

BOARD OF EDUCATION  
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64

Minutes of the Committee-of-the-Whole on Finance  
held at 6:30 p.m. July 11, 2011  
Hendee Educational Service Center  
164 S. Prospect Ave., Park Ridge, IL 60068

Vice-President Scott Zimmerman called the meeting to order at 6:30 p.m. Other Board members present were Eric Uhlig, Pat Fioretto, Sharon Lawson, Dan Collins and Anthony H. Borrelli. Also present were Superintendent Philip Bender, Assistant Superintendent Diane Betts, Business Manager Becky Allard, Director of Facility Management Scott Mackall, Director of Pupil Services James Even, Public Information Coordinator Bernadette Tramm and three members of the public.

Mr. Zimmerman stated the purpose of the meeting was to discuss the June 30, 2011 financial report and the tentative budget for 2011-12.

Business Manager Becky Allard reported that the District's fund balance ratio ended the 2010-11 fiscal year at 55.48%, which is higher than the budgeted ratio of 50.85%. The District's fund balance grew by \$4,678,299 for the year. She noted that as of June 30, all vouchers issued prior to March 28 by the State of Illinois have been paid. Currently, the state owes District 64 about \$1.5 million, which represents 31.22% of the funds for which the Illinois State Board of Education has issued vouchers. She stated the Federal Aviation Administration (FAA) reimbursement for Roosevelt School sound insulation project has been received and is reflected in the June 30 revenues; a final payment for Washington School of about \$370,000 will be received in the 2011-12 fiscal year.

Ms. Allard reported that the primary reason that District 64 continues to hold its own during these very difficult economic times is the successful passage of the 2007 referendum. She noted the District currently has \$16.7 million in investments with a total yield of 2.3083%, which is about 1% lower than last year at this time due to the lower interest rates currently available. In addition to these long-term investments, the District has almost \$25 million in money market funds. In response to Board member questions, Ms. Allard noted that Maine Township School Treasurer Tom Ahlbeck is responsible for investing these funds, and that he would be scheduled to report at an upcoming Board meeting this fall to provide further information about restrictions on securities that can be utilized and his investment strategies.

Ms. Allard then pointed out the many types of data available in the various charts and graphs in the report presented for Board review. During discussion, Mr. Uhlig recommended and the Board agreed that a useful addition to the reports would be the preparation on a quarterly basis of a chart showing revenues and expenditures for each fund indicating the prior year actual figures for that period compared to the current year actual figures for that period and the difference between those numbers. Mrs. Allard then reviewed the timing of when property tax revenues are received as it relates to when tax bills are due, and the variations this causes in the percentage of revenues collected for the year. She noted that the most recent prior year and older year tax collections are tracked separately on the revenue reports.

Ms. Allard then pointed out a new report, which had been recommended by Mr. Uhlig. It provides separate, one-page snapshots for revenues and expenditures by fund, sorted by sources on the revenue report and uses on the expenditure report, with the totals for each fund compared to the budget. Board members appreciated the new display, and asked that the report be adjusted so that amounts that are "under" budget be indicated in parentheses and

“over” budget be shown without parentheses. Mr. Uhlig noted that the report could be expanded to add columns to indicate pacing through the year.

Ms. Allard then pointed out areas of significant under spending in 2010-11 compared to the budget in each fund. Overall, she stated that in the Education Fund actual expenditures through June 30 were 96.95% of the budgeted amount and 94.23% in the Operations & Maintenance Fund.

Turning to the 2011-12 budget, Ms. Allard reviewed the timeline for adoption of the tentative budget, and the public hearing on the budget on September 26 prior to adoption of the final budget during the regular meeting that night. She noted that revenues and expenditures included in budget draft #2 presented for adoption as the tentative 2011-12 budget were unchanged from draft #1 reviewed in detail by the Board on May 9, with the exception of substituting the unaudited financial information through June 30, 2011 instead of the 2010-11 budgeted amounts. Comparisons now are provided between the proposed 2011-12 budget and unaudited, actual amounts for the fiscal year ended June 30, 2011.

Ms. Allard noted that in the next two months, the tentative budget would continue to be refined as additional data becomes available for both revenues and expenditures. Regarding revenues, a key item to be adjusted will be the percentage of property taxes to assume will be collected. In the past, the actual has varied between 98-99% and the draft budget uses 98.5%; however, the actual percentage of collection for the 2009 levy is about 1% lower at 97.8%. This is an area the Board will be asked to review in an upcoming draft. Another revenue area that will likely be changed is state aid, which the state is considering shifting to a pro-rated basis; the Board will be asked to consider whether to budget at the full or a pro-rated amount. The upcoming dissolution of the Maine Township Special Education Program also will alter District 64 financials as these services are shifted into the member school districts. Ms. Allard confirmed that the District would be vulnerable to possible federal budget-cutting in the Education Fund for special education; federal funding in the Operations & Maintenance Fund includes the FAA project reimbursements that are largely complete.

Regarding expenditures, Ms. Allard noted that the two largest categories waiting for final numbers are the health insurance renewal amount for 2011-12 and any additional salaries for new employee hired due to enrollment needs. These would be personnel added beyond the 10 teachers and three technology coaches for the Strategic Plan pilot previously authorized by the Board. She referenced the class size guidelines the District follows when opening new sections due to enrollment increases prior to the opening of school. Dr. Bender noted that extremely close attention is paid when allowing transfers requested by parents to move students between schools so that an additional teacher is not added to accommodate these special requests.

Ms. Allard summarized that the tentative budget indicates that the District should have a total surplus in its operating funds for the 2011-12 fiscal year of just under \$50,000 and a projected fund balance ratio on June 30, 2012 of 57.71% or about \$38.9 million.

Mr. Zimmerman 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.

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President

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Secretary