

# BOND OVERSIGHT COMMITTEE

BUDGET UPDATE



## BUDGET UPDATE-CURRENT REALITY

- In 2015, the School Board committed \$2,000,000 in capital funds to the high school expansion.
- Capital funds are not referendum dollars. Capital funds are general fund dollars.
- The capital fund had a \$1.9, \$2.2 and \$1.2 million fund balance at June 30, 2014, 2015, and 2016, respectively.
- Todd Netzke, School Management Solutions was not made aware of this commitment and funds therefore were allocated to:
  - Staff salaries and benefits (allowable expenses)
  - Address the Health & Safety deficit (FY19 requirement)

## ADDITIONAL INFORMATION

- Construction industry standards estimate 3-5% reserve for contingency for a project of this type and size.
- We need to continue to review what remains in the project to determine if there are additional cost savings or anything that needs to be scaled back.
- There is a chance that academy partners may provide some equipment for labs, etc., but we need to assume the District bears the cost at this time.
- There may be more earnings than projected. Current figures presented are conservative.
- The general fund is not in a position to make up a significant amount of the difference given our budget situation.

# OPTIONS FOR CONSIDERATION

|  |           |
|--|-----------|
| Loading doc, storage                                   | \$750,000 |
| Defer LTFM Projects (West Parking Lot)                 | TBD       |
| Reduce Scope of South Site                             | TBD       |
| Reallocate salaries to General Fund                    | TBD       |
| Land sale  | TBD       |
| Sponsor/branding opportunities                         | TBD       |
| Eliminate scoreboards at south fields (not South Site) | TBD       |
| Reduce improvements in existing building               | TBD       |
| Athletic/Performing Arts Booster Club Contribution     | TBD       |
| Central Kitchen  | TBD       |
|  |           |

## NEXT STEPS

- Establish a decision making timeline
  - Determine budget adjustments
- Create a communication plan
- Continue to monitor budget closely in BOC meetings