Long-Range Planning Committee Meeting Materials

September 12, 2018
Long-Range Facility Planning Process

1. Clarity of Needs
   - Physical Condition
   - Options & Costs
   - Educational Alignment

2. Assess Facilities
   - Evaluate Options
     - Modern-Learning Vision
     - Alignment Exploration
     - Concept Development
     - Cost Considerations

3. Communication
4. Vision
5. Adopt LRFP
6. Refine
7. Implementation
   - Configuration Options
   - Community Engagement
   - Finance Options
   - Green Bay Closes June 30, 2019

Action
Agenda

- 5:30-5:45 - Our Why
- 5:45-6:15 - Community Engagement Feedback
- 6:15-6:45 - Budget & Finance 101
- 6:45-7:30 - Activity & Feedback From LRPC
**VALUE**

What are we getting for our investment?

Expenditure *divided by* Student Achievement

### Deerfield Public School District 109
- $210

### Glenview School District 34
- $235

### Northbrook School District 27
- $240

### Northbrook/Glenview School District 30
- $244

### Glencoe School District 35
- $270

### Lake Forest School District 67
- $276

### Lake Bluff School District 65
- $282

### Kenilworth School District 38
- $296

### Northbrook School District 28
- $315

### Winnetka School District 36
- $317

### West Northfield School District 31
- $321

### Bannockburn School District 106
- $328

### North Shore School District 112
- $345

### Sunset Ridge School District 29
- $347
Our “WHY”?: Quality of Education

Illinois Balanced Accountability Measures
Continuous Improvement
Culture & Climate
Shared Leadership
Governance Management & Operations
Educator & Employee Quality
Family & Community Engagement
Student Learning & Development
**Yr. 1**
(9 SCHOOLS)

**YEAR 1 (2019-20) - 9 SCHOOL MODEL**

- 2019-20 - Pre-school moves to the Red Oak campus
- Administration including the Operations & Facilities at Indian Trail moves to the Lincoln School property
- Begin the middle school renovations and improvement projects at both Northwood Jr. High and Edgewood Middle School
- Phased in Boundary Recommendations
  - All changes to be phased in over 6 years:
    - SW students - north of Berkeley Rd. move to WT/NW starting with the Kindergarten class of the 19-20 school year.
    - All Military children - move to WT, with the exception of those in Dual Language program, starting with Kindergarten class of the 19-20 school year

**Yr. 3**
(9 SCHOOLS)

**YEAR 3 (2021-22) - 9 SCHOOL MODEL**

- Continue upgrades & improvements, including air quality improvements at WT and IT
- By the end of 2021-22 (year 3) complete educational and facilities upgrades and improvements at NW, EW, WT, IT (Pre-K RO and LI for Admin started in year 1)
- Plan major upgrades and improvements at RO and RA to incorporate SW and BR populations and traffic flow

**Yr. 7**
(7 SCHOOLS)

**YEAR 7 (2025-26) - 7 SCHOOL MODEL**

- Incorporate a seven school model over seven years
- Integration of SW into RO for the neighborhood school on the southwest side of town with a renovated Red Oak
- Integration of BR into RA for the neighborhood school on the southeast side of town with a renovated & new Ravinia
- With revised Boundaries (in place since year 1 for incoming kindergarten students, the K-5 school in the Southwest would become RO (RO+SW) and the K-5 school in the Southeast would become RA (RA+BR)
- Middle School matriculation - NW (WT, OT.) / EW (IT, RO*, RA*)

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**The Goal:**
*Return on Investment Quality of Education*
5:45 - 6:15
Community Engagement Feedback
FAKO
Thought Exchange
The bottom line is there is minimal to marginal support for raising taxes to keep some schools open, even the localized school, and this helps drive the practical understanding of the financial impacts of consolidation.
When assessing opinion of reasons why the residents moved to or stayed in the community in relation to the schools, a range of quality, reputation and academic topics were the most prominently mentioned.
Nearly six out of ten (56%) feel consolidation would benefit the students and community and only one-third hold an opposing view.

There is significant agreement that consolidation would benefit the District's finances, with three-fourths holding this view and similar opinions among households with and without students in the schools.

This reaffirms their practical understanding of the benefits of consolidation.

Residents clearly see the value benefits of consolidation from both a quality and practical perspective.
TOP
THOUGHTS

- Improving the quality of education for all students.
- Providing equal services to students.
- The students best interests need to come first.
- Happy to see educational needs as the driver of the process.
- It’s long past time to reconfigure the district.
Thought Exchange Round 2 - Thematic Breakdown
6:15 - 6:45
Budget & Finance 101
• **School Finance 101**: How the district gets its money and where does it go?

• **Fund Balance/Reserves**: How much does the district have to spend on improving educational outcomes for all students as part of the Long Range Capital Plan?

• **What are the financial implications of the next steps that Dr. Lubelfeld is proposing?**
## FY 2019 Budget: All Funds

<table>
<thead>
<tr>
<th>Funds</th>
<th>Revenues</th>
<th>Expenditures</th>
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<tbody>
<tr>
<td>10 - Education</td>
<td>61,008,784</td>
<td>58,355,741</td>
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<td>20 - Operations &amp; Maintenance</td>
<td>12,773,836</td>
<td>10,774,002</td>
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<td>40 - Transportation</td>
<td>3,022,721</td>
<td>3,515,826</td>
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<td>70 - Working Cash</td>
<td>123,887</td>
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<td>50 - SS/IMRF</td>
<td>1,648,878</td>
<td>1,779,123</td>
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<td>60 - Capital</td>
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<td>4,000,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 78,578,106</strong></td>
<td><strong>$ 78,424,692</strong></td>
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</tbody>
</table>
FY 2019 Budget: Revenues

Property Taxes
$70,176,285
89%

State
$4,109,661
5%

Federal
$2,008,579
3%

Interest
$800,000
1%

Local
$1,483,581
2%
FY 2019 Budget: Expenditures

Salaries $41,799,452 53%

Other $45,100 0%

Tuition $2,344,000 3%

Capital Outlay, $6,849,700 9%

Materials & Supplies $4,256,801 6%

Purchased Services $15,177,282 19%

**North Shore School District 112 expends more than 80% of all dollars on people**

53% salaries, 10% employee benefits
19% purchased services: (purchased services also includes First Student transportation, GCA custodial & janitorial)
Aligning Resources to Enrollment

Fund Balance: The District’s Reserves

• The district’s Fund Balance (financial reserves, savings account) is the total accumulated amount of the revenues over expenditures, over time. It is also a measurement of the district’s capacity to deficit spend.

• The past seven years of austerity, savings, and cuts, has led to our current reality.

• 5 Year Financial Projections - Dr. Lubelfeld’s proposal: 75% of reserves with additional infusion from Alt Rev Bonds.
Funding Recommendation

- **$83,000,000**
  - $33,000,000 Fund Balance - Maintain 25%
  - $50,000,000 **Non Referendum** Alt Rev Bonds
    - Renovating and upgrading 7 schools
    - starting with both middle schools
    - Early learning center (relocate & expand)
    - Administration building (relocate)
    - Completion 6-year period
Funding Options - No Referendum

- Alternative Revenue Bonds (ARBs)
  - Local Government Debt Reform Act Section 15
  - A direct referendum is not required
  - A payment source must be identified and pledged as the primary security for the repayment of the Bonds
  - The maximum length of maturity is 40 years, the recommendation is 20 years
Funding Options - No Referendum

- Must abate debt service levy annually to the extent the pledged revenue source is sufficient
- Bond Issue Notification Act (BINA) Hearing required
- Subject to a 30-day petition period
  - Petitioners: greater of (a) 7.5% of registered voters or (b) 15% of registered voters or 200, whichever is less
- Alternate revenue bonds generally trade at the same yields as general obligation bonds
- As long as the district abates property taxes against the payment of debt service, they do not count against the debt limit
5 Year Projections - Scenarios

- **Status Quo**: Maintain Current 9 Schools - upgrades over time spending $6MM/year after 2020
- **25% Fund balance**: Minimum required reserves per Board policy
5 Year Projections - Scenarios

- **ARB/Spend Down:** Issue $50MM ARB, spend $33MM fund balance on 7 schools with improvements & upgrades

- **Status Quo:** Maintain Current 9 Schools - upgrades over time spending $6MM/year after 2020

- **25% Fund balance:** Minimum required reserves per Board policy
6:45 - 7:30
Revised Long Range Plans &
Gather Feedback
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The Goal:
Return on Investment
Quality of Education
ACTIVITY

REVIEW PLAN COMPONENTS (30 MINUTES)

SMALL GROUP REPORTING (30 MINUTES)
CONSIDERATIONS
YEAR 1 - YEAR 3 - YEAR 7

• WHAT MUST THE SUPERINTENDENT BE MINDFUL OF?
• WHAT ARE THE CRITICAL FACTORS TO ENSURE SUCCESS?
• WHAT IS THE #1 CONCERN YOU HAVE?
# Physical Condition Assessment

<table>
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<tr>
<th>Score</th>
<th>Condition</th>
<th>Site</th>
<th>Building</th>
<th>Architecture</th>
<th>Mechanical</th>
<th>Electrical</th>
<th>Plumbing</th>
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<th>Site</th>
<th>Asphalt/Concrete Restoration</th>
<th>Site Drainage/Storm Drainage Collection</th>
<th>Accessibility Improvements</th>
<th>Landscape Restoration</th>
<th>Exterior Walls</th>
<th>Exterior Sealant/ Flashing</th>
<th>Window/ Door Defects</th>
<th>Roofing Defects</th>
<th>Flooring</th>
<th>Ceiling</th>
<th>Casework</th>
<th>Doors/ Hardware</th>
<th>Major Equipment</th>
<th>Classroom HVAC</th>
<th>Exhaust Systems</th>
<th>Cooling Coverage</th>
<th>Electrical Service</th>
<th>Lighting/Power</th>
<th>Fire Alarm</th>
<th>Intercom/ PA Clock</th>
<th>Major Equipment</th>
<th>Distribution Pipes</th>
<th>Fixtures</th>
<th>Fire Protection Coverage</th>
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Learning Environment Quality
Indoor Environmental Comfort Evaluation

Acoustics
CO2
Humidity
Day Lighting
Temperature
Electric Lighting
Long Range Planning Committee meetings:

September 24, 2018, 5:30 p.m. - 7:30 p.m.
- Refine recommendations, look at and review assets and the potential sale, re-use, dissolution

October 4, 2018, 5:30pm - 7:30 p.m.
- Recommended advice to the Superintendent

School Board Meetings:

Oct. 2, Finance Committee 6:00 p.m.

Oct. 9, Facilities Committee 6:00 p.m.

Oct. 23, Regular Board of Education Meeting 7:00 p.m.
Recommendations presented as Information

Nov. 27, Recommendations presented for action

Winter 2019 - construction begins!