



AGENDA REQUEST FORM

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

MEETING DATE	2019-09-04 10:05 - School Board Operational Meeting
AGENDA ITEM	ITEMS
CATEGORY	K. OFFICE OF FINANCIAL MANAGEMENT
DEPARTMENT	Capital Budget

Special Order Request <input type="radio"/> Yes <input checked="" type="radio"/> No
Time
Open Agenda <input type="radio"/> Yes <input checked="" type="radio"/> No

ITEM No.:
K-7.

TITLE:
Capital Budget Fund Amendment as of June 30, 2019

REQUESTED ACTION:
Approve the attached Capital Fund Amendment as of June 30, 2019.

SUMMARY EXPLANATION AND BACKGROUND:
The Capital Fund Amendment is submitted to the School Board pursuant to State Board Administrative Rule 6A-1.006. This Amendment is for the purpose of updating the Broward County School District Budget for estimated revenues and appropriation changes in the Capital Funds. The Amendment includes information as of June 30, 2019.

SCHOOL BOARD GOALS:
 Goal 1: High Quality Instruction
 Goal 2: Safe & Supportive Environment
 Goal 3: Effective Communication

FINANCIAL IMPACT:
There is a net increase to Capital Revenues and Appropriations of \$11,670,365. The Various revenue and appropriation impacts are described in the Executive Summary. Activity for Capital Reserves is shown on Exhibit C, with SMART Program Reserve at \$3.3 million and Unallocated Reserve at \$33.6 million.

EXHIBITS: (List)
(1) June 2019 Capital Executive Summary (2) June 2019 Capital Revenues (3) June 2019 Capital Appropriations (4) June 2019 Capital Reserves

BOARD ACTION:
APPROVED
(For Official School Board Records Office Only)

SOURCE OF ADDITIONAL INFORMATION:

Name: Omar Shim	Phone: 754-321-2080
Name:	Phone:

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
Senior Leader & Title
Judith M. Marte - Chief Financial Officer

Approved In Open Board Meeting On: **SEP 04 2019**
By: *Heather P. Burkwood*
School Board Chair

Signature
Judith M. Marte
8/22/2019, 10:10:26 AM

EXECUTIVE SUMMARY

2018-19 Capital Fund Budget Amendment #3

As of June 30, 2019

This item amending the capital fund includes changes related to year-end closing activities. Increases in revenue and decreases in appropriation for transfers results in approximately \$21.2 million added to the capital unallocated reserve.

Capital Unallocated Reserve

The capital fund amendment includes the addition of \$4.9 million in impact fee revenues that exceeded original revenue projections and the addition of \$6.2 million in local miscellaneous revenues recognized primarily for interest and investment activities. The capital fund also reduced appropriations to debt service by \$12.1 million because of refinancing savings. The transfer to the general fund was increased by \$2.0 million to account for capital equipment expenditures in the general fund.

<u>Adjustment Type</u>		<u>Amt</u>	
Revenue	Impact Fee	(+) \$	4.9
Revenue	Local Miscellaneous	(+)	6.2
Appropriation	Debt Service Transfer	(+)	12.1
Appropriation	General Fund Transfer	(-)	2.0
		<u>\$</u>	<u>21.2</u>

Deferred Revenue

In addition, this amendment shows the deferral \$24.6 million of State revenues for Senate Bill 7026 (Marjorie Stoneman Douglas Funding) and the Educational Facilities Security grant. The deferral is an accounting treatment that simply moves the anticipated revenues from FY 2019 to FY 2020 to align with anticipated expenditures and the State's revenue reporting procedures. **The deferral of revenue does not change the appropriations for Senate bill 7026 or the Security Grant projects in any way.**

Moreover, \$106 million in anticipated GOB revenues is deferred from FY 2019 to FY 2020. Similarly, to the State funding; the deferral of GOB revenues is to align revenues and cash flows with anticipated project expenditures and does not impact the budget or schedule of the SMART Program projects.

Other Changes

Other revenue changes include the District's capital millage is \$1.5 million lower than anticipated based on property tax receipts from the County and additional revenue of \$1.4 million that was received from the sale of land (Northside property).

Reserve Activity

The Reserve Exhibit C includes the impact of Board approved budget increases for SMART Program construction projects through June 2019. **Additional allocations into the SMART Program require the Board's approval.** When considering potential uses of the capital reserves, it is important to note there are other capital outlay needs (such as funding needs for deferred maintenance) to consider when deciding how to allocate these other dollars.

Detail on other changes included in this amendment are in the Revenue Exhibit A and Appropriation Exhibit B.

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2018-19 Capital Fund Budget Amendment # 3
As of June 30, 2019

Exhibit A

ESTIMATED REVENUES		PREVIOUS BUDGET	INCREASE/ (DECREASE)	REVISED BUDGET
REVENUE AND FINANCING SOURCES				
3495	Local - Interest Subsidy (Federal)	\$ 4,367,000	\$ (268,522)	\$ 4,098,478
3199	Federal - Hurricane Reimbursements	0	56,633	56,633
3321/3325	State - CO&DS (Capital Outlay and Debt Service / Motor Vehicle License Revenue)	8,200,000	389,641	8,589,641
3391	State - PECO (Public Education Capital Outlay)	4,825,613	0	4,825,613
3397	State - Charter School Capital Outlay (PECO flow-thru)	23,700,000	(695,680)	23,004,320
3399	State - Senate Bill 7026 (Marjorie Stoneman Douglas Funding)	26,262,714	(20,512,714)	5,750,000 (A)
3399	State - Educational Facilities Security Grant	9,587,129	(4,087,129)	5,500,000 (A)
3399	State - Hurricane Reimbursements	736,839	9,439	746,278
3413	Local - District Local Capital Improvement Tax (Capital Millage)	295,642,655	(1,508,724)	294,133,931 (B)
3496	Local - Impact Fees / Mitigation Fees	11,000,000	4,900,055	15,900,055 (C)
3495	Local - Hurricane Reimbursements	1,203,470	0	1,203,470
3490	Local - Interlocal Agreement with Parkland	(1,304,866)	1,304,866	0 (D)
3490/3495	Local - Miscellaneous Sources	221,838	6,713,914	6,935,752 (E)
3710	Local - Issuance of General Obligation	307,718,258	(106,510,908)	201,207,350 (F)
3720	Local - Equipment Lease Financing (Buses and Technology Equipment)	19,967,090	0	19,967,090
3733	Local - Sale of Capital Assets	1,000,000	(581,257)	418,743
3731	Local - Sale of Land	1,085,195	1,350,000	2,435,195 (G)
TOTAL ESTIMATED REVENUE AND FINANCING SOURCES		714,212,935	(119,440,386)	594,772,549
BEGINNING FUND BALANCE		281,208,617	0	281,208,617
TOTAL ESTIMATED REVENUES AND FINANCING SOURCES & BEGINNING FUND BALANCE		995,421,552	(119,440,386)	875,981,166
Deferred Issuance of GOB		0	106,510,908	106,510,908 (F)
Deferred State Funding - (MSD & Security Grant)		0	24,599,843	24,599,843 (A)
SUB- TOTAL DEFERRED FINANCING		0	131,110,751	131,110,751
TOTAL ESTIMATED REVENUES AND FINANCING SOURCES, BEGINNING FUND BALANCE & DEFERRED FINANCING		\$ 995,421,552	\$ 11,670,365	\$ 1,007,091,917

Exhibit A

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2018-19 Capital Fund Budget Amendment # 3
As of June 30, 2019
Explanation Summary

<u>CHANGES IN ESTIMATED REVENUES</u>	<u>INCREASE/ (DECREASE)</u>
(A) State - Revenue for MSD funding and Educational Facilities Security Grant.	
<ul style="list-style-type: none"> • In FY19 the State Appropriated \$26.3 million for Marjorie Stoneman Douglas to replace building 12 and to construct a memorial. The State only transmits the funds to reimburse expenditures. The unspent amount of \$20.5 million is deferred. This is an accounting treatment to move these funds from FY19 into FY20 and doesn't impact the project budget. The majority of these funds that were used in FY19 are for the portable classrooms that were placed on site until the new building is constructed. 	\$ (20,512,714)
<ul style="list-style-type: none"> • In FY19 the State Appropriated \$9.6 million for the State Educational Facilities Security Grant. The State only transmits the funds to reimburse expenditures. The unspent amount of \$4.1 million is deferred. This is an accounting treatment to move these funds from FY19 into FY20 and doesn't impact the project budgets. The Educational Facilities Security Grant is being used to add security cameras at schools across the District and to upgrade and enhance the public address systems at our 8 combination schools. These grant projects are in addition to the District's larger project to add and upgrade security cameras, enhance radio communications and upgrade public address systems. 	\$ (4,087,129)
(B) Local - District Local Capital Improvement Tax (Capital Millage)	(1,508,724)
<ul style="list-style-type: none"> • \$1.5 million less capital millage was received than originally estimated. 	
(C) Local - Impact Fees/Mitigation Fees	4,900,055
<ul style="list-style-type: none"> • Impact Fee collections exceeded the original estimates by \$4.9 million. The estimate for FY20 was increased to reflect the recent trend in impact fee collections. 	
(D) Local - Interlocal Agreement with Parkland	1,304,866
<ul style="list-style-type: none"> • Accounting entry to allow the return of unspent funds to the City of Parkland for the interlocal agreement to build a classroom addition at Riverglades Elementary School. 	
(E) Local - Miscellaneous	6,713,914
<ul style="list-style-type: none"> • Interest Earnings, \$3.9 million • Gain on Investments, \$2.1 million • Fuel tax, \$0.5 million and other revenue adjustments, \$0.2 million 	
(F) Local - Issuance of General Obligation Bonds	(106,510,908)
<ul style="list-style-type: none"> • The District issued a new tranche of the General Obligation Bonds in February 2019. Un-issued funds are deferred into FY20 in order to preserve project funding. This is an accounting treatment to move \$106.5 million from FY19 to FY20 and doesn't impact the project budgets. • Staff will continue to monitor the progress of the SMART Program and will issue future GOB financings to match the Program's needs. 	
(G) Local - Sale of Land	1,350,000
<ul style="list-style-type: none"> • The District collected funds for the Sale of the Northside property in May, 2019. 	

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2018-19 Capital Fund Budget Amendment # 3
As of June 30, 2019

Exhibit B

APPROPRIATIONS		PREVIOUS BUDGET	INCREASE/ (DECREASE)	REVISED BUDGET
CAPITAL OUTLAY				
610	Library Books	\$ 0	\$ 120	\$ 120
620	Audio Visual Materials	0	5,853	5,853
630	Buildings & Fixed Equipment	78,466,277	0	78,466,277
640	Furniture, Fixtures & Equip	110,691,897	0	110,691,897
650	Motor Vehicles	9,163,926	1,409,908	10,573,834 (1)
660	Land	119,832	0	119,832
670	Improvements other than Bldgs	13,772,318	0	13,772,318
680	Remodeling & Renovation	488,341,036	20,166,827	508,507,863 (2)
690	Software	0	0	0
224	Escrow Liability (Land Sale)	1,085,195	(1,085,195)	0 (3)
790	Indirect Cost (Charter School Educational Facilities Security Grant)	1,647,430		1,647,430
790	Indirect Cost (Parkland Reimbursement)	0	1,304,866	1,304,866 (4)
Total Capital Outlay		703,287,911	21,802,379	725,090,290
OTHER FINANCING USES				
910	To General Fund	115,139,450	1,977,204	117,116,654 (5)
920	To Debt Service Fund	176,994,191	(12,109,218)	164,884,973 (6)
Total Other Financing Uses		292,133,641	(10,132,014)	282,001,627
TOTAL APPROPRIATIONS		\$ 995,421,552	\$ 11,670,365	\$ 1,007,091,917

Exhibit B

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
2018-19 Capital Fund Budget Amendment # 3
As of June 30, 2019
Explanation Summary

<u>CHANGES IN APPROPRIATIONS</u>	<u>INCREASE/ (DECREASE)</u>
(1) 650 Motor Vehicles	1,409,908
<ul style="list-style-type: none"> • Board approved amount for lease payments in the DEFP yielded \$10.5 million for new School Buses. The final Lease yield is \$10,573,834. 	
(2) 680 Remodeling	20,166,827
<ul style="list-style-type: none"> • Favorable year-end closing from increased revenues and a decrease in debt service are added to the unallocated reserve as detailed further on Exhibit C (Capital Reserves). 	
(3) 224 Escrow Liability (Land Sale)	(1,085,195)
<ul style="list-style-type: none"> • Funds to escrow agent for related to the pending sale of the Hiatus and Broward property. 	
(4) 790 Indirect Cost	1,304,866
<ul style="list-style-type: none"> • Return unspent funds to the City of Parkland for the interlocal agreement to build a classroom addition at Riverglades Elementary School 	
(5) 910 Transfer to General Fund	1,977,204
<ul style="list-style-type: none"> • Additional Capital Transfer to General Fund to cover capital equipment expenditures in the General Fund 	
(6) 920 Transfer to Debt Service Fund	(12,109,218)
<ul style="list-style-type: none"> • Savings from refinancing of variable rate COPs Series (Swaps) to fixed rate financings • The net value of savings from the Transfer Accounts plus favorable revenue receipts are added to the unallocated reserve. • As reported in the SAFR, the final transfer to debt service is \$167,254,973 which is offset by \$2,370,000 that was returned from the debt service fund (as revenue). In this capital fund amendment the transfer out to debt service and the transfer in from debt service offset and the capital transfers are reported at the net amount of \$164,884,973. 	

Capital Funds - SMART Program Reserve				
Date	Item	Location	Description	Reserve Activity
7/1/2018			Fiscal Year 2019 Beginning Balance	\$ 40,566,016
7/1/2018				18,354,000
7/24/2018	JJ-1	Griffin Elementary	Award the Construction Agreement to Anatom Construction Co.	(1,868,208)
7/24/2018	JJ-2	Silver Trail Middle	Award the Construction Agreement to CB Constructors, Inc.	(1,781,150)
8/7/2018	JJ-11	Quiet Waters Elementary	Approve the recommendation to award the Construction Agreement to Anatom Construction Company	(1,576,000)
9/5/2018	JJ-1	Palm Cove Elementary	Approve the recommendation to award the Construction Agreement to LEGO Construction Company	(1,318,659)
9/5/2018	JJ-2	Charles W. Flanagan High	Approve GMP Amendment 1 to the Construction Services Agreement with CORE Construction Services of Florida, LLC	(6,793,361)
11/07/2018	JJ-1	Miramar Elementary	Award the Construction Agreement to DiPompeo Construction Corporation.	(2,286,935)
11/07/2018	JJ-2	McNab Elementary	Award the Construction Agreement to Advanced Roofing, Inc.	(1,915,437)
11/07/2018	JJ-6	Sandpiper Elementary	Approve the request for additional funding.	(452,942)
12/04/2018	JJ-1	Morrow Elementary	Award the Construction Agreement to T&G Corporation	469,040
12/04/2018	JJ-2	Silver Shores Elementary	Approve the recommendation to award the Construction Agreement to LEGO Construction Company	(1,231,560)
12/18/2018	JJ-1	Tamarac Elementary	Approve the recommendation to award the Construction Agreement to T&G Corporation	727,343
12/18/2018	JJ-2	Ramblewood Elementary	Approve the recommendation to award the Construction Agreement to Anatom Construction Company	(1,353,158)
12/18/2018	JJ-3	West Hollywood Elementary	Approve the recommendation to award the Construction Agreement to West Construction, Inc.	(1,231,160)
12/18/2018	JJ-4	Northeast High	Approve the Professional Services Agreement with Zyscovich, Inc. <ul style="list-style-type: none"> • FY19 Impact = \$1,025,000 • FY20 Impact = \$16,815,962 	(1,025,000)
12/18/2018	JJ-8	Silver Lakes Elementary	Approve the request for additional funding for SMART Program Renovations	(1,505,741)
12/18/2018	JJ-9	Rock Island Elementary	Approve the request for additional funding for SMART Program Renovations	(1,072,944)
1/15/2019	JJ-2	Atlantic Technical College, Arthur Ashe Campus	Approve the recommendation to award the Construction Agreement to T&G Corporation	(1,836,449)
1/15/2019	JJ-3	Pompano Beach Elementary	Approve the recommendation to award the Construction Agreement to LEGO Construction Co.	(1,390,551)
1/15/2019	JJ-4	Banyan Elementary	Approve the recommendation to award the Construction Agreement to Sagoma Construction Services	(962,979)
2/5/2019	JJ-1	Lake Forest Elementary	Approve the recommendation to award the Construction Agreement to Advanced Roofing	(1,202,142)
2/5/2019	JJ-3	Nova High School	Approve GMP Amendment 1 to the Construction Services Agreement with James B. Pirtle Construction Company	(11,291,476)
2/20/2019	JJ-1	Oakridge Elementary	Approve the recommendation to award the Construction Agreement to OAC Action Construction Corp.	(1,473,860)
2/20/2019	JJ-3	Colbert Museum Magnet	Approve the request for additional funding for SMART Program Renovations	(834,903)

Date	Item	Location	Description	Reserve Activity
2/20/2019	JJ-4	Seagull Alternative High	Approve the request for additional funding for SMART Program Renovations	(1,131,082)
2/20/2019	JJ-6	Pompano Beach Middle	Approve the recommendation to award the Construction Agreement to Thornton Construction Company.	(4,787,180)
3/19/2019	JJ-1	Northeast High	Approve the Construction Services Agreement with Pirtle Construction Company.	(131,000)
3/19/2019	JJ-2	Hollywood Hills High	Approve GMP Amendment 1 to the Construction Services Agreement with Pirtle Construction Company	(7,154,351)
4/9/2019	JJ-1	Amendment of the DEFP	Approval of New Baseline Schedules and Amendment of the DEFP	59,800,000
4/9/2019	JJ-2	Silver Ridge Elementary	Approve the recommendation to award the Construction Agreement to LEGO Construction Co.	(1,074,700)
4/9/2019	JJ-3	Westwood Heights Elementary	Approve the recommendation to award the Construction Agreement to LEGO Construction Co.	(2,517,269)
4/9/2019	JJ-4	North Side Elementary	Approve the recommendation to award the Construction Agreement to OAC Action Construction Corp.	(1,769,430)
4/23/2019	JJ-1	Walker Elementary	Approve the recommendation to award the Construction Agreement to OAC Action Construction Corp.	(1,837,090)
4/23/2019	JJ-2	Dillard 6-12 School	Approve the recommendation to award the Construction Agreement to T&G Corporation	(4,266,232)
4/23/2019	JJ-4	Gator Run Elementary	Approve the recommendation to award the Construction Agreement to Overholt Construction Corporation	(1,535,323)
4/23/2019	JJ-12	Banyan Elementary	Approve the request for additional funding for School Choice Enhancement.	(10,245)
4/23/2019	JJ-13	Floranada Elementary	Approve the request for additional funding for School Choice Enhancement.	(7,680)
4/23/2019	JJ-14	Cypress Elementary	Approve the request for additional funding for School Choice Enhancement.	(5,918)
4/30/2019		Various	Closed PO's and Completed Projects <i>Note: reported on 5/21/19 Capital Fund Budget Amendment</i>	1,893,686
5/3/2019		Various	Closed PO's and Completed SPE Projects	669,827
5/7/2019	JJ-1	Everglades Elementary	Approve the recommendation to award the Construction Agreement to Advanced Roofing, Inc.	(1,132,500)
5/7/2019	JJ-2	Fairway Elementary	Approve the recommendation to award the Construction Agreement to Thornton Construction Company.	(3,507,900)
5/7/2019	JJ-3	Riverland Elementary	Approve the recommendation to award the Construction Agreement to OAC Action Construction Corp.	(2,551,192)
5/7/2019	JJ-4	Hawkes Bluff Elementary	Approve the recommendation to award the Construction Agreement to Advanced Roofing, Inc.	(3,906,437)
6/11/2019	JJ-1	Pinewood Elementary	Approve the recommendation to award the Construction Agreement to LEGO Construction Co.	(2,398,000)
6/11/2019	JJ-2	Forest Glen Middle	Approve the recommendation to award the Construction Agreement to Thornton Construction Co.	(3,858,800)

Date	Item	Location	Description	Reserve Activity
6/11/2019	JJ-3	Sunland Park Academy	Approve the recommendation to award the Construction Agreement to LEGO Construction Co.	(881,100)
6/11/2019	JJ-11	Falcon Cove Middle	Approve GMP Amendment 1 to the Construction Services Agreement	(12,047,000)
6/11/2019	JJ-13	Cypress Bay High	Approve GMP Amendment 2 to the Construction Services Agreement	(18,839,000)
6/25/2019	JJ-1	Westchester Elementary	Approve the recommendation to award the Construction Agreement to OAC Action Construction Corp.	547,142
6/30/2019	Sub-Total SMART Program Reserve Balance			\$ 3,273,010

Capital Funds - Unallocated Reserve (FY19-FY22)

Date	Item	Location	Description	Reserve Activity
7/1/2018	Fiscal Year 2018 Beginning Balance			\$ 9,835,121
8/7/2018	JJ-10	Stranahan High	Approve Change Order #2, MBR Construction, Inc.	(166,038)
12/18/2018	JJ-12	Blanche Ely High	Approve Change Order #2 Advanced Roofing Inc.	4,902
12/31/2018		Various	Closed PO's and Completed Projects	1,794,253
12/31/2018		District Wide	Return funding to unallocated reserve previously set aside for surveillance cameras in anticipation of the State Educational Facilities Security Grant funding	6,200,000
12/31/2018		District Wide	Return portion of \$18 million Hurricane Reserve previously set aside for hurricane repairs	4,000,000
12/31/2018		District Wide	Local hurricane reimbursements from Broward County and insurance policy	1,203,470
12/31/2018		District Wide	General Fund Transfer: funding increase to Physical Plant Operations for additional safety & security work orders	(2,000,000)
12/31/2018		District Wide	Debt Service for first lease payment of the new capital equipment lease for security equipment	(1,559,672)
12/31/2018		Northeast High	Engineering Services for New Addition and Renovation to Building 12	(15,023)
2/20/2019	JJ-5	Colbert Museum Magnet	Approve the Final Acceptance and Final Release of Retainage	79,650
4/2/2019		Hurricane Wilma	State hurricane reimbursement	736,839
4/9/2019	JJ-6	OCLC at Pioneer Middle	Relocation of Off-Campus Learning Center (OCLC) to Pioneer Middle School Portable Site	(493,500)
4/9/2019	JJ-7	ESOL at Pines Lakes Elementary	Relocation of ESOL Department to International Welcome Center at Pines Lakes Elementary School	(555,000)
4/9/2019	JJ-8	CSS at Flanagan High	Relocation of Community School South to Charles W. Flanagan High School Portable Site	(674,500)
4/30/2019		District Wide	General Fund Transfer: funding increase to Physical Plant Operations	(6,000,000)
6/30/2019		District Wide Year-End Activity	Favorable Year End Results <ul style="list-style-type: none"> • Impact Fees = \$4.9 • Savings in Debt Service = \$12.1 • Additional General Fund Transfer = (\$2.0) • Interest, Misc. Revenue, Year-End = \$6.2 	21,193,193
6/30/2019	Sub-Total Unallocated Reserve Balance			\$ 33,583,695
6/30/2019	Grand Total Capital Funds Reserve Balance			\$ 36,856,705