

Capital Improvement Budgeting

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Introductions

Jeff Feyerer - Speaker – *Business Manager/CSBO*
Fairview School District 72

Jon Hitcho - Speaker – *Assistant Superintendent for*
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Kildeer Countryside CCSD 96

Catherine Lauria – Moderator – *Chief School Business Official*
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KCSD96



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Purpose

- To show how two different districts implement Capital Improvements into their budget process.
- To give you ideas to begin or refine your existing process.
- Open a dialogue.

Macro Data Needs

- District-wide Assessment of Current State of Facilities.
- Estimated Costs for Capital Improvements
- Reliable Financial Projections at least out five (5) years.

Kildeer Countryside CCSD 96

9 Buildings Overall

- 1 Kindergarten Center
- 4 Elementary Schools
- 2 Middle schools
- 1 Administration Building
- 1 Facilities Maintenance Garage

Total Enrollment: **3,253 Students**

Low income rate: **10%**

Limited English proficiency rate: **13.8%**

Annual Budget: **\$60 MM**

Fairview SD 72 (Skokie)

1 Building Overall

- 1 Building Houses K-8 Students w/on-site food service and transportation

Total Enrollment: **740 Students**

Low income rate: **20%**

Limited English proficiency rate: **11%**

Annual Budget: **\$13 M**

D96 District-Wide Assessment

- Architect
- Construction Manager
- Mechanical Engineer
- Civil Engineer
- Performance Contractor
- Facilities Director
- Principals
- Technology Director/Network Assessments
- Financial Projection Models

D96 District-Wide Assessment

- Summary Sheet: Building information, site information, portable classroom history, project/renovation historical summary
- Deficiency Sheet: Site, Risk Management, Educational Programs, HVAC/Plumbing, Electrical/Energy Communications/Technology Issues
- ADA Accommodation Plan
- Asphalt Condition Plan
- Building Age Plan (by additions)
- Data Sheet: Site, Architectural, Mechanical, and Electrical Systems
- Emergency Crisis Plan
- Exterior Lighting Plan
- Floor Plans
- Site Plan
- Site Surfaces Plan
- Square Footage Plan
- Student Demographics
- Roof Plan (indicating age of the roof's sections)
- Utility Cost Data Sheet
- Utility Plan

Fairview 72 District-Wide Assessment

- Architect
- Director of Operations and Maintenance
- Principals
- Superintendent
- Technology Director
- Financial Projections
- Finance Committee (Board)
- Facility Assessment Report
- Floor Plans
- Student Demographics/Enrollment Projections
- Current Vendor Contracts

D96 Prep Timeline

- Sept/Oct – Meet with Building Principals and Consultants to begin new plan year.
- Nov/Dec – RoE/Fire Inspection walk-thrus and determinations.
- Jan/June – Meet with Consultants, Refine Plan, Prioritize Plan and Incorporate into Budget.
- June/August – Three Finance Committee Meetings for Plan Review

D96 Approval Timeline

- September – Bids for following summer work hit the street.
- October – Bids are received before the third Tuesday of the month.
- November – Recommendation letter from CM is received and BoE approves selected work.
- June – Work begins first day school is out.

Fairview 72 - Project Timeline

September/October

- Administrative Evaluation
- Projection Analysis
- Initial Conversations with Board Committees
- Initial Meetings with Architects

Fairview 72 - Project Timeline

November-December

- Bid Preparation
- Initial Solicitation of Quotes for Smaller Projects
- Final Committee Discussions

Fairview 72 - Project Timeline

January-March

- Out to Bid
- Final Board Discussion
- Bid Opening
- Awarding of Bid

Fairview 72 - Project Timeline

April-June

- Administrative Discussion regarding timelines
- Initial Construction Meetings
- Budget/Projection Update
- Work begins first day after school is out

D96 Template - Summary

KILDEER COUNTRYSIDE CCSD 96
CAPITAL PROJECT PLAN
District Summary

DISTRICT SUMMARY						
Project Description	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
New Equipment						
WAC	-	-	-	-	-	-
Ivy Hall	-	-	-	-	-	-
Kildeer	-	-	-	-	-	-
Prairie	-	-	-	-	-	-
Twin Groves	-	-	-	-	-	-
Willow Grove	-	-	-	-	-	-
Woodlawn / Country Meadows	-	-	-	-	-	-
Total New Equipment	-	-	-	-	-	-
Capital Improvements						
WAC	218,370.00	-	-	-	-	218,370.00
Ivy Hall	193,500.00	-	855,000.00	-	325,000.00	1,373,500.00
Kildeer	168,000.00	2,296,978.00	1,237,093.00	244,900.00	-	3,946,971.00
Prairie	154,000.00	68,200.00	-	961,000.00	340,000.00	1,523,200.00
Twin Groves	2,833,300.00	1,200,000.00	440,000.00	290,560.00	2,000,000.00	6,763,860.00
Willow Grove	-	-	134,850.00	720,000.00	-	854,850.00
Woodlawn / Country Meadows	2,000,000.00	1,495,000.00	2,400,000.00	290,560.00	70,000.00	6,255,560.00
Total Capital Improvements	5,567,170.00	5,060,178.00	5,066,943.00	2,507,020.00	2,735,000.00	20,936,311.00
GRAND TOTAL	\$ 5,567,170.00	\$ 5,060,178.00	\$ 5,066,943.00	\$ 2,507,020.00	\$ 2,735,000.00	\$ 20,936,311.00

DEFINITIONS:

New Equipment

Expenditures made in this category are either to replace existing equipment or to purchase new equipment for general use.

Repairs & Maintenance

Expenditures made in this typically maintain the useful life and status of existing assets.

Capital Improvements

Changes made to existing infrastructure that affect the building or its ongoing use. Expenditures in this category tend to extend the life of assets, change the purpose of existing assets, or replace existing assets altogether.

Categories key

ADA-American with Disabilities
AS-Aesthetics
C/S-Codes/Standards
D/W-Damage/Wear
EC-Energy Conservation
ES-Envelope Study
EI-Environmental Improvements
F-Functionality
LS-Life Safety
NE-New Equipment
S-Security

D96 Template - Building

KILDEER COUNTRYSIDE CCSD 96
CAPITAL PROJECT PLAN
Kildeer

KILDEER							
Project Description	Category	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Total
<u>New Equipment</u>							
Total New Equipment		-	-	-	-	-	-
<u>Capital Improvements</u>							
Exterior Doors Final Phase (17)	D/W	168,000.00	-	-	-	-	168,000.00
Install Chiller Plant	F	-	1,125,472.00	-	-	-	1,125,472.00
Replace AHU (West Mechanical Room)	D/W	-	-	644,153.00	-	-	644,153.00
Replace Unit 14 Ventilators	D/W	-	1,052,319.00	-	-	-	1,052,319.00
CO2 Ventilation Control	EC	-	4,675.00	-	-	-	4,675.00
BAS Upgrade	EC	-	57,312.00	-	-	-	57,312.00
A/C Small Gym	EC	-	-	247,940.00	-	-	247,940.00
Boiler Demo/Abatement	EI	-	-	30,000.00	-	-	30,000.00
Boiler Replacement	EC	-	-	315,000.00	-	-	315,000.00
Interior Doors	LS	-	57,200.00	-	-	-	57,200.00
Replace Gym Foyer Ceiling/Lighting	D/W	-	-	-	20,000.00	-	20,000.00
Gym Foyer and Main Corridor LVT (Abatement)	F	-	-	-	47,400.00	-	47,400.00
2nd Floor Washroom Improvements	D/W	-	-	-	54,000.00	-	54,000.00
Locker Replacement-Additional Lockers	F	-	-	-	46,500.00	-	46,500.00
Replace Guardrail/Handrail	LS	-	-	-	77,000.00	-	77,000.00
Total Capital Improvements		168,000.00	2,296,978.00	1,237,093.00	244,900.00	-	3,778,971.00
GRAND TOTAL		\$ 168,000.00	\$ 2,296,978.00	\$ 1,237,093.00	\$ 244,900.00	\$ -	\$ 3,778,971.00

Fairview 72 – Plan Summary

FUNDS SUMMARY								
		FY18	FY19	FY20	FY21	FY22	FY23	TOTAL
OBJECTS - Regular Expenses/Contracts	Salaries	\$ 170,000	\$ 175,100	\$ 180,353	\$ 185,764	\$ 191,337	\$ 197,077	\$ 1,099,631
	Benefits	\$ 50,000	\$ 52,500	\$ 55,125	\$ 57,881	\$ 60,775	\$ 63,814	\$ 340,095
	Purchased Services	\$ 471,278	\$ 480,704	\$ 490,318	\$ 500,124	\$ 510,126	\$ 520,329	\$ 2,972,879
	Supplies and Materials	\$ 255,500	\$ 260,610	\$ 265,822	\$ 271,139	\$ 276,561	\$ 282,093	\$ 1,611,725
	Capital Outlay	\$ 120,000	\$ 122,400	\$ 124,848	\$ 127,345	\$ 129,892	\$ 132,490	\$ 756,975
	Other	\$ 750	\$ 765	\$ 780	\$ 796	\$ 812	\$ 828	\$ 4,731
PROJECTS		\$ 812,000	\$ 942,000	\$ 766,600	\$ 684,316	\$ 60,000	\$ 10,000	\$ 3,274,916
TOTAL		\$ 1,879,528	\$ 2,034,079	\$ 1,883,846	\$ 1,827,365	\$ 1,229,503	\$ 1,206,631	\$ 10,060,952

PROJECT TIMELINE								
Project	Source	FY18	FY19	FY20	FY21	FY22	FY23	TOTAL
Classroom Renovation	ADMIN	\$ 306,000	\$ 306,000	\$ -	\$ -	\$ -	\$ -	\$ 612,000
Roof Area A, E, K	FA 2.30, 2.36	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Roof Area F, H, C/C1, J	FA 2.30, 2.32, 2.35	\$ -	\$ 125,000	\$ 125,000	\$ -	\$ -	\$ -	\$ 250,000
Classroom Casework	FA 1.1	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Metal Toilet Partitions	F.A. 1.17	\$ -	\$ -	\$ 4,500	\$ -	\$ -	\$ -	\$ 4,500
Exterior Tuckpointing	F.A. 2.1	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Exterior Wall Sealing	F.A. 2.9-2.11	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Exterior Soffits	F.A. 2.13-2.15	\$ -	\$ -	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000
Exterior Doors	F.A. 2.18-2.20	\$ -	\$ -	\$ 2,000	\$ 10,300	\$ -	\$ -	\$ 12,300
Exterior Windows	F.A. 2.21-2.26	\$ -	\$ -	\$ 27,600	\$ 22,000	\$ 25,000	\$ -	\$ 74,600
Exterior Louvers	F.A. 2.27-2.28	\$ -	\$ -	\$ 2,000	\$ 3,500	\$ -	\$ -	\$ 5,500
Roof Area L, O, R, P, Q	F.A. 2.37, 2.39, 2.40	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ 60,000
Steel Guard Rails	F.A. 2.44, 2.45	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Life Safety	F.A. 3.21	\$ -	\$ -	\$ 59,700	\$ -	\$ -	\$ -	\$ 59,700
Hand Washing/Restrooms	F.A. 4.6	\$ -	\$ -	\$ 76,000	\$ -	\$ -	\$ -	\$ 76,000
Plumbing	F.A. 4.7-4.8	\$ -	\$ -	\$ 5,500	\$ -	\$ -	\$ -	\$ 5,500
Power		\$ -	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ 3,500
Lighting		\$ -	\$ -	\$ -	\$ 166,200	\$ -	\$ -	\$ 166,200
Systems		\$ -	\$ -	\$ -	\$ 101,658	\$ -	\$ -	\$ 101,658
TOTAL		\$ 406,000	\$ 471,000	\$ 383,300	\$ 342,158	\$ 30,000	\$ 5,000	\$ 1,637,458

PROJECTS FOR DISCUSSION			
Project	Source	Proj\$	Note
Floor Slab, South Wing	F.A. 1.6	\$ 22,500	
Room Finishes - LRC	F.A. 1.7	\$ 20,000	Evaluate potential LRC changes
Roof Areas	F.A. G, I, S, N	\$ 200 ???	
Asphalt Paving	F.A. 2.41	\$ 370,000	
Asphalt Track	F.A. 2.49	\$ 97,000	
Main Entry Concrete	F.A. 2.50	\$ 12,320	
Refrigerant Pipe Insulation	F.A. 2.51	\$ 10,000	
HVAC	F.A. 3.1-3.19	\$ 2,257,000	various projects
Plumbing	F.A. 4.4, 4.5, 4.9	\$ 19,000	various projects
Learning Center Renovations	ADMIN	\$ 600,000	
TOTAL		\$ 3,408,020	

Financial Considerations

- Budget
 - Fits within current fiscal parameters.
 - Don't have to borrow.
 - Best option by far.

Financial Considerations

- Fund Balance
 - Spend Down of Accumulated Resources.
 - Helps you with Excessive Accumulation Claims.
 - Shows taxpayers stewardship by not increasing taxes.
 - Impact Fees?
 - Can mortgage future based upon many uncertainties.

Financial Considerations

- Bonds (Projects, ST/ST Borrowing, & Refinancing)
 - General Obligation Bonds
 - Alternate Revenue Bonds
 - Leases
 - Debt Certificates/Installment Contracts
 - Limited Bonds
 - Working Cash Bonds

Financial Considerations

- General Obligation Bonds
 - Full faith and credit and backed by its ad valorem taxing power.
 - Needs to fit within the District's debt limitations.
 - Building Bonds = Referendum
 - Life/Safety Bonds
 - Funding Bonds

Financial Considerations

- Alternate Revenue Bonds
 - Full faith and credit and backed by its ad valorem taxing power.
 - Issued under the Local Govt Debt Reform Act.
 - Subject to Backdoor Referendum

Financial Considerations

- Leases
 - Full faith and credit and backed by its ad valorem taxing power.
 - Multi-Year lease, purchase and lease-purchase contracts for equipment and/or property to be acquired.
 - Cannot exceed 20 years.

Financial Considerations

- Debt Certificates/Installment Contracts
 - Full faith and credit and backed by its ad valorem taxing power.
 - Debt Reform Act allows SDs to purchase or lease either real or personal property through the use of installment contracts not exceeding 20 years in length.
 - No separate tax levy for payments.

Financial Considerations

- Limited Bonds
 - Full faith and credit and backed by its ad valorem taxing power.
 - Payable from the District's Debt Service Extension Base.
 - Unlimited as to rate, but limited to the amount (DSEB).

Financial Considerations

- Working Cash Bonds
 - Full faith and credit and backed by its ad valorem taxing power.
 - Create or Increase Working Cash Fund.
 - Backdoor Referendum.
 - Principal amount is regulated.

Financial Considerations

Grants

- School Energy Efficiency Project Grant
 - <https://www.isbe.net/Pages/School-Energy-Efficiency-Project-Grant.aspx>
- School Maintenance Project Grant
 - <https://www.isbe.net/Pages/School-Maintenance-Project-Grant.aspx>
- Temporary Relocation Program
 - <https://www.isbe.net/Pages/Temporary-Relocation-Program.aspx>
- Capital Development Board Opportunities
 - <https://www.isbe.net/Pages/School-Construction.aspx>
 - <https://www2.illinois.gov/cdb/services/grants/pages/school-construction-program.aspx>

Questions and Answers

We thank you for your time!

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