

Finance Committee

Analysis & Recommendations

Board of Education Presentation

January 2020



INDIAN HILL SCHOOL DISTRICT

Agenda

- ❖ Introductions & Committee Work History
- ❖ Mission & Guiding Principles
- ❖ Assumptions & Impact
- ❖ Recommendations



Finance Committee Members

IH Employees

Amy Campa
Mick Davis

IH Parents/Community Members

Pamela Bosley
Marcia Blachman
Joel Dunahoe
Jeff Heinichen

Mary Lou Forte
Nolan Marx
Mary McClure
Mary Siegel



Timeline

May – Sept 2019

**Educational
Meetings**

Oct – Nov 2019

**Research &
Analysis**

Dec - Jan 2020

**Alignment &
Consensus Building**

Mission

- ❖ Honor the Facilities Assessment Task Force findings
- ❖ Research bond type, term, and millage
- ❖ Analyze current and future operational budgets
- ❖ Research & benchmark operational costs against like schools
- ❖ Recommend financial action steps to the Board of Education



Guiding Principles

To optimize financial resources provided by our taxpayers to benefit students, staff, and community members while maintaining the District's:

- ❖ Excellent educational programming
- ❖ Quality student support services
- ❖ Low student to teacher ratios
- ❖ All inclusive bus transportation
- ❖ Extra-curricular programs



Bond Option Sheet

Bond Issue Ballot Millage Estimate

Option	Size	Terms		
		20 Years @ 3.50%	30 Years @ 4.00%	37 Years @ 4.25%
A	\$66,000,000	3.60	2.84	2.57
B	\$76,000,000	4.14	3.27	2.96
C	\$82,000,000	4.47	3.53	3.19
D	\$100,000,000	5.66	4.31	3.89

* 2019 AV of \$1,254,301,220 assumed

Ballot Estimate Cost Per \$100,000 Home Appraised Value

Option	Bond Issue Size	Terms		
		20 Years @ 3.50%	30 Years @ 4.00%	37 Years @ 4.25%
A	\$66,000,000	\$126.00	\$99.40	\$89.95
B	\$76,000,000	\$144.90	\$114.45	\$103.60
C	\$82,000,000	\$156.45	\$123.55	\$111.65
D	\$100,000,000	\$198.10	\$150.85	\$136.15

* 2019 AV of \$1,254,301,220 assumed

Current Five-Year Forecast

Adopted by the Board of Education in November 2019

	ACTUAL			FORECASTED				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2017	2018	2019	2020	2021	2022	2023	2024
2.080 - Total Revenues and Other Financing Sources	33,170,691	37,766,035	32,975,316	36,892,893	36,232,494	36,345,308	36,081,555	36,150,578
5.050 - Total Expenditures and Other Financing Uses	34,614,246	35,499,557	36,274,020	41,838,169	37,701,914	39,180,367	39,351,390	40,609,104
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(1,443,555)	2,266,478	(3,298,714)	(4,945,276)	(1,469,420)	(2,835,059)	(3,269,835)	(4,458,526)
7.020 - Cash Balance June 30	19,603,978	21,870,456	18,571,742	13,626,466	12,157,047	9,321,988	6,052,153	1,593,628



Modified Five-Year Forecast

Assumptions

- ❖ No new revenue from state or federal government
- ❖ Property tax revenue increases will be nominal
- ❖ Maintenance costs reduced with adoption of facilities bond
- ❖ Maintain current programming & services
- ❖ Account for increases in personnel salaries and benefits

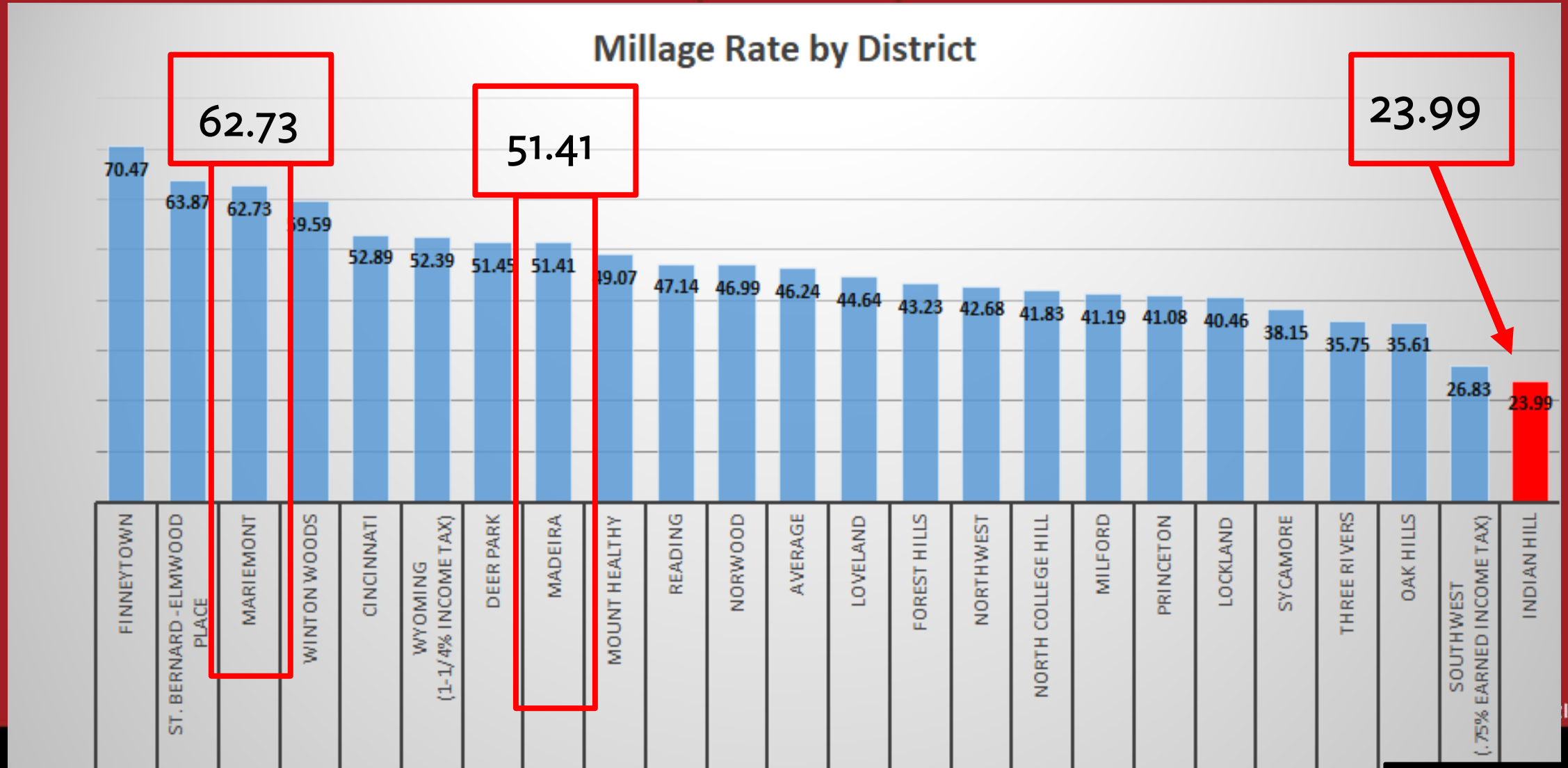


Modified Five-Year Forecast

	ACTUAL			FORECASTED				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2017	2018	2019	2020	2021	2022	2023	2024
2.080 - Total Revenues and Other Financing Sources	33,170,691	37,766,035	32,975,316	36,892,893	36,232,494	36,345,308	36,081,555	36,150,578
5.050 - Total Expenditures and Other Financing Uses	34,614,246	35,499,557	36,274,030	41,838,169	37,507,987	38,728,910	39,994,883	41,309,693
Excess of Rev & Other Financing Uses Over (Under)								
6.010 - Expenditures and Other Financing Uses	(1,443,555)	2,266,478	(3,298,714)	(4,945,276)	(1,275,492)	(2,383,602)	(3,913,327)	(5,159,114)
7.020 - Cash Balance June 30	19,603,978	21,870,456	18,571,742	13,626,466	12,350,974	9,967,372	6,054,045	894,931



District Tax Millage Ranking



140 Day Cash Balance

	FORECASTED				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
7.020 - Cash Balance June 30	13,626,466	12,350,974	9,967,372	6,054,045	894,931
Revenue from New Levies					
13.010 - Income Tax - New	-	-	-	-	-
13.020 - Property Tax - New	-	1,494,071	2,995,281	3,010,691	3,020,986
Additional Revenue from Kenwood Area TIF		631,300	1,262,600	1,262,600	1,262,600
13.030 - Cumulative Balance of New Levies	-	2,125,371	6,383,252	10,656,543	14,940,129
15.010 - Unreserved Fund Balance June 30	13,626,466	14,476,345	16,350,625	16,710,588	15,835,060

	FORECASTED				
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
7.020 - Cash Balance June 30	13,626,466	12,350,974	9,967,372	6,054,045	894,931
Revenue from New Levies					
13.010 - Income Tax - New	-	-	-	-	-
13.020 - Property Tax - New	-	1,680,838	3,369,715	3,387,062	3,399,459
Additional Revenue from Kenwood Area TIF		663,400	1,326,800	1,326,800	1,326,800
13.030 - Cumulative Balance of New Levies	-	2,344,238	7,040,753	11,754,616	16,480,874
15.010 - Unreserved Fund Balance June 30	13,626,466	14,695,212	17,008,126	17,808,661	17,375,805



Levy Homeowner Impact

1 Mill = \$35/yr. per \$100,000 of appraised value

3.5 Mills Facility Bond = \$122.50/yr. per \$100,000

2.4 Mills Operating Levy = \$84/yr. per \$100,000

Total Homeowner Impact = \$206.50 per \$100,000



Recommendations

- ❖ A combined bond levy ballot issue in November 2020
- ❖ Approximately 3.5 mill, 30 year term for \$82 million
- ❖ Approximately 2.4 mills on a 5 year term operating levy
- ❖ Not to exceed 6 mills total

Rationale

- ✓ Best option that delivers on our Guiding Principles
- ✓ Sets up the District for future financial stability
- ✓ Unanimous conclusion/decision of the committee





Thank You



INDIAN HILL SCHOOL DISTRICT