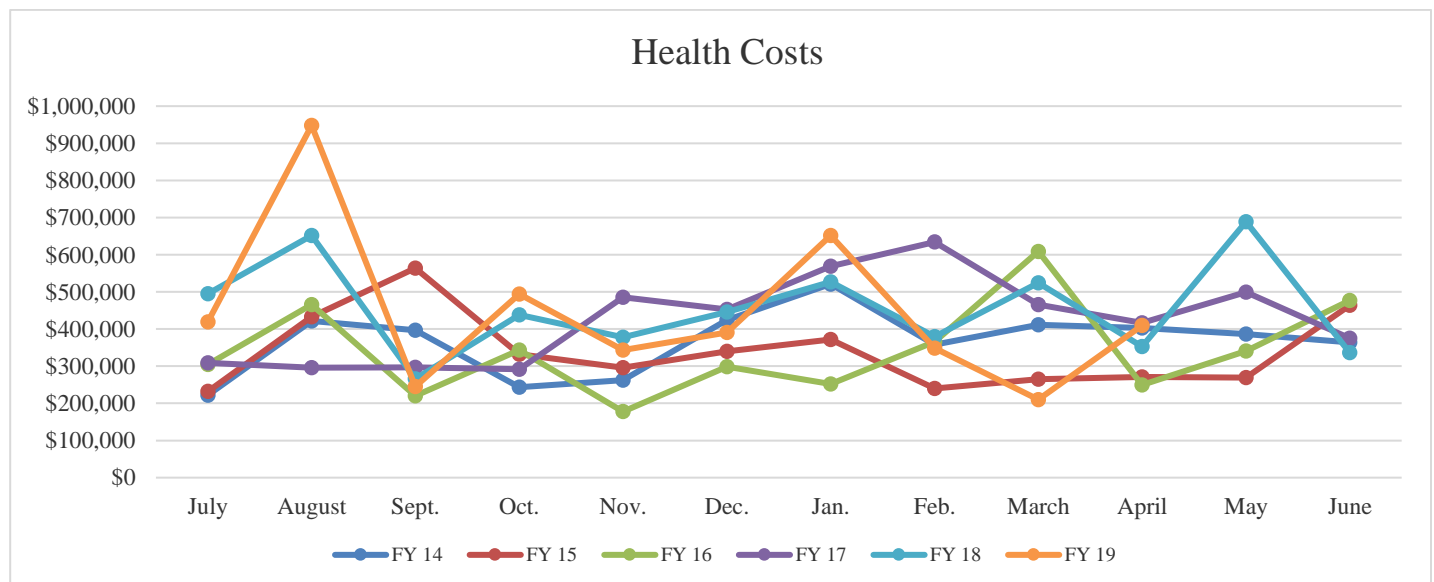


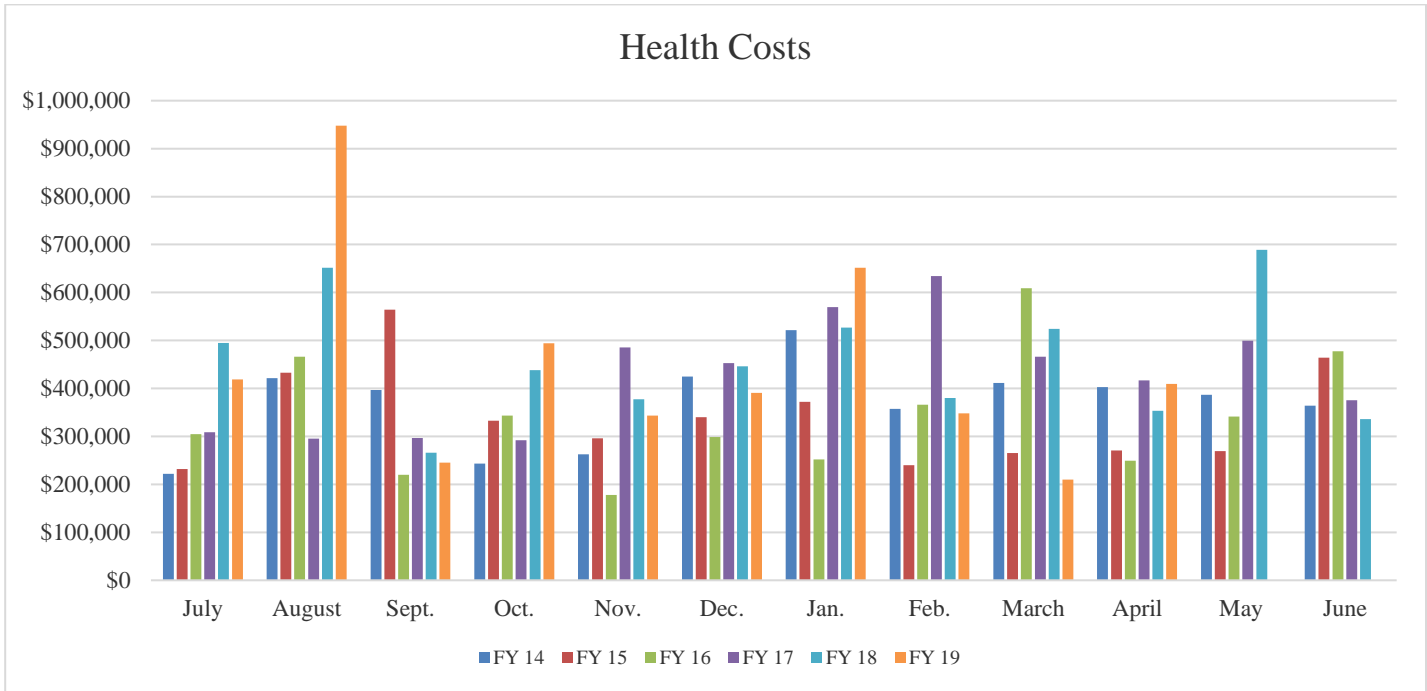
May 2019 Busine\$\$ Report

BY DAVE BLACKBURN

Health Claims – The April 2019 health claims of \$409,721,175 was somewhat high compared to previous years, but had one week of March’s costs. I had previously mentioned that last month’s costs were artificially low since the last week of the month was during Spring Break and those numbers not included. That week is now included in this month’s report. See the orange lines (FY 19) in the charts below. We have currently spent \$2,568 more than last year at this time.

	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	Diff. FY 18 v. FY 19
July	\$222,162	\$231,894	\$304,875	\$308,581	\$494,819	\$419,087	(\$75,732)
August	\$421,391	\$432,872	\$466,102	\$295,643	\$651,398	\$947,930	\$296,532
Sept.	\$397,066	\$563,910	\$220,212	\$296,759	\$265,806	\$245,585	(\$20,221)
Oct.	\$243,165	\$332,572	\$343,562	\$291,870	\$438,396	\$494,083	\$55,687
Nov.	\$262,462	\$296,013	\$177,750	\$485,458	\$377,441	\$343,531	(\$33,910)
Dec.	\$424,641	\$339,803	\$298,825	\$452,775	\$446,263	\$390,824	(\$55,439)
Jan.	\$521,242	\$371,855	\$251,916	\$569,301	\$527,056	\$651,868	\$124,812
Feb.	\$357,697	\$240,010	\$366,194	\$634,151	\$379,903	\$348,133	(\$31,769)
March	\$411,642	\$264,983	\$609,034	\$465,978	\$524,062	\$210,175	(\$313,886)
April	\$402,767	\$270,826	\$249,562	\$416,898	\$353,226	\$409,721	\$56,495
May	\$386,683	\$269,454	\$341,218	\$499,554	\$688,841		
June	<u>\$363,790</u>	<u>\$464,321</u>	<u>\$477,279</u>	<u>\$375,392</u>	<u>\$336,172</u>		
Totals	\$4,414,708	\$4,078,512	\$4,106,528	\$5,092,359	\$5,483,382	\$4,460,937	\$2,568





As has been repeatedly mentioned in the past, Dixon USD #170 is and has been self-insured for over 30 years. That means that the District utilizes a third party administrator, in our case IPMG, to process and pay claims based on the District’s Health Plan and then purchases excess reimbursement coverage for claimants who exceed \$125,000 per year (there is also an additional aggregating specific of another \$112,000 obligation to the District for claims over the \$125,000 threshold).

State of Illinois Mandated Categorical Payments – Transportation – On April 19, 2019 we received the second of four payments for regular and special ed. transportation totaling \$364,737. This equated to about a four month lag from the initial disbursement date to the actual payment. **This payment allows us to cover our April and May expenses to IL Central and pay our fuel costs.** We now begin the wait the 3rd payment which originated on March 25, 2019 by the Illinois State Board of Education: \$103,615.54 in Regular and Vocational Transportation and \$261,121.72 in Special Education Transportation (Total 3rd payment currently owed by the State = \$364,737).

State of Illinois Transportation Payments

Pay	<u>FY 16</u>		<u>FY 17</u>		<u>FY 18</u>		<u>FY 19</u>	
	Reg Ed-3500	Sp Ed-3510	Reg Ed-3500	Sp Ed-3510	Reg Ed-3500	Sp Ed-3510	Reg Ed-3500	Sp Ed-3510
1	12/23/2015	12/22/2015	4/21/2017	4/21/2017	2/13/2018	2/13/2018	1/24/2019	1/24/2019
2	2/24/2016	2/19/2016	6/22/2017	6/22/2017	4/19/2018	4/19/2018	4/19/2019	4/19/2019
3	4/27/2016	4/27/2016	8/10/2017	8/10/2017	6/20/2018	6/20/2018		
4	12/29/2016	12/29/2016	10/23/2017	10/23/2017	9/24/2018	9/24/2018		
	\$438,072	\$606,984	\$332,821	\$560,092	\$463,922	\$700,246	\$416,089	\$1,052,122
	Total - Both	\$1,045,056	Total - Both	\$892,914	Total - Both	\$1,164,168	Total - Both	\$1,468,211

Bond Issuance History – On Monday, April 29, 2019 the bond closings took place for sale of the 2019A Alternate Revenue Bonds (1% Sales Tax) netting the District \$4,351,658.93 and 2019B Life Safety Bonds netting \$2,484,221.18 after issuance costs were subtracted.

Looking back over the past 32 years I have put the information below together to show what the District has done in regard to borrowing to correct Health Life Safety violations and the addition to then Madison School which became Reagan Middle School.

	Life Safety Bonds	Building Bonds	Bond Repayment Through	Length of Bond Issuance	
1987	\$7,370,000		2007	20	Sold to Correct Ten Year Life/Safety Survey Violations
1994		\$6,700,000	2014	20	Sold to Construct the Reagan Middle School Addition
2008	\$3,195,000		2022	14	Sold to Correct Ten Year Life/Safety Survey Violations
2014	\$3,700,000		2024	10	Sold to Correct Ten Year Life/Safety Survey Violations Reagan/Madison Only
2016	\$2,245,000		2028	12	Sold to Correct Ten Year Life/Safety Survey Violations Washington, Jefferson & Reagan/Madison Only
2017	\$21,390,000		2037	20	Sold to Correct Ten Year Life/Safety Survey Violations Dixon High School
2019B	\$2,460,000		2029	9	Sold to Correct Ten Year Life/Safety Survey Violations Dixon High School

In addition, the District has periodically restructured the debt when the interest rates afforded the taxpayers a savings.

	Refunding Bonds	Bond Repayment Through	Length of Bond Issuance	Bonds Refunded (Defeased Debt)
1992	\$5,470,000	2007	15	\$5.346M 1987 Bonds
1996	\$3,045,000	2014	18	\$0.4M 1987 LS & \$2.355M 1994 Building Bonds
2000	\$3,775,000	2007	7	\$3.655M 1992 Refunding Bonds
2002	\$2,380,000	2010	8	\$2.265M Retirement of Existing 1994 Debt

2018B	\$1,195,000	2022	4	\$1.365 M Retirement of Existing 2008 Debt
	Alternate Revenue Bonds		Bond Repayment Through	Length of Bond Issuance
2018A	\$10,650,000		2038	20 Alt Rev (1% Sales Tax – Not Property Tax Related) Dixon High School, Washington & Jefferson
2019A	\$4,215,000		2036	16 Alt Rev (1% Sales Tax – Not Property Tax Related) Dixon High School & Jefferson Schools

With the passage of the Countywide 1% Sales Tax in November of 2016 the District has been afforded the ability to spend the sales tax revenues on bricks and mortar projects and sell alternate revenue bonds. As long as the District passes an abatement resolution and files the resolutions with the Lee and Ogle County Clerks on an annual basis these bonds payments are never passed along to the property taxes payer.

The Board previously authorized the sale of bonds in the amount not to exceed \$15,000,000 for the purpose of altering, repairing and equipping school buildings and facilities and improving school sites. At the special meeting on January 31, 2018, the Board specified exactly which projects these bonds could be used for.

Those projects were:

1. Geothermal Climate Control and associated electrical and mechanical work which would provide heat and add air conditioning to buildings at Washington, Jefferson and Dixon High School. The work at Washington School was completed in 2018.
2. Installation of an elevator, to reach all levels, in order to be compliant with the Americans with Disability Act (ADA) at Washington & Jefferson Elementary Schools. The elevator work at Washington School was completed in 2018.
3. For the safety of student, faculty, and staff at Dixon High School install a secure Vestibule Entrance. The vestibule work at Dixon High School was completed in 2018.
4. Undertake renovation of the Cafeteria/Multi-Purpose Room at Jefferson Elementary School to provide additional space needed for instruction and establishment of an ADA compliant cafeteria.
5. Interior renovations at Washington, Jefferson and Dixon High School. The work at Washington School was completed in 2018.

All remaining work is scheduled to be completed in 2019 along with the remaining life safety work.

The pattern for the past 32 years has been to wrap the new debt around the existing in an attempt to figure out what is fair to the taxpayer and keep the tax rate relatively consistent without large spikes or dips. The smaller issuances (\$2.2 – 3.7M) have ranged from 10 to 14 years and a few of the restructuring issuances (\$2.38 – 3.775M) have been less. Since most of the life safety improvements/repairs have a longer useful life (i.e., roof = 20 years, bleachers = 20+ years, HVAC/mechanical = 20+ years, masonry repairs/tuck pointing = 20+ years, etc.) it is commonplace for school districts, with the consent of their financial advisors and bond counsel, to design the repayment of the bonds to extend out to 20 years to match the expected life of the improvements.