

**BOARD OF EDUCATION
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64**

Minutes of the Community Finance Committee
held at 7:00 p.m. June 20, 2012
Roosevelt School (Learning Resource Center)
1001 S. Fairview Ave., Park Ridge, IL 60068

Community Coordinators Ares Dalianis and Genie Taddeo called the meeting to order at 7:08 p.m. Also present were nine CFC members, Superintendent Philip Bender, Business Manager Becky Allard, and Public Information Coordinator Bernadette Tramm.

Reports from Study Groups

The coordinators reviewed the timing of the second report to the Board of Education on June 25; the first groups reported at the May 21 meeting. Three study teams shared the progress of their work and reviewed their research and recommendations. CFC members asked clarifying questions and offered suggestions.

▪ **Financial Transparency (Study Group 3)**

Paul Sheehan and Larry Ryles provided copies of a draft report, which was divided into six topics. They reviewed each topic and members offered suggestions. In particular, there was overlap noted on several of the topics with other study group reports; it was recommended that those topics be omitted since they are already covered. Topic 1 – Budget and Levy Hearings – The report recommends moving up the schedule for final adoption of the budget and for levy hearings. There was discussion about the feasibility of advancing the schedule and the impact of doing so. Topic 2 – Published and Posted Information – The report is redundant to the report already submitted by the Taxpayer Education group and members suggested it should be dropped. Topic 3 – Reporting to the Community – The report offers samples of other formats that might be more readily understood; members noted that these formats may be outside the fund-based reporting required for school districts. In addition, the report recommends PTOs provide more financial information publicly through their websites; it was noted that PTOs are not within the CFC's scope. A suggestion was made to more publicly distinguish PTO-sponsored projects, such as the Roosevelt track, from District-financed improvements. Topic 4 – 10-Year Histories – The report recommends a five-year window for comparison. Topic 5 – Projections for Future Spending – The report is redundant to that of the 10-Year Financial Projections study group and members suggested it should be dropped. Topic 6 – Recurring Expenses v. Capital Improvements – The report is redundant to that of the Borrowing Options study group and members suggested it should be dropped. Mr. Dalianis said he would provide additional written comments on the draft report via email to Mr. Sheehan for consideration, as both he and Mr. Ryles were unable to stay longer.

Members then discussed possible strategies for engaging various members of the community on school finance when an urgent financial issue, such as a referendum, is not under consideration.

▪ **District Borrowing Options (Study Group 5)**

Renate Stolzer and Tom Marinis presented a draft report. They noted that the scope of the borrowing had been narrowed to \$14 million, and that they had reviewed a March 1 presentation from William Blair on funding options together with a subsequent April proposal before developing their recommendations. They pointed out the 10-Year Financial Projections study group also had reviewed their recommendations, which would meet three key considerations: minimize the burden on the taxpayer, take advantage of historically low rates, and leave room in the debt base for the future.

They described in detail the options they had reviewed and their analysis, which led them to put forward a recommendation to issue \$14 million in “no tax increase” bonds. This method would allow the District to issue bonds with a repayment schedule to largely begin the year the District’s previous debt is paid back. In effect, it is a no tax decrease, because the District’s tax levy for debt service would continue rather than dropping off when the current bonds are repaid in 2016. There was general agreement that the report was well-researched and recommendations appeared sound based on the data and circumstances analyzed.

▪ **10-Year Financial Projections (Study Group 2)**

Jason Smee represented the group and presented a verbal update on their report. He pointed out assumptions that were used for the “base case” of the model, and several different scenarios they then applied. He reviewed the impact of hyperinflation, low inflation, a significant increase in enrollment due to housing turnover, pay freeze for employees, loss of transportation funding, freezing state and federal funding, and a large increase in the cost of benefits. Days cash on hand is the key metric used to study the impact in these scenarios.

There was general agreement that although the scenarios were somewhat extreme and therefore might be seen as unrealistic, they were very helpful in identifying sensitivities of various assumptions and would be worthwhile for the Board to consider. Mr. Smee will prepare the written report as soon as possible; Ms. Allard is available to answer questions or provide additional data.

Follow-up from May 21 Reports to the Board:

▪ **Student Fees (Study Group 4)**

Annie Jerome reported that the group would like to continue studying fees and looking at electives; would need Board direction to continue and additional information from Ms. Allard.

▪ **Taxpayer Education (Study Group 1)**

Courtney Smee stated the group is not looking for anything further from the Board at this time.

Mr. Dalianis noted he would follow up with these groups if the Board requested additional information on June 25.

Documents for Board Report

Based on the short timeline, Mr. Dalianis requested that revised reports be emailed to him and Ms. Taddeo as soon as possible. Paper copies are distributed on Friday to Board members and posted to the District’s website.

Study Group Time

Several group members stayed to work independently for a short period.

Next Full CFC Meeting

The next full CFC meeting will be scheduled as needed.

The meeting was adjourned at 8:26 p.m.

Minutes submitted by Bernadette Tramm