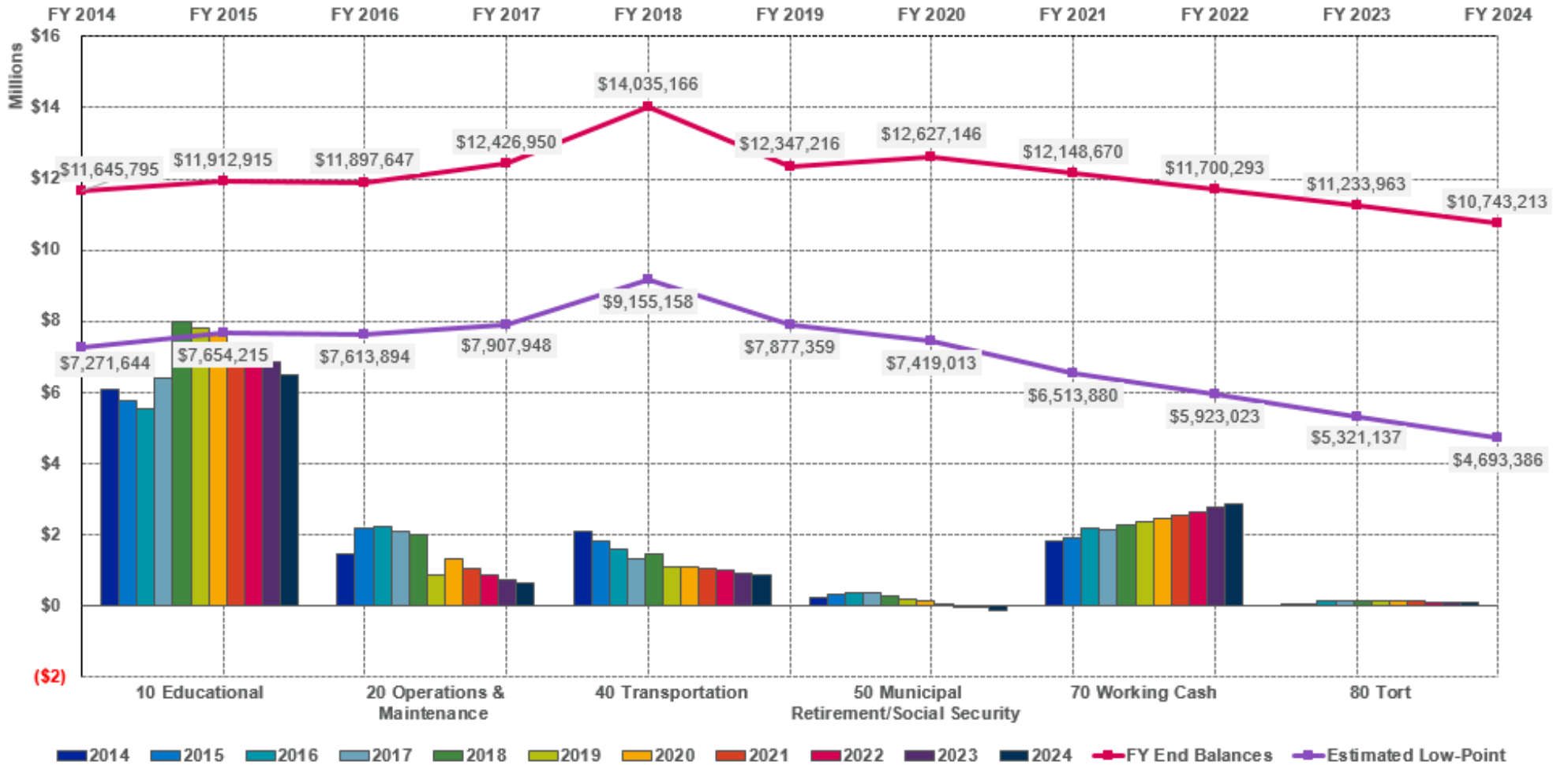
Consumer Price Index



Total Tax Rate



Projected Year-End Balances

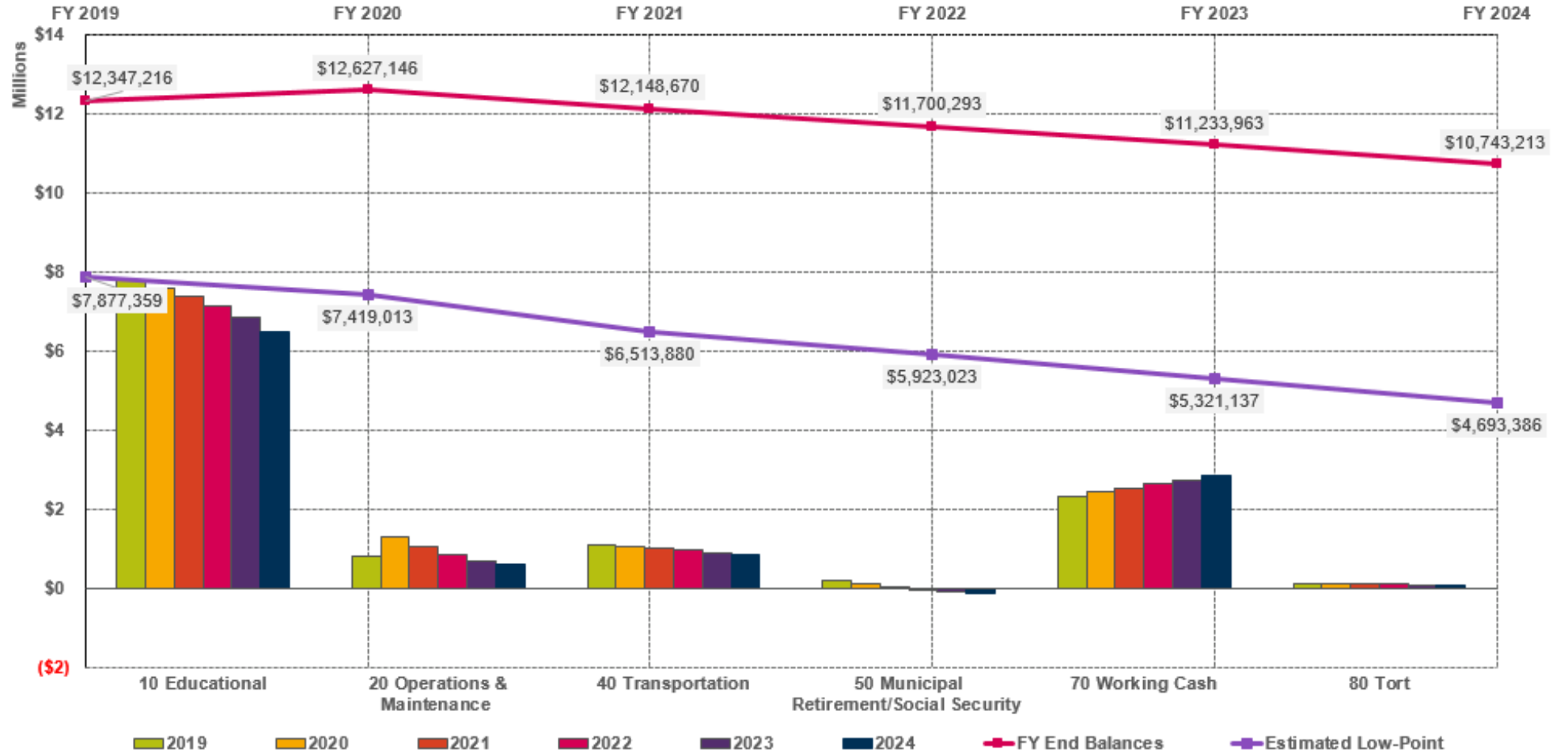


Operating Funds only

Purposeful spend down of funds per board policy in FY2019

Increasing fund balances from 2014 – 2018

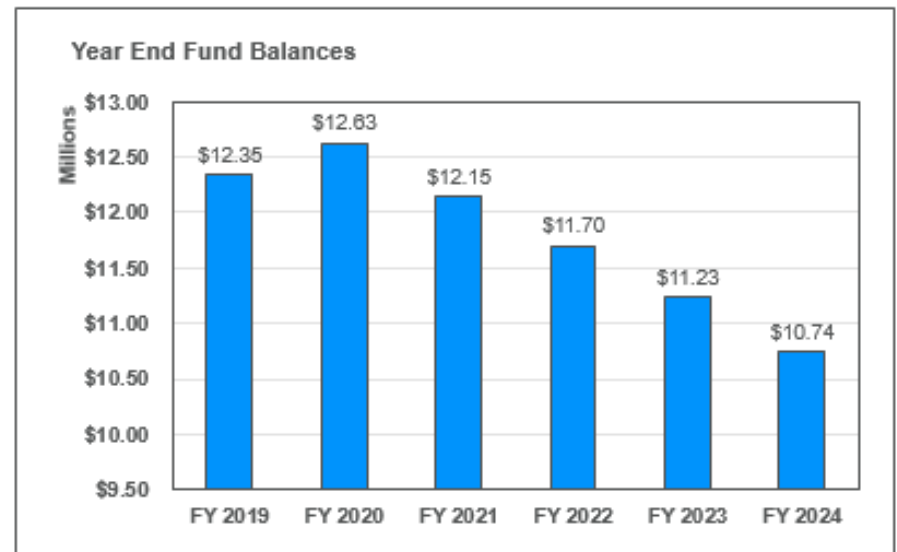
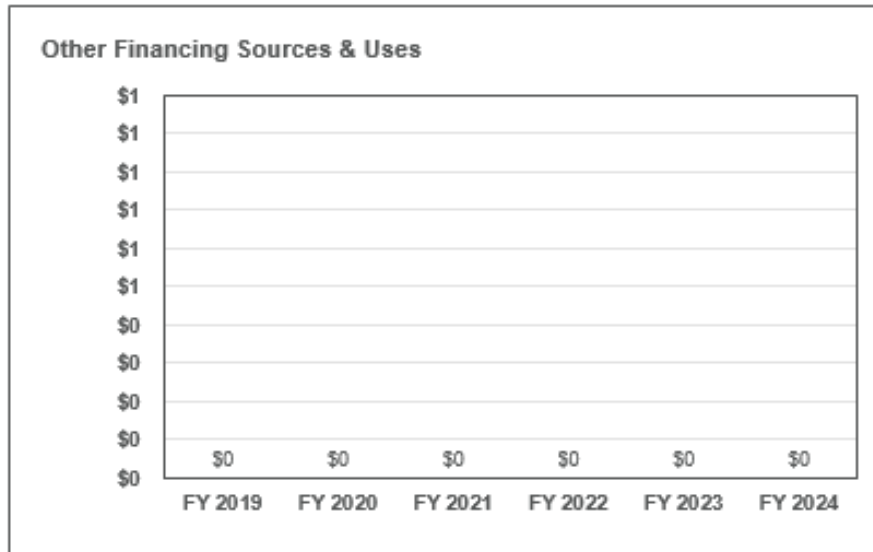
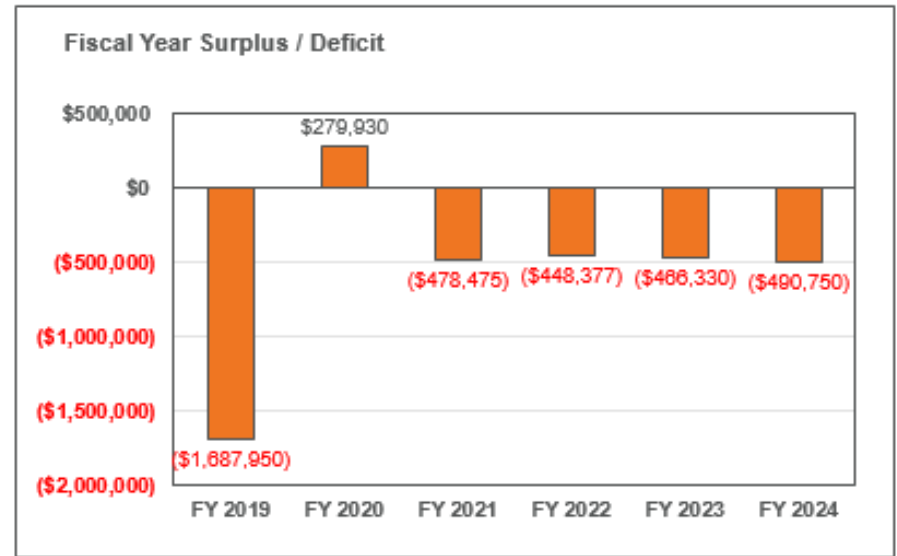
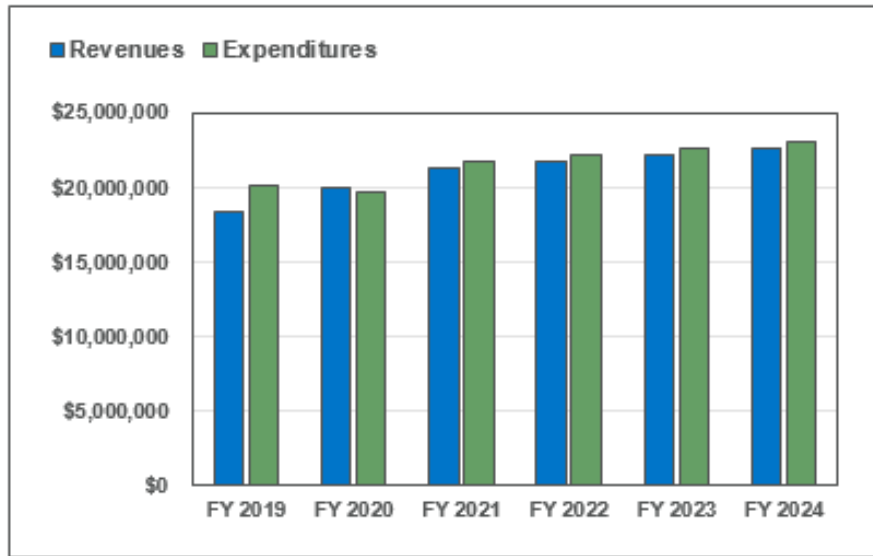
Aggregate View - Projection Summary



Slight increase in fund balance from 2019-2020 in base scenario

Proceeds from O&M referendum will affect 2020 fund balance as 50% of proceeds will be received in 2020 and 100% in 2021 and forward because of how Will County disburses property taxes

Projection Summary



Blue bar represents revenue and green expenditures

FY2019 has a planned deficit

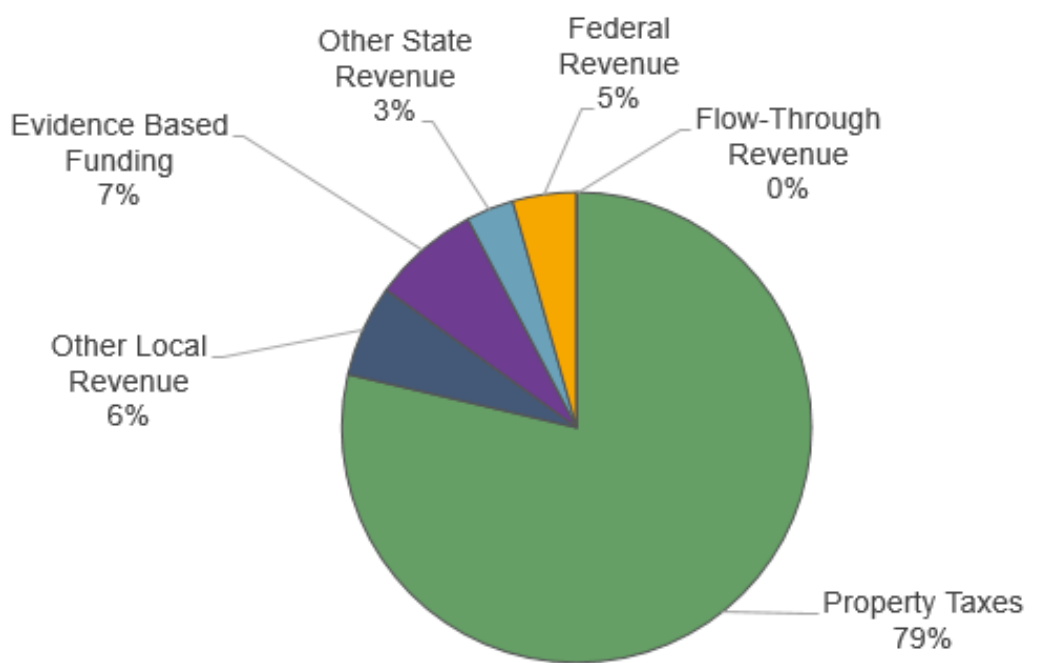
FY2020 will have a budget surplus

FY2021-2024 will have budget deficits

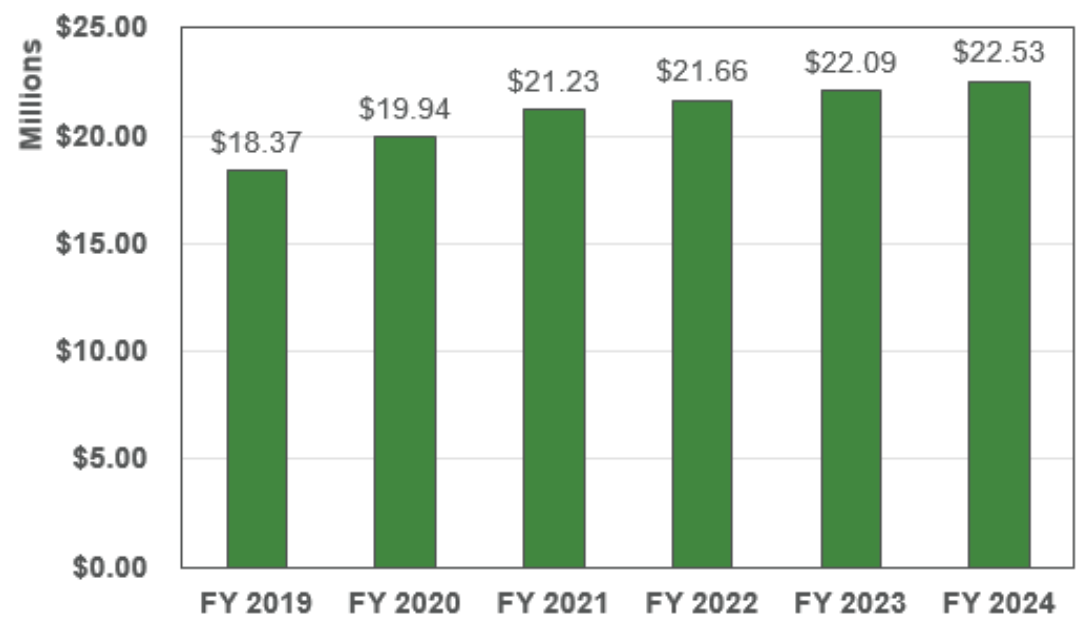
Year end fund balances will decrease

All based on current assumptions

Budgeted Revenue Allocation by Source

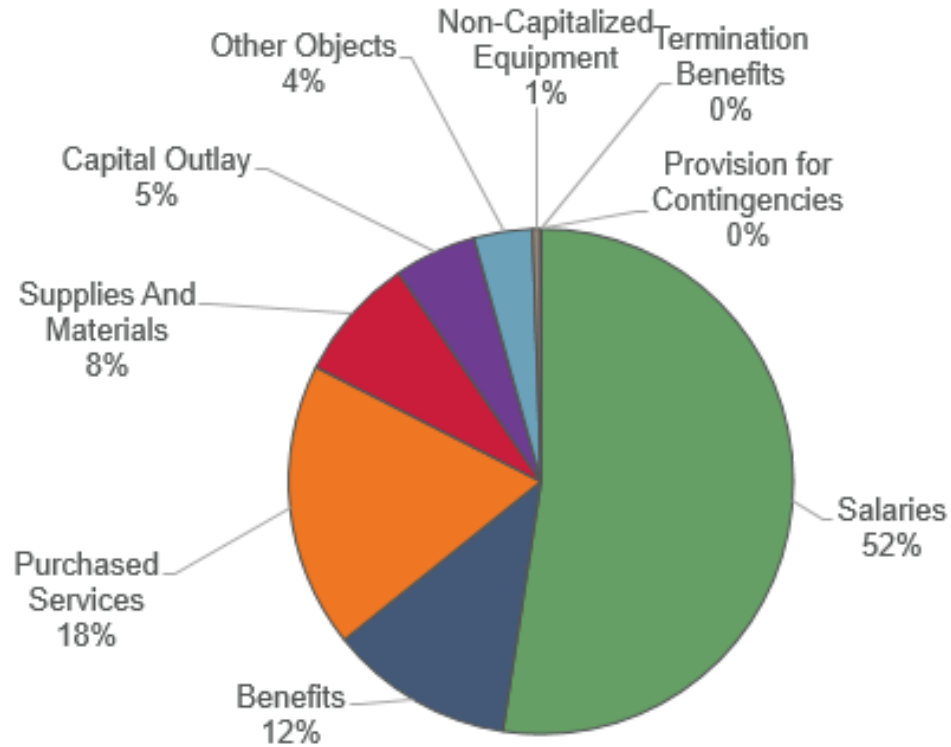


Revenue Projection

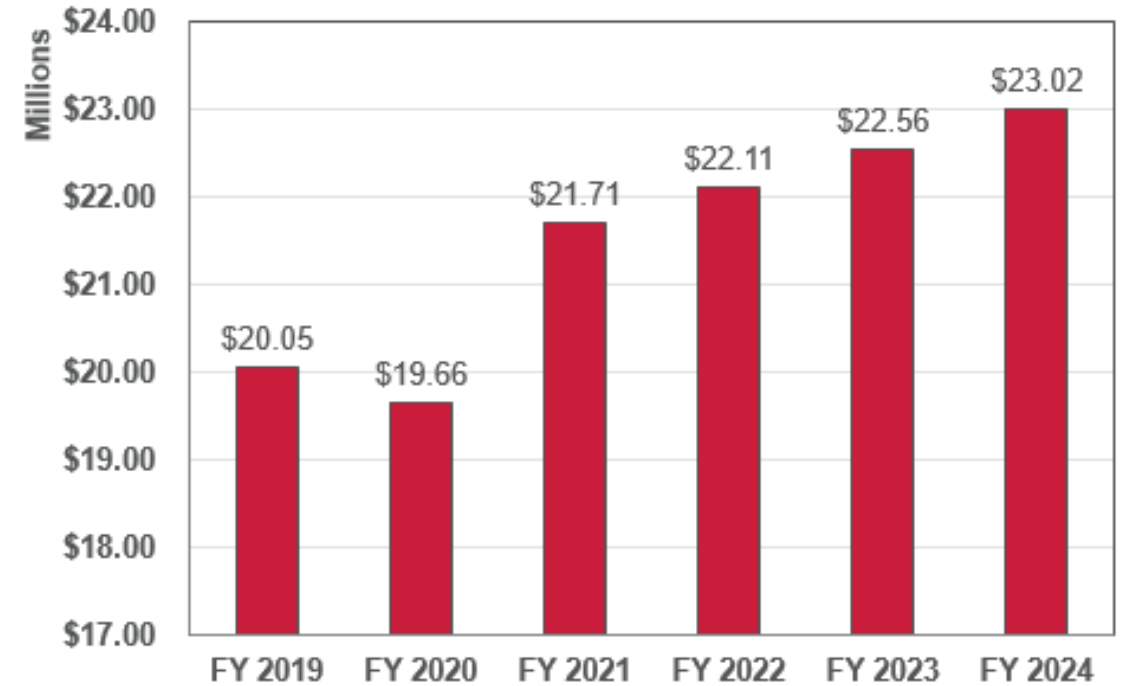


Property Taxes account for almost 80% of revenues
State Funding 16%
Federal Funding 5%

Budgeted Expenditure Allocation by Object



Expenditure Projection



Salaries and Benefits make up 64% of budget

Much of the 18% of purchased services is for personnel

Supplies and Materials only 8% of budget

Capital Outlay – With significant expenses the year make up 5% of budget

Other Objects include the bond payments and payments to SPED are 4% of budget

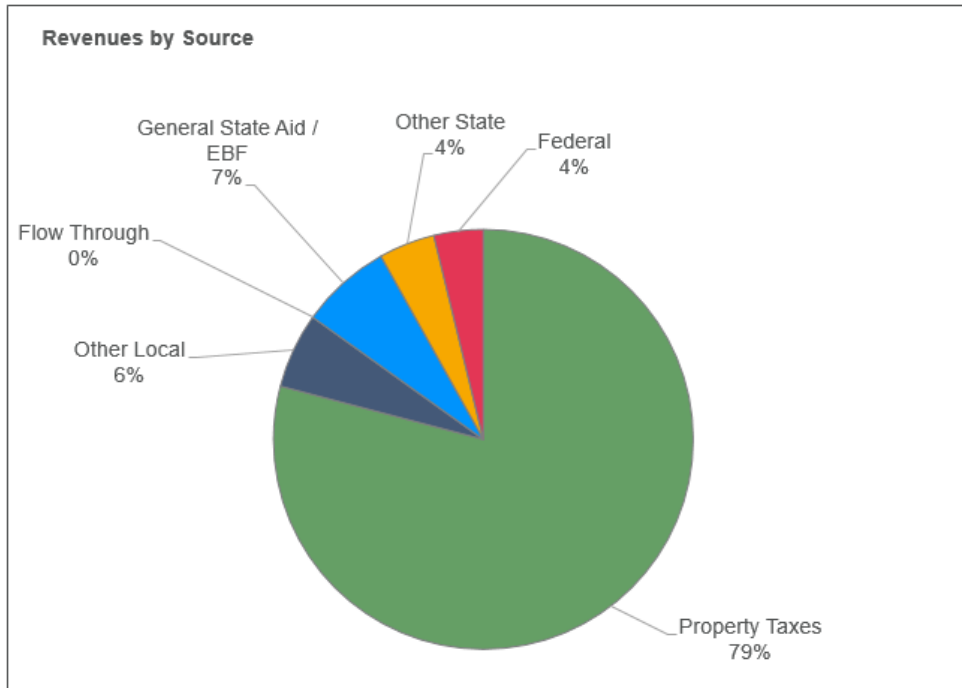
Non-cap equipment – mainly technology including copiers and intercoms are only 1% of budget

Projections are mostly CPI based for projections of expenses



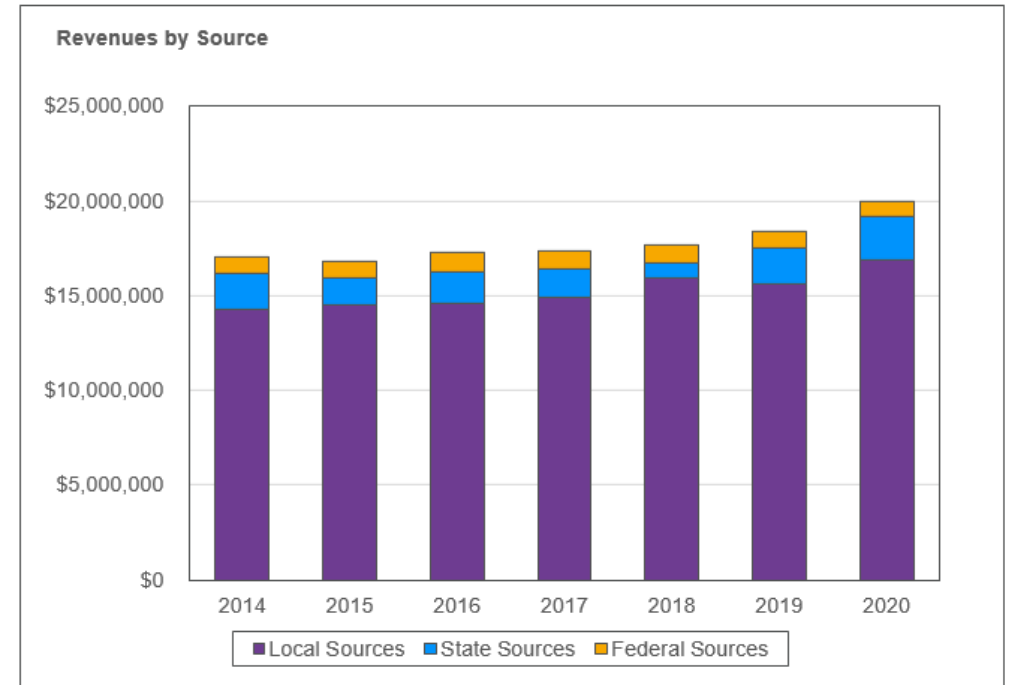
Aggregate Funds

Mokena SD 159 | 2020



Aggregate Funds

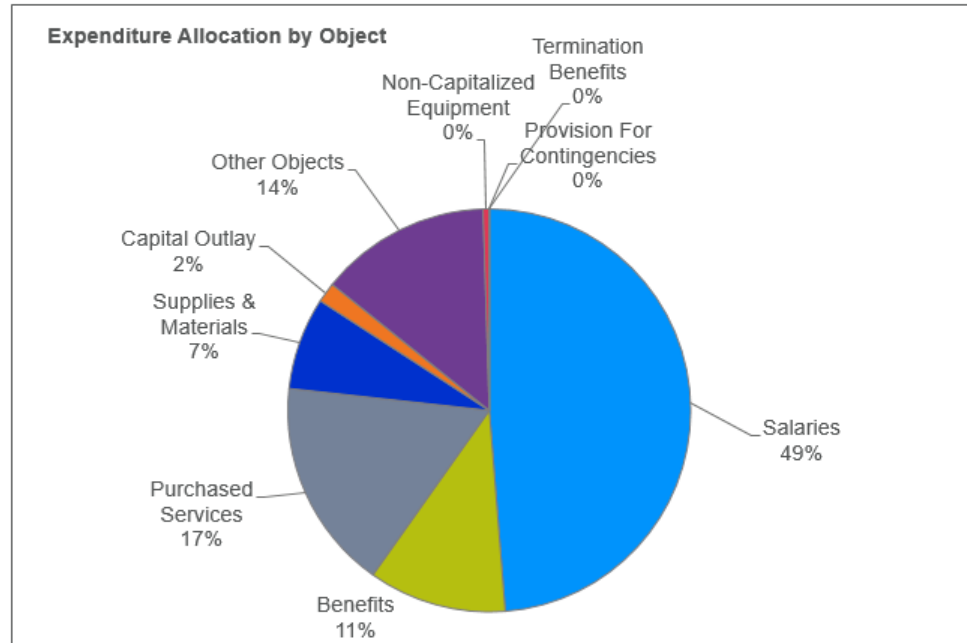
Mokena SD 159 | Historical Actuals, 2019 BUDGET, and 2020



Revenue for All funds
Historical perspective for all funds revenue

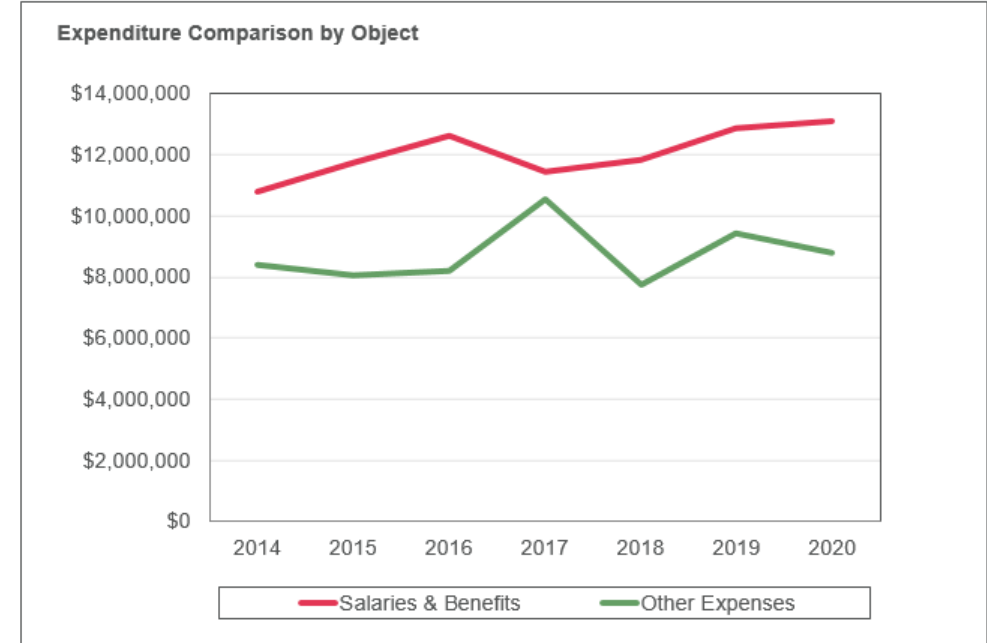
All Funds

Mokena SD 159 | 2020



All Funds

Mokena SD 159 | Historical Actuals, 2019 BUDGET, and 2020



Expenses across All Funds

Salary & Benefits are 60%

Purchased Services which is mainly personnel costs account for 17%

Supplies & Materials are 7%

Capital Outlay 2%

Other Objects are at 14%





Line Item Transfers

The school board may from time to time, by Board Resolution, make transfers between various items in any one fund so long as transfers do not exceed in the aggregate 10% of the total of such fund as set forth in the budget.

Example: Educational Fund Budget - \$1,000,000 x 10% - \$100,000

- ✓ *Transfer \$65,000 from Function 6000 Provision for Contingencies to Function 1000 Instruction*
- ✓ *Transfer \$35,000 from Function 6000 Provision for Contingencies to Function 2400 Support Services – School Administration*

The total of both transfers equals 10% of the Educational Fund Budget. If the school board wants to make another transfer from Function 6000, the board must follow the original budget adoption process.

Budget Amendments

The board may from time to time amend such budget by the same procedure as for the budget's original adoption. These requirements include:

- Post notice of budget hearing and availability of budget for public inspection for at least 30 days prior to budget hearing.
- Adopt amended budget at a public meeting held after the budget hearing.
- Post amended budget on the district website (if applicable).
- Submit amended budget electronically to ISBE within 30 days of adoption using the ISBE Attachment Manager at: <https://sec1.isbe.net/attachmgr/default.aspx>.





Questions?