

BOARD OF EDUCATION
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64

Minutes of the Committee-of-the-Whole on Finance
held at 7:00 p.m. September 13, 2010
Hendee Educational Service Center
164 S. Prospect Ave., Park Ridge, IL 60068

Vice President Genie Taddeo called the meeting to order at 7:10 p.m. Other Board members present were Eric Uhlig, Sharon Lawson, Ted Smart, and Scott Zimmerman. Also present were Superintendent Philip Bender, Assistant Superintendents Sandra Stringer and Diane Betts, Business Manager Becky Allard, Director of EIS/RtI Lynne Farmer, Director of Pupil Services Kathleen Nelson, Director of Buildings & Grounds Roy Jensen, Director of Technology Terri Bresnahan, Public Information Coordinator Bernadette Tramm, and two members of the public.

Ms. Taddeo stated the purpose of the meeting was to review the 2010-11 tentative budget draft #3.

Business Manager Becky Allard reported the District's 2009 tax extension has still not been finalized, and that the anticipated date continues to be delayed.

Ms. Allard noted changes that had been made to the Education Fund budget since the previous draft #2 presented on August 23. She announced that the State of Illinois was successful in writing a grant application for the Education Jobs Fund federal program; funding will be distributed based on the percentage of distribution District 64 receives for general state aid. This will mean an additional \$146,599 in revenues for the Education Fund, which have been added to the budget draft. Ms. Allard explained that no new expenditures were added to the budget, rather these funds will be directed for staffing already approved and added for 2010-11 including teachers for the transitional program of instruction/bilingual education and a new section of grade 8.

Turning to expenditures, Ms. Allard reported that minor adjustments had been made to all salary line items in the Education Fund for a savings of \$134,975. Several realignments were made in American Recovery & Reinvestment Act (ARRA) grant line items to more closely reflect actual expenditures. The total change in the Education Fund is a decrease of \$39,452 in expenditures.

Overall, Ms. Allard noted that the net result of all changes to draft #3 would be the addition of \$107,147 to the District's Operating Fund balance at the close of 2010-11 for a new total of \$37,425,899, or a fund balance ratio of 51.13% at the end of the fiscal year.

Ms. Allard then provided additional information in response to questions posed by Board members. Regarding revenues, she clarified that revenue calculations are developed on a fund-by-fund basis and that the tax levies similarly are developed fund-by-fund. She noted that the priority for 2009 had been to improve the balance in the Tort Fund and this year, it is to improve the balance in the Operations & Maintenance Fund. To do so, the District will shift its individual fund levies slightly to direct more property taxes to those funds. Ms. Allard noted that this is the reason the percentage change from the prior year in the property taxes line item differs among the funds. Ms. Allard pointed out, however, that state and federal aid revenues do not have this flexibility. Rather, those amounts are

dictated directly by the actual grants or funds being provided by the governmental entities. She also noted that interest income projections are developed in cooperation with the Maine Township School Treasurer based on the investment outlook in the current economy. Fees that make up other local revenues also are adjusted according to the District's calculations based on enrollment and the current fee schedule. Ms. Allard further reviewed the timing which bridges both the prior and current fiscal years of various ARRA-funded improvements and Federal Aviation Administration sound insulation projects, and the flow of reimbursements for these activities through the Operations & Maintenance Fund. She also noted that District 64 had finally received its first payment from the Chicago Department of Aviation for last year's work on the Washington School sound insulation project.

Ms. Allard then provided further details on salary expenditures for 2010-11. She noted that for the Operating Funds, salaries will increase 6.3% overall, which includes a 2.5% base salary increase and step increases for teachers, stipends, salary increases for other employee groups, retirement incentives, and substitute teachers. She noted that the average step increase for the current teaching staff to move one step is 1.81%. Ms. Allard also provided a detailed chart showing the placement of teachers on the salary schedule and pointed out key statistics from it.

Ms. Allard responded to detailed Board member questions concerning expenditures for employee benefits, purchased services, supplies and materials, capital outlay and other expenditures within the Operating Funds. Ms. Allard noted that the other category includes out of district tuition payments, and that this area is very difficult to predict from year to year as it is driven by student need.

Following up from the previous Committee of the Whole on Finance meeting, Ms. Allard noted that according to legal counsel, District 64 currently has no legal basis for filing suit against District 63 for the late billing of tuition charges since a written agreement is not in place. District 64 legal counsel has been asked to draft a written agreement and to suggest necessary changes to Board policy for use going forward.

Dr. Bender announced that superintendents in the North Cook region of the Illinois Association of School Administrators had met and would be co-signing a letter to state legislators urging that the September 1 deadline for mailing of second installment tax bills be observed by Cook County. This year's delay is expected to be particularly lengthy, resulting in local tax revenues not being received by school districts until late December or even January 2011. He noted that the letter points out that such delays in receiving tax revenues each fall is a significant problem for local school districts in suburban areas that rely so heavily on property tax revenues, and that these prolonged delays will undoubtedly cause many school districts to borrow funds to meet payroll or December 1 bond payments.

Ms. Taddeo noted that the Board would hold a public hearing prior to adopting the budget on September 27. Ms. Taddeo concluded the Committee-of-the-Whole on Finance meeting at 7:35 p.m., which was followed by a brief recess before the regular Board of Education meeting.

President

Secretary