

BOARD OF EDUCATION
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64

Minutes of the Committee-of-the-Whole on Finance
held at 7:00 p.m. June 14, 2010
Hendee Educational Service Center
164 S. Prospect Ave., Park Ridge, IL 60068

President John Heyde convened the Committee-of-the-Whole on Finance meeting at 7:08 p.m. Other Board members present were Genie Taddeo, Eric Uhlig, Pat Fioretto, Russell J. Gentile, Sharon Lawson and Ted Smart. Also present were Superintendent Sally Pryor, Assistant Superintendents Diane Betts and Sandra Stringer (joined in progress), Business Manager Becky Allard, Director of EIS/RtI Lynne Farmer, Director of Pupil Services Kathy Nelson, Director of Buildings & Grounds Roy Jensen, Public Information Coordinator Bernadette Tramm, and three members of the public.

Mr. Heyde stated the purpose of the meeting was to receive additional information regarding the 2010-11 tentative budget as requested at the May 24 Committee of the Whole on Finance meeting.

Business Manager Becky Allard began by updating the Board on other recent developments regarding the State of Illinois budget and Cook County property taxes that may impact District 64 finances. She noted that State lawmakers had passed a budget for FY2011 that maintains the General State Aid (GSA) foundation level, but reduces mandated categorical reimbursements that provide funding for a range of special education services. She stated that once official confirmation on the GSA level is received from the Illinois State Board of Education, future District 64 budget drafts would be modified to reinstate a decrease of \$133,701 she had budgeted for 2010-11. Ms. Allard noted that further direction on how the categorical reductions will be applied is needed before they can be applied to the District 64 budget.

She also noted that the Maine Township Assessor had reported that taxpayers might not receive real estate property tax bills until early 2011. She noted that property taxes are the largest source of District 64 revenues and that the cash flow projections included in the May 24 draft of the tentative budget are predicated on receiving tax revenues beginning in December 2010. Ms. Allard stated that she is checking with the County Assessor's office to determine the validity of this estimate and will monitor this situation closely.

Ms. Allard then provided additional information on two topics from May 24. First, she reported that the District's actual all funds budget increase between budget 2009-10 and the tentative budget 2010-11 drops to 6.35%, when special grants and "one-time" expenses are removed from both years. These expenses include: conversion to Skyward financial and human resources software; technology upgrades; strategic planning; American Recovery & Reinvestment Act (ARRA) – Individuals with Disabilities Education Act (IDEA) grants; a state grant for Jefferson School; and, Federal Aviation Administration (FAA) grants for Roosevelt and Washington schools and related architect and construction management fees. The actual increase is just under \$4 million, from \$62.9 million to \$66.9 million. On an all funds basis as shown on the

tentative budget, the increase is reported as 14.8%, from about \$65.7 million to \$75.4 million, which is an increase of about \$9.7 million.

Second, she reported that the actual increase in the Education Fund is 5.71% or about \$2.1 million, when one-time additions of \$701,446 are removed. This includes reallocating some salaries into the Education Fund from other funds or line items in order to meet reporting requirements and auditor recommendations. The 2010-11 tentative budget shows a total increase of \$2.8 million or 7.62%. She confirmed that the average salary increase for all employee groups who receive step movement, including teachers, teacher assistants, and secretaries/custodians, is 5.05%. For all other employee categories, including administrative, exempt and technologists, the average salary increase is 2.5%.

Board members then discussed the relative value of the step increase included in the budget, which appears to be closer to 2.5% than 2% as previously estimated and also discussed the increase in employee benefits. Ms. Allard noted that the increase in employee benefits includes a 9% increase for health insurance and the remainder for retirement incentives built into the contractual agreement and other post-retirement benefits. She noted that last year, the health insurance renewal was also budgeted at 9%, although the actual renewal was 4%. The actual renewal should be known in August.

Mr. Heyde then confirmed that the tentative budget would be adopted on June 28. Ms. Allard stated that unless significant new information was received in the next week, the draft presented on May 24 would be the version she presents for adoption. In addition, Mr. Heyde confirmed that the Board would establish a public hearing date of September 27, which is also the date when the Board will adopt a final budget for 2010-11. Ms. Allard noted that the tentative budget would be updated as additional information on revenues and expenditures is received, and that the Board would discuss these changes at its summer meetings. Superintendent Pryor noted that the purpose of the tentative budget is to authorize the District to go forward with expenditures needed to open schools on time in August.

Mr. Heyde concluded the Committee-of-the-Whole on Finance meeting at 7:25 p.m., which was followed by a brief recess before the regular Board of Education meeting.

President

Secretary