

**BOARD OF EDUCATION**  
**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64**  
**Minutes of the Committee-of-the-Whole: Budget**  
**held on June 11, 2018 at 7:00 p.m.**  
**Jefferson School - Multipurpose Room**  
**8200 N. Greendale Avenue, Niles, IL 60714**

Board President Anthony Borrelli called the meeting to order at 7:26 p.m. Other Board members in attendance were Fred Sanchez, Larry Ryles, Tom Sotos, Rick Biagi, Mark Eggemann and Eastman Tiu. Also present were Superintendent Laurie Heinz; Chief School Business Official Luann Kolstad; Assistant Superintendent for Human Resources Joel T. Martin; Assistant Superintendent for Student Learning Lori Lopez; Director of Innovation and Instructional Technology Mary Jane Warden; Director of Facility Management Ron DeGeorge; Public Information Coordinator Bernadette Tramm; Assistant CSBO Brian Imhoff; and approximately 12 members of the public.

Board of Education meetings are videotaped and may be viewed in their full length from the District's website at: <http://www.d64.org>. The agenda and all reports for this meeting are also available on the website, or through the District 64 Educational Service Center, 164 S. Prospect Ave., Park Ridge.

Board President Borrelli announced the purpose of the meeting was to review the tentative budget draft for fiscal year 2018-19.

**Budget Review**

CSBO Kolstad and Assistant CSBO Imhoff noted the first draft of the budget is a "working" budget, which means it will continue to be revised as new information is received. They reviewed the full budget and tax levy cycle from January through December, and focused on the current tasks to review the budget draft and adopt a tentative budget later in June, followed by a public hearing in August leading to adoption of a final budget on September 24, 2018. CSBO Kolstad and Assistant CSBO Imhoff then conducted a walk-through of the first draft to highlight the major drivers in the budget, sources of information that were used, items with variances, and also invited Board discussion on several key recommendations for Board consideration. Throughout this review, CSBO Kolstad, Assistant CSBO Imhoff, Dr. Heinz and other administrators provided clarifying information in response to a wide range of Board member questions about the budget in general and specific items in particular.

Regarding revenues, they noted that 85% of District 64 revenues are from the property tax levy. They noted that the CPI for 2017 levy is 2.1%, and that the 2017 levy extensions in this draft are estimates, but that the actual extensions were released today and would be included in an updated draft for the June 25, 2018 meeting. They noted that the portion of the levy extension for bonds would decrease by \$900,000 as one bond series was paid off in fiscal year 2017-18. They then reviewed the other revenue categories in turn, noting that interest income would rise due to better rates; student fees for Chromebooks would be recorded as revenue; and more revenue may be collected by the Extended Day Kindergarten (EDK) if the Board approves expansion later this evening. Focusing on state revenues, they pointed out that although the state partially caught up its payments in 2017-18, state revenues would decrease \$300,000 as the shift to the Evidence Based Funding (EBF) model rolled some of the

grants that the state was delinquent on into this EBF funding. On the federal level, they noted that the budget was held flat until the new grant awards are known. After reviewing revenues across all revenue sources, they noted that the 2018-19 revenue budget for the Operating Funds would total \$76.7 million, which is a 1% overall increase from the 2017-18 budget.

Turning to expenditures, CSBO Kolstad and Assistant CSBO Imhoff reviewed major categories beginning with salaries. They noted that increases for teachers, teacher assistants and support staff were negotiated through collective bargaining agreements, and that increases for exempt and administrative staff are estimated and will be finalized with the Board at a later date. They pointed out that placeholders are used for new staff being added for fiscal year 2018-19, including 11 teachers dictated by enrollment projections as approved by the Board in February/March as part of the staffing recommendations; they pointed out that these staff are not actually hired until students are actually fully registered and class sections have been verified. For special education, they pointed out the Board at the May 21, 2018 meeting had discussed personnel recommendations stemming from Interim Student Services Director Mike Padavic's 100-day review/audit and the independent audit from LMT Consulting. The budget draft now includes the addition of a coordinator, behavior interventionist, psychologist, and social worker at an estimated cost of \$304,000. Also included in this special education recommendation is one assistant principal for Emerson Middle School due to increasing enrollment to provide a third administrator for the building. They noted the Board had already separately approved the addition of one elementary assistant principal, so that Franklin and Carpenter could both have a full-time assistant administrator, rather than sharing one. The total for the two assistant principals is estimated at \$172,000. They pointed out that teacher retirements through the PREA contract would result in an estimated savings of \$600,000 in the budgeted expenditures for the salaries category. Board members, CSBO Kolstad, Dr. Heinz, Assistant Superintendent Martin and other administrators engaged in a lengthy discussion about the benefits of the recommended special education positions, and then focusing on the responsibilities to be undertaken by the third administrator and whether to provide a third administrator for Lincoln Middle School. The Board then unanimously agreed to proceed with the special education recommended new staffing so that the District can begin hiring for these positions including the third administrator at Emerson, and reached a majority consensus to defer adding an additional administrator for Lincoln at this time. CSBO Kolstad and Assistant CSBO Imhoff also reviewed the health insurance assumptions and the Board required share of retirement benefits for teachers and other employee groups.

Moving to Education Fund materials and services, they pointed out where investments in student learning were reflected in expenditures. Assistant Superintendent Lopez reviewed curriculum expenditures, including a wide range of items such as elementary English Language Arts adoptions for writing and phonics, updates to classroom libraries, the renewal of a multi-year subscription for elementary math, and for teacher training on social emotional learning, among other efforts. Technology Director Warden then provided details about technology expenditures, such as Chromebook and iPad refresh, and replacement of Smart boards with projectors. Dr. Heinz joined them in providing clarifying information to Board member questions about these areas.

CSBO Kolstad and Assistant CSBO Imhoff then turned to the proposed expansion of the Extended Day Kindergarten (EDK) program at Jefferson School from 50 students to 75, given the continuing, heavy demand for the program. They confirmed it is operated as a breakeven program. Principal Lisa

Halverson joined them to describe how the program had filled in only two days this spring, and that over 40 students are on the waitlist. She shared the plan to hire three certified teachers in lieu of relying only on teacher assistants and the limited remodeling needed to create three distinct classrooms to provide three groups of 25 in the morning and afternoon. Roosevelt Principal Kevin Dwyer confirmed the ongoing, strong interest of parents in seeking all-day coverage for their kindergarten students. Following further discussion, the Board agreed unanimously to proceed with this recommendation to expand EDK.

Shifting to the facility related expenditures, CSBO Kolstad and Assistant CSBO Kolstad reviewed the budget for architect fees for summer projects, annual maintenance projects, and a proposed new radio system, among others. They proposed the replacement of Lincoln's sixth grade desks estimated at \$100,000, and pointed out that the Board could delay making a decision on this expenditure since furniture could be changed out at a break period during the school year. Regarding capital projects and debt service, they confirmed that the budget includes all summer 2018 construction projects, and that all remaining funds from the spring 2017 Debt Certificates and \$10 million of Working Cash transfers designated for capital projects would be spent in the 2018-19 fiscal year. They noted that debt payments would be made on the Series 2014 bonds and the 2017 Debt Certificates.

Summarizing, CSBO Kolstad and Assistant CSBO Imhoff reported that the first draft of the budget indicates that the Operating Funds as a whole show a projected deficit of \$1.5 million, but that many unknowns remain and that the budget has very conservative estimates built into it so that this deficit is expected to be reduced in future drafts. They invited Board members to call or email with further questions. They also noted that the \$500,000 contingency in the Education Fund has not been accessed in the last two years, which is a reflection of the zero-based budgeting approach and utilizing salary and benefits for each employee individually rather than estimating. CSBO Kolstad and Assistant CSBO Imhoff also recommended that the 11 staff members to be added based on enrollment should be reduced to four, as the current registrations do not reflect the need to open as many sections that were considered "bubbles" back in February. These are among the changes that will be reflected in the June 25, 2018 tentative budget, and will be clearly marked so the Board can recognize the modifications as each draft is prepared.

### **Public Comments**

Board President Borrelli invited public comments on the budget, which were received as follows:

- Miki Tesija, D64 parent, addressed the Board with various questions related to line items in special education and other areas
- Tom Fisher, D64 parent, addressed the Board regarding the third administrator at the middle schools
- Carol Sales, D64 parent, addressed the Board concerning legal fees
- Grant Hoffman addressed the Board regarding training and professional development of staff

At 9:54 p.m., it was moved by Board President Borrelli and seconded by Board member Eggemann to adjourn the Committee-of-the-Whole and return to the closed session that had been recessed, not to return to the open meeting thereafter.

The votes were cast as follows:

AYES: Sanchez, Ryles, Sotos, Borrelli, Biagi, Eggemann, Tiu

NAYS: None.

PRESENT: None.

ABSENT: None.

The motion carried.

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President

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Secretary