

# WEST BLOOMFIELD SCHOOL DISTRICT

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ASSISTANT SUPERINTENDENT FOR  
BUSINESS AND OPERATIONS



MEMORANDUM  
February 24, 2019

TO: Superintendent Hill & Board of Education  
FROM: William Mull, Asst. Superintendent  
RE: 2018-19 Budget Amendment #1: General Fund  
Building & Site Sinking Fund

## GENERAL FUND BUDGET AMENDMENT SUMMARY:

WEST BLOOMFIELD SCHOOL DISTRICT				
2018-19 GENERAL FUND AMENDMENT #1				
	2/24/19			
	Amendment #1	Amendment #1	Original Budget	Actual
	2/24/19	Change	6/18/18	2017-18
Beginning Fund Balance, July 1	\$ 9,883,941	\$ -	\$ 9,883,941	\$ 8,309,263
REVENUES	65,301,230	1,198,722	64,102,508	64,609,299
EXPENDITURES	66,561,692	946,154	65,615,538	63,034,621
OPERATING SURPLUS (DEFICIT)	(1,260,462)	252,568	(1,513,030)	1,574,678
Ending Fund Balance, June 30	\$ 8,623,479	\$ 252,568	\$ 8,370,911	\$ 9,883,941
Ending Fund Balance as % of Revenues	13.2%	0.1%	13.1%	15.3%

The budgeted spending deficit for 2018-19 has improved by \$252,568. Assuming zero budget variance, the forecasted fund balance on June 30 is \$8.6 million or 13.2% of budgeted revenues. It is likely that there will be a budget variance based on year end audit results that would directly affect this forecast.

Budgeted revenues are increasing by \$1,198,722. To summarize the change in budgeted revenues:

SUMMARY OF CHANGES TO BUDGETED REVENUES		Change in Dollars
Foundation Allowance Revenue		\$ 324,911
Blended Pupil Count Original Budget	5,446	
Blended Pupil Count Amendment #1	5,535	
Net Change in Blended Pupil Count	88.6	
Grant Funded Programs (offset by expenditures)		220,960
Categorical Revenue offset by Retirement Expense		192,966
Special Education Revenue Sources		
State Categorical Revenue		41,803
One-time Prior Year Adjustments to State Aid		300,000
Tuition Revenue		(21,610)
Interest Earnings		100,000
Other adjustments to State and Local Revenue (multiple accounts - net)		39,692
<b>TOTAL CHANGE IN BUDGETED REVENUES</b>		<b>\$ 1,198,722</b>

Budgeted expenditures are increasing by \$946,154. To summarize the change in budgeted expenditures:

SALARIES	Change in FTE's	Change in Dollars	ALL OTHER EXPENDITURES	Change in Dollars
<b>ADMIN/SUPERVISORY POSITIONS</b>			<b>BENEFITS</b>	
Maintenance & Operations	1.0	100,905	Retirement	136,936
Transitions coordinator	0.4	34,881	Health Ins	(55,092)
Athletic Director	0.5	19,980	FICA	(379)
High School AP's	0.5	19,455	Dental	(23,350)
Business Office	(0.2)	(24,190)	All Other (net)	(282)
Sub-total	2.2	151,031	Sick/Vaca Payouts	25,900
			<b>TOTAL CHANGE IN BENEFITS</b>	<b>83,733</b>
<b>CLERICAL</b>		(18,809)	<b>SUBSTITUTE EMPLOYEES</b>	
			Employee Teachers	48,711
<b>GENERAL ED CERTIFIED</b>			Contracted Teachers	54,390
Elementary Teachers	5.9	183,633	Contracted Paras	1,418
Middle School Teachers	1.1	(54,285)	<b>TOTAL SUBSTITUTE EMPLOYEES</b>	<b>104,519</b>
High School Teachers	0.5	(16,171)		
High School CTE Teachers	0.8	63,042	<b>GRANT FUNDED PROGRAMS</b>	Offset by Revenues <b>220,960</b>
Supplemental Pay Stipends		64,305		
Non-Public School Teachers	(2.0)	(55,533)	<b>ALL OTHER</b>	
Sub-total	6.3	184,991	Curriculum & Instruction	District-wide textbooks 100,000
			Curriculum & Instruction	Science Kits 20,000
<b>ESL Teachers</b>	(1.0)	(57,803)	Pupil Transportation	Purch Svcs/Supplies (69,168)
			Maintenance/Operations	Purch Svcs/Supplies 63,600
<b>SPECIAL ED CERTIFIED</b>			Utilities	District-wide (net) (36,050)
AI Teachers/Certified	1.2	33,314	Property & Liability Insurance	District-wide (10,000)
MiCi Teachers	(1.0)	(117,062)	Other Miscellaneous Adjustments	Multiple Depts (net) (4,656)
ECSE Teachers	(0.5)	(17,080)	<b>TOTAL ALL OTHER</b>	<b>63,726</b>
EI Teachers		(22,037)		
Resource Room Teachers	1.1	96,105		
Speech Therapists	2.8	160,423		
School Social Workers	1.1	144,583		
Sub-total	4.7	278,246		
<b>MEDIA SPECIALISTS</b>		(25,591)		
<b>GUIDANCE COUNSELORS</b>	0.4	20,812		
<b>CURRICULUM SPECIALISTS</b>		69,966		
<b>PARAEDUCATORS</b>		(82,997)		
<b>District-wide Severance Pay</b>		(46,400)		
<b>Changes to Multiple Accounts (NET)</b>		(230)		
<b>TOTAL CHANGE IN SALARIES</b>	<b>12.56</b>	<b>473,216</b>	<b>TOTAL CHANGE IN BUDGETED EXPENDITURES</b>	<b>946,154</b>



## BUILDING & SITE SINKING FUND:

The Building & Site Sinking Fund shows a projected fund deficit of (\$2,830,769) on June 30. This is primarily due to the investment of comprehensive HVAC upgrades at all school buildings in conjunction with the 2017 bond issue. The district will require a bridge loan in order to finance these HVAC upgrades simultaneously to bond renovation projects.

This strategy has been developed along with bond projects in order to improve learning environments and in order to immediately begin to realize cost savings in the general fund resulting from high-efficiency HVAC replacement equipment.

Also attached is the updated remaining 8-year projection for the building and site sinking fund. Roofing projects have been updated and scheduled according to the recent district roofing assessment of October 2018 prepared by Roofing Technology Associates, Livonia MI. Future projects within the multi-year projection must be vetted individually and require Board consensus in order to move forward.

	AMEND 1 BUDGET 2018-19	INCREASE (DECREASE) AMEND 1	ORIGINAL BUDGET 2018-19	ACTUAL 2017-18	ACTUAL 2016-17
BEGINNING FUND BALANCE	\$ (623,052)	\$ -	\$ (623,052)	\$ 155,372	\$ 16,239
REVENUES					
Millage Levy: 1.2071	2,217,263	-	2,217,263	2,176,671	2,137,674
			1.9%	1.8%	0.8%
EXPENDITURES					
General Repairs district-wide (annual)	186,372	(13,628)	200,000	166,273	
District-wide concrete "flags" (annual)	68,628	13,628	55,000	57,699	
WBHS Stadium Track & Field Turf Replacement	-	-	-	1,067,230	
WBHS Roofing project	632,570	632,570	-	682,838	
Doherty Asphalt reconstruction project	-	-	-		
WBHS Concrete driveway entrances	-	-	-		
Sheiko Roof Replacement	376,500	376,500	-		
District-wide HVAC/Energy Conservation Improvements:	-	-	-		
Boiler Replacement Roosevelt Elementary	-	-	-		
Boiler Replacement Sheiko Elementary	-	-	-		
Boiler Addition WBHS Pool	-	-	-		
Chiller Replacement Scotch Elementary	-	-	-		
District HVAC Controls upgrades	-	-	-		
WBHS Ph I+Ph II HVAC project (w/ bond)	438,911	91,640	347,271	364,556	
Sheiko Pre-Purchase plus HVAC project (w/ bond)	510,035	(262,561)	772,596	421,889	
Doherty Pre-Purchase plus HVAC project (w/ bond)	742,986	(27,774)	770,760	101,415	
Transportation building HVAC upgrades renovation (w/ bond)	162,089	(20,259)	182,348	74,757	
Gretchko HVAC project Phase II (w/ bond)	360,879	360,879	-	6,000	
Scotch HVAC project Phase II (w/ bond)	817,209	817,209	-	5,778	
Roosevelt HVAC project (w/ bond)	-	-	-		
Special Consultants (CM Pre-Constr Svcs Bond work Ph II)	33,460	33,460			
Special Consultants (district roofs assessment)	18,340	(1,460)	19,800	3,960	
Special Consultants (HVAC commissioning)	74,000	39,000	35,000		
Taxes Abated	3,000	-	3,000	2,701	
Advertising Expense	-	-	-		
Prior Year Expenditures	-	-	-		1,998,541
SUB-TOTAL EXPENDITURES	4,424,980	2,039,205	2,385,775	2,955,095	1,998,541
OPERATING SURPLUS (DEFICIT)	(2,207,717)	(2,039,205)	(168,512)	(778,424)	139,133
ENDING FUND BALANCE	\$ (2,830,769)	\$ (2,039,205)	\$ (791,563)	\$ (623,052)	\$ 155,372

**RECOMMENDATION:** The Board of Education adopts the resolution to amend the budgets for the 2018-19 General Fund and Building and Site Sinking Fund.

**RESOLUTION FOR BUDGET AMENDMENT  
TO BE ADOPTED BY  
THE BOARD OF EDUCATION OF  
WEST BLOOMFIELD SCHOOL DISTRICT**

**RESOLVED**, that this resolution is to amend the general appropriations of the West Bloomfield School District for the fiscal year 2018-19, an act to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the West Bloomfield School District.

**BE IT FURTHER RESOLVED**, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the **GENERAL FUND** of the West Bloomfield School District for the fiscal year 2018-19 is as follows:

**REVENUE:**

Local Sources	\$12,269,406
State Sources	46,485,867
Federal Sources	2,421,886
Other LEA's/ISD's/Sale of Property	4,064,071
Transfers In from Other Funds	<u>60,000</u>
<b>TOTAL REVENUE</b>	<b>\$65,301,230</b>
 Fund Balance, July 1, 2018	 \$9,883,942
 Fund Balance Available to Appropriate	 <u>9,883,942</u>
 <b>TOTAL AVAILABLE TO APPROPRIATE</b>	 <b><u>\$75,185,172</u></b>

**BE IT FURTHER RESOLVED**, that \$66,561,692 of the total available to appropriate in the **GENERAL FUND** is hereby appropriated in the amounts and for the purposes set forth below.

**EXPENDITURES:**

Instruction	\$39,952,821
Supporting Services	26,219,347
Community Services	316,786
Payments to Other Govt. Agencies	-0-
Other Financing Uses-Debt Service Principal/Interest	72,738
Transfers Out	<u>-0-</u>

<b>TOTAL APPROPRIATED</b>	<b><u>\$66,561,692</u></b>
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**PURPOSE OF AMENDMENT:**

These amendments to the General Fund require an increase in revenues of \$1,198,722 and an increase in appropriations of \$946,154.

The budgeted ending fund balance in the General Fund as a result of this amendment for fiscal year 2018-19 is \$8,623,480.

**BE IT FURTHER RESOLVED**, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the **SINKING FUND** of the West Bloomfield School District for the fiscal year 2018-19 is as follows:

**REVENUE:**

Local	<u>\$2,217,263</u>
<b>TOTAL REVENUE</b>	\$2,217,263
Fund Balance, July 1, 2018	\$(623,052)
Fund Balance Available to Appropriate	<u>(623,052)</u>
<b>TOTAL AVAILABLE TO APPROPRIATE</b>	<u>\$1,594,211</u>

**BE IT FURTHER RESOLVED**, that \$4,424,980 in the **SINKING FUND** is hereby appropriated in the amounts and for the purposes set forth below.

**EXPENDITURES:**

Purchased Services	\$ 0
District Repairs	186,372
Capital Outlay - Building/Site Renovations	4,235,608
Other Expenditures	<u>3,000</u>

<b>TOTAL APPROPRIATED</b>	<u><b>\$4,424,980</b></u>
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**PURPOSE OF AMENDMENT:**

These amendments to the Sinking Fund require an increase/decrease in revenues of \$0 and an increase in appropriations of \$2,039,205.

The budgeted ending deficit in the Sinking Fund as a result of this amendment for fiscal year 2018-19 is (\$2,830,769).

**This resolution shall take effect on February 25, 2019.**