

BOARD OF EDUCATION
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64

Minutes of the Committee-of-the-Whole on Finance
held at 7:00 p.m. May 10, 2010
Roosevelt School
1001 S. Fairview, Park Ridge, IL 60068

Vice President Genie Taddeo convened the Committee-of-the-Whole on Finance meeting at 7:10 p.m. Other Board members present were Eric Uhlig, Pat Fioretto, Russell J. Gentile, Sharon Lawson and Ted Smart. Also present were Superintendent Sally Pryor, Assistant Superintendents Sandra Stringer and Diane Betts, Business Manager Becky Allard, Director of EIS/RtI Lynne Farmer, Director of Technology Planning & Assessments Larry Sorensen, Director of Pupil Services Kathy Nelson, Director of Buildings & Grounds Roy Jensen, Public Information Coordinator Bernadette Tramm, and ten members of the public.

Vice President Taddeo stated the purpose of the meeting was to review the District's 2009-10 third quarter financial report.

Business Manager Allard reviewed the report for the period ending March 31, 2010. She noted that as recommended at a previous committee meeting, performance is now stated as a comparison of actual revenues and expenses from the prior year, instead of budgeted amounts. She stated that the State's continuing cash-flow problem had impacted District 64. As of March 31, the Illinois State Board of Education (ISBE) owed District 64 \$1,713,686.06 or 45.44% of the total amount of the vouchers issued (\$3,771,324.64). Regarding tax collections, she noted that as of March 31, the collection rate of the 2008 tax extension is 97.8%. The early collection of the 2009 tax extension (current) is 48.9% of the 2008 tax extension. Legislative changes have increased the percentage of collections from 50% of the prior year tax extension to 55%. Payments continue to be processed weekly. Additional revenues of \$206,879 are expected from the Federal Aviation Administration for expenses incurred on the 2009 summer project at Washington and planning and design expenses for the Roosevelt project. Ms. Allard pointed out that it is typical, at this point of the fiscal year, that revenues exceed expenditures because of tax collections. She affirmed that the successful passage of the 2007 referendum has positioned the District, from a cash-flow perspective, to fulfill all financial obligations without short-term borrowing.

Ms. Allard then reported on a summary of investments prepared by the Maine Township School Treasurer. As of March 31, the Treasurer had \$21.8 million invested on behalf of District 64, which includes \$9.8 million in the Education Fund and \$12 million in the Working Cash Fund with a total yield of 2.8593% for these investments. Ms. Allard also noted that in addition to these long-term investments, the Treasurer has \$30,634,166.61 invested in money market funds. Funds held at Chase are invested at 0.5% and funds held at MB Financial are invested at 0.3%; the funds at MB Financial are collateralized. The money market funds are used to provide for the District's short-term cash flow needs. Ms. Allard noted that a projection of the District's 2010-11 cash flow needs would be included in the tentative budget presented on May 24.

Ms. Allard then introduced several new graphs and charts included in her written report that track fund-by-fund revenue and expenditures. She reviewed Operating Fund revenues, pointing out variations in each line item of the written report. She noted that overall, the pacing of revenue collections is slightly lower than last year, 90.09% versus 91.60% in 2008-09. The actual amount collected, however, is higher, \$62.7 million in the current year versus \$60.5 million in the previous year-to-date period.

Turning to expenses, Ms. Allard reported that salary expenses are pacing at the same rate as last year, but that benefit expenses are trending higher than the comparable period last year due to increases in the number of staff and the coverage selected under the health insurance plan. Overall, however, she noted that Operating Fund expenses are pacing lower than the prior year, 62.98% versus 66.53%. Again, actual expenditures are greater at \$39.7 million through March 31 versus \$37.7 million in the previous year-to-date period.

In response to Board member questions, Ms. Allard reported that the District expected to receive about \$1 million through an American Reinvestment & Recovery Act (ARRA) grant, which is primarily being used for capital improvements at Jefferson School. She also provided clarification on the timing of the FAA payment, insurance costs, the tort immunity fund, and interest income.

Ms. Allard also agreed to e-mail to Board members a copy of the Treasurer's investment report listing the details of each investment.

Ms. Taddeo thanked Ms. Allard for the clarity of her report. Ms. Taddeo again expressed the Board's appreciation to the community for the additional resources provided to District 64 through the 2007 referendum, which have strengthened the District's financial position to withstand the current economic uncertainties.

Ms. Taddeo concluded the Committee-of-the-Whole on Finance meeting at 7:29 p.m., which was followed by a brief recess before the regular Board of Education meeting.

President

Secretary