

October 22, 2019

Report from the Director of Finance

## **Uses of Voter Approved Funds for Fiscal Year 2019**

FUSD is very fortunate to be strongly supported by its community. District voters have approved a 15% increase to its Revenue Control Limit (Override), and a \$75M Bond Authorization (Bonds).

These voter approved funding sources require an annual report pursuant to statute as follows;

### **Override**

#### **§15-481. Override election; budget increases; informational pamphlet; notice; ballot; effect**

Y. Each school district that currently increases its budget pursuant to this section is required to hold a public meeting each year between September 1 and October 31 at which an update of the programs or capital improvements financed through the override is discussed and at which the public is permitted an opportunity to comment and:

2. ...the update shall include at a minimum the amount expended in the previous fiscal year and the amount included in the current budget for each of the purposes listed in the informational pamphlet...

### **Bonds**

#### **§15-491. Elections on school property; exceptions**

K. Each school district that issues bonds under this section is required to hold a public meeting each year between September 1 and October 31, until the bond proceeds are spent, at which an update of the progress of capital improvements financed through bonding is discussed and at which the public is permitted an opportunity to comment. At a minimum, the update shall include a comparison of the current status and the original projections on the construction of capital improvements, the costs of capital improvements and the costs of capital improvements in progress or completed since the prior meeting and the future capital bonding plans of the school district. The school district shall include in the public meeting a discussion of the school district's use of state capital aid and voter-approved capital overrides in funding capital improvements, if any.

## **Maintenance and Operations Override**

An M&O Override provides additional support for programs in the form of salaries, benefits, services, and supplies and materials. The Override was approved in November 2018, becoming effective July 2019. It is fully funded for five years

beginning with fiscal year 2020, the current year. If not renewed during year five the Override becomes one of 10% for year six, 5% for year seven, and expiring at the end of that year.

The current Override replaced an identical Override for the current year, therefore the Expenditures shown were funded by the old Override while the 2020 Budget references the new Override. Details are shown in the table below.

<p align="center"><b>Flagstaff Unified School District</b>  <b>Report on 2014 M &amp; O Override Expenditures for FY 2019 and</b>  <b>Proposed Expenditures for FY 2020--Oct. 22, 2019</b>  <b>Report to the Governing Board to Satisfy requirements of ARS 15-481</b></p>	
<p>This report is to satisfy requirements from ARS 15-481. The stipulations for the override in the November 2014 voter pamphlet were as follows:</p> <p>"The renewal of the existing 15% override will continue funding current programs and services available to District students. The Override renewal will stabilize District funding for the next five years and assure the present level of program quality for programs such as:</p> <ul style="list-style-type: none"> <li>*Ensure compliance with State mandates</li> <li>*Maintaining current class sizes with an emphasis at primary grades</li> <li>*Full-day Kindergarten (currently funded by State for 1/2 day)</li> <li>*Art, Music, and Physical Education in elementary schools</li> <li>*Extra-curricular programs with a minimum participation fee</li> <li>*K-3 Reading and Mathematics Intervention programs</li> <li>*Maintaining all current programs and services to the extent possible."</li> </ul> <p>The dollars applied to the seven major goals of the override are the best estimates possible. The override has provided the essentials for maintaining an adequate education for all students.</p>	

<p align="center"><b>Flagstaff Unified School District</b>  <b>Report on 2014 M &amp; O Override Expenditures for FY 2019 and</b>  <b>Proposed Expenditures for FY 2020--Oct. 22, 2019</b>  <b>Report to the Governing Board to Satisfy requirements of ARS 15-481</b></p>		
Expenditure Description	FY 2019-Expenditures	FY 2020-Budget
Ensuring Compliance with State Mandates	\$3,654,273	\$3,800,444
Maintaining Current Class Sizes with an Emphasis at Primary Grades	\$1,287,574	\$1,339,077
Full-day Kindergarten (currently funded by State for 1/2 day)	\$871,339	\$906,192
Art, Music and Physical Education in Elementary Schools	\$475,702	\$494,730
Extra-curricular Programs with a Minimum Participation Fee	\$150,000	\$150,000
K-3 Reading and Mathematics Intervention Programs	\$117,222	\$121,910
Maintaining all Current Programs and Services to the Extent Possible	\$1,995,670	\$1,887,646
<b>TOTALS</b>	<b>\$8,551,780</b>	<b>\$8,700,000</b>

## Bonds

Bond Proceeds provide additional support for and improvements to District facilities, land, furniture fixtures and equipment (FF&E), technology, and vehicles. A Bond authorization lasts for ten years. Proceeds from Bonds issued are to be substantially spent within three years. FUSD is currently using the last of its proceeds from a 2012 authorization and is beginning to use proceeds from a 2018 authorization. Expenditures are reported separately in this report.

The 2018 authorization is for \$75M of which \$25M were issued in May 2019.

FUSD does not currently have a Capital Override in place.

District Additional Assistance (DAA)(aka Unrestricted Capital) are monies authorized by the state for general capital use similar to Bonds, excepting that curriculum materials can be procured with DAA monies. DAA budgets are being restored after ten or more years of significant reductions. These funds will be used primarily for building renewal and for curriculum materials projects not allowable for Bond funding and which suffered under decreased funding.

Details regarding Bond expenditures and budgets are shown below.

**Flagstaff Unified School District**  
**Report on 2012 and 2018 Bond Revenues**  
**Total Expenditures for FY 2019 and Projected Expenditures for FY 2020**

Bond Program	Total Expenditures* for FY 2019	Total Projected Expenditures* for FY 2020
2012 Bond	\$2,930,922	N/A
2018 Bond	\$641,221	\$12,648,684

\*The detailed report is attached showing the amounts by school and project for each of the two Fiscal Years.

The Voter Pamphlet ballot questions for the bonds ask the following: "Shall Flagstaff Unified School District No. 1 of Coconino County, Arizona, be allowed to issue and sell general obligation bonds in the principal amount of not to exceed \$75,000,000 to provide money for the following purposes:

- Constructing school buildings;
- Renovating school buildings;
- Purchasing pupil transportation vehicles;
- Acquiring by purchase or lease school lots;
- Improving school grounds, including adjacent ways thereto;
- Supplying school buildings with furniture, equipment and technology;
- Liquidating indebtedness incurred for the purposes set forth herein;
- Providing all utilities and other capital items necessary for the construction and renovation of school buildings and for improving school grounds;
- Paying all architectural, design, engineering, project and construction management and other costs incurred in connection with the purposes set forth above; and
- Paying all legal, financial and other costs in connection with issuance of the bonds?"

# Flagstaff Unified School District

## FY 2019 Bond Expenditure from 2012 Bond - Fund 630

School/District Location	Type of Upgrade	Project Descriptions	Total Expended FY19
<b>Cromer Elementary School</b>	Roofing upgrades	Roof replacement	\$ 528,389
		<b>Cromer Total:</b>	<b>\$ 528,389</b>
<b>DeMiguel Elementary School</b>	Exterior upgrades	Fencing upgrade	\$ 14,926
	Engineering Services	ADA Parking and Entrance Ramp	\$ 5,800
		<b>DeMiguel Total:</b>	<b>\$ 20,726</b>
<b>Killip Elementary School</b>	Security upgrades	Surveillance camera systems	\$ 15,585
		<b>Killip Total:</b>	<b>\$ 15,585</b>
<b>Kinsey Elementary School</b>	N/A	No projects	\$ -
		<b>Kinsey Total:</b>	<b>\$ -</b>
<b>Knoles Elementary School</b>	Interior upgrades	Bathroom remodel	\$ 26,641
		<b>Knoles Total:</b>	<b>\$ 26,641</b>
<b>Leupp Elementary School</b>	Security upgrades	Front Office remodel	\$ 112,529
	Electrical upgrades	Front Office remodel	\$ 24,841
	Flooring upgrades	Front Office remodel	\$ 5,257
	Engineering Services	Front Office remodel	\$ 18,110
		<b>Leupp Total:</b>	<b>\$ 160,737</b>
<b>Marshall Elementary School</b>	Security upgrades	Intercom/Card Reader for Security Doors	\$ 6,940
		<b>Marshall Total:</b>	<b>\$ 6,940</b>
<b>Puente de Hozho Elementary School</b>	Interior upgrades	Paint walls/ceiling of gym	\$ 8,782
		<b>Puente de Hozho Total:</b>	<b>\$ 8,782</b>
<b>Sechrist Elementary School</b>	Interior upgrades	Thirty-five (35) ceiling fans and installation	\$ 24,932
		<b>Sechrist Total:</b>	<b>\$ 24,932</b>
<b>Thomas Elementary School</b>	N/A	No projects	\$ -
		<b>Thomas Total:</b>	<b>\$ -</b>
<b>Flagstaff Middle School</b>	Flooring upgrades	New flooring for Office Build	\$ 4,663
	Security upgrades	Office Build; Intercom/Card Reader for Security Doors	\$ 69,082
	Technology upgrades	Phone/Internet System setup	\$ 20,549
		<b>Flagstaff Middle School Total:</b>	<b>\$ 94,294</b>
<b>Mt. Elden Middle School</b>	Security upgrades	Security Camera replacement; new Honeywell Camera recorder	\$ 8,131
		<b>MEMS Total:</b>	<b>\$ 8,131</b>
<b>Sinagua Middle School</b>	N/A	No projects	\$ -
		<b>SMS Total:</b>	<b>\$ -</b>
<b>Christensen Complex (includes Summit HS)</b>	N/A	No projects	\$ -
		<b>Christensen Complex Total:</b>	<b>\$ -</b>

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<b>Coconino High School</b>	Interior upgrades	Locker room remodel; painting of large gym/stair area	\$ 45,057
	Exterior upgrades	Fencing to secure loading dock area classroom; two Pole Lights installed b/w school and stadium; asphalt patching of Fire Lane; debris/tree removal from retention area	\$ 26,042
	Roofing upgrades	Partial roof replacement	\$ 338,224
	Security upgrades	Security Camera replacements	\$ 2,106
		<b>CHS Total:</b>	<b>\$ 411,430</b>
<b>Flagstaff High School</b>	Interior upgrades	Dome Remodel; Card reader/security doors for Library;	\$ 381,245
	Electrical upgrades	Trades Computer Lab remodel; electrical for 300-Wing Timeclock; demo of four power poles; electrical upgrade to Autos Lab; Dome remodel	\$ 73,012
	Flooring upgrades	Dome Remodel	\$ 192,393
	Roofing upgrades	300-Wing	\$ 68,000
	Security upgrades	500-Wing intercom/card reader installation; Surveillance cameras for Library	\$ 4,760
		<b>FHS Total:</b>	<b>\$ 719,410</b>
<b>Technology</b>	Classroom Devices	Seventy (70) Hitachi Projectors @ approx. \$529 each	\$ 37,022
	Staff laptops/iPads/desk-top computers	Thirty (30) Dell Latitude Laptops @ approximately \$1,048 each; Twenty (20) 13" MacBook Air Laptops @ approx. \$1,006 each; Thirty-seven (37) Dell OptiPlex All-in-One Workstations @ approx. \$1,183 each; Four-hundred (400) 32G iPads w/cases @ approx. \$350 each; Two (2) other staff workstations	\$ 235,144
	Technology Infrastructure upgrades-Servers	Firewall, Servers and VM ware, Leupp Server, Data center storage hardware/software, Data Domain	\$ 270,668
	Licenses/Software/Memory	Four-hundred (400) JAMF subscriptions for iPads	\$ 2,615
	Technology Staff Assistance	Staff to set up, maintain and service Bond equipment	\$ 52,264
		<b>Technology Total:</b>	<b>\$ 597,712</b>
<b>Pupil Transportation Vehicles</b>	Vehicles - student transportation	Two 77-passenger propane school buses @\$146,778.24 each	\$ 293,556
		<b>Transportation Vehicles Total:</b>	<b>\$ 293,556</b>
<b>Maintenance/Transportation/Warehouse</b>	Electrical upgrades	Card Reader for Transportation Lounge	\$ 4,209
		<b>Maintenance/Warehouse/Transportation Services Total:</b>	<b>\$ 4,209</b>
<b>District Administration Center</b>	Exterior upgrades	Remove/replace three handicap ramps and adjoining sidewalk to meet ADA compliances	\$ 9,448
		<b>District Administration Center Total:</b>	<b>\$ 9,448</b>
<b>General Districtwide Safety and Alternative Energy</b>	Construction, energy, management & Bond expenses	No projects	\$ -
	Construction Supplies and Repair Services	No projects	\$ -
	Professional services	No projects	\$ -
		<b>Districtwide Total:</b>	<b>\$ -</b>
<b>Total 2012 Bond Expenditures (FY 2018-2019)</b>			<b>\$ 2,930,922</b>

Projected expenditures for the 2012 Bond were \$3,539,568 for fiscal year 2019.

Budgets and activity for the 2018 Bond are presented thru September 27, 2019 in a separate attachment.

Jan Dufek, Account Specialist  
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