

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

Minutes of the Community Finance Committee
held at 7:00 p.m. August 5, 2010
Raymond E. Hendee Educational Service Center
164 S. Prospect Ave., Park Ridge, IL 60068

Superintendent Philip Bender called the meeting to order at 7:03 p.m. Also present were Board of Education member Eric Uhlig; CFC members Craig Elderkin, Kent Bergren, Jun Lim, Melissa Nelson, Leanne Berry, Angela Hacke and Renate Stolzer; Business Manager Becky Allard; Emerson Principal Vicki Mogil; and Public Information Coordinator Bernadette Tramm.

Dr. Bender introduced himself as the District's new superintendent and welcomed everyone present.

Update on June 30, 2010 Financial Status

Business Manager Allard distributed an overview of the District's financial position at the close of the fiscal year on June 30. She pointed out that the District had a positive fund balance for the year of \$7.3 million of revenues over expenditures based on unaudited figures. She commented that the Governor had signed the State's budget for 2010-11, but doesn't know how it will affect District 64 directly in terms of any cuts to reimbursements. In addition, Ms. Allard reported that the State had been about \$1.9 million in arrears in payments owing to District 64 for 2009-10. She noted that a payment of over \$1 million had been received at the start of the 2010-11 fiscal year, significantly reducing the amount owed.

Maine Township School Treasurer Update

Ms. Allard noted that the school district business managers had continued to meet with the Township Treasurer regarding aligning the Township's investment policy to the revised State statutes for schools. Ms. Allard praised the CFC's work, spearheaded by Ms. Stolzer, in pinpointing inconsistencies.

Review of CFC Projects Approved by Board of Education

Mr. Elderkin said the purpose of the review would be to bring members up-to-date on the work that has been accomplished or is in progress. He noted that CFC members would be e-mailed "homework" to mark-up all reports and return comments to him.

- **Alumni Giving**

Mr. Elderkin introduced this area, stating that the most exciting concept is the potential for alumni giving to develop into a stream of funding for the District's general operations over the next five years and beyond. He stated that the parameter was to eventually provide \$500,000 annually to District 64 once it was well established. He noted that the CFC's work appears to be ground-breaking, as no similar concept for an elementary public school district has been turned up yet during the committee's research.

Ms. Nelson then reported on behalf of the exploratory committee, and introduced the six areas the committee investigated: social networks; wills and bequests; naming rights; annual giving; investment club; and grants and foundations. She also pointed out the benefits of establishing a separate non-profit 501(c)(3) charitable organization to channel contributions received. She distributed a written report, which described each of the six areas in detail and pointed out relevant statistics, benefits, obstacles and the committee's recommendations.

- **Spend Management**

Mr. Bergren stated the study group is ready to upload the fiscal year data for 2009-10, and set a target of October to complete a report.

- **Energy Management**

Ms. Allard stated that she has been working with CFC member Paul Sheahan to provide him with a clear understanding of the capabilities of the new HVAC systems at Washington and Roosevelt schools, which have electronic controls. She noted that Johnson Controls has been asked to assess the District's light fixtures and provide a current inventory of control systems throughout the District. This will give the District the data to determine the remaining useful life of various systems, and to consider whether to convert older pneumatic systems to digital to provide better monitoring, analysis and usage comparisons. She also reported that she would be meeting with the District's energy management advisor for an update.

- **Property Tax Environment**

Mr. Elderkin reported that the study group is discussing ways to keep the Board and community updated about the local property tax environment, which impacts about 85% of the District's revenues. The group is attempting to select a set of key data points that might be meaningful for the Board to monitor with greater frequency and that would be useful to track over time to provide trends. He provided a written report with several ideas to consider.

- **Alternate Revenue Stream**

Mr. Lim and the study group had reported in detail at a previous meeting, including research on cell phone towers and advertising sponsorships. It was determined that the cell phone towers were not a good match for District 64; the advertising sponsorships might be reconsidered in light of the alumni giving concept presented earlier in the meeting, however.

- **Comparison of CFC Financial Projections and new District 64 StratPlan Model**

Mr. Elderkin stated that he and Messrs. Lim, Mike Calahan and Phil Eichman had prepared a written report on the two models. He noted that the two sets of projections are similar in approach and most major findings. He stated that the purpose of the review is to suggest different assumptions that the Board might also consider when doing long-range financial planning. After discussion, it was agreed that the District's intention of updating the plan annually is sound; February was a logical time to schedule this report because the CPI factor for the previous year is known and can be factored into the update.

Mr. Uhlig stated his desire as a Board member to develop additional financial principles or strategic guidelines that can help guide the Board in being good stewards of the budget. Ms. Allard suggested that Michael Jacoby, executive director of the Illinois Association of School Business Officials, might be a worthwhile presenter at a Board meeting, given his deep experience on this subject. The Board also may want to discuss the assumptions in the model in more detail to deepen their understanding of critical variables.

Other

- **District 64 Liaisons** – With the upcoming retirement of Dr. Mogil, District 64 will seek another building administrator to join the CFC to provide a school-based perspective.
- **Projects Pending Board Approval** – Mr. Elderkin noted that two CFC-recommended projects from 2009-10 are pending. Dr. Bender stated that he would review these proposals for studies on special education and administrative costs. These proposals are tabled at present, but the other four items authorized by the Board have either been completed or are underway.

Next Meeting

Tentative dates on a Thursday toward the mid or end of October will be explored. As a follow-up from this meeting, Mr. Elderkin stated he would e-mail copies of the reports to all CFC members to gather additional comments.

Dr. Bender adjourned the meeting at 8:50 p.m.

Minutes submitted by Bernadette Tramm