

BOARD OF EDUCATION
COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64

Minutes of the Committee-of-the-Whole: Finance
held at 6:30 p.m. on May 5, 2014
Field School - North Gym
707 N. Wisner, Park Ridge, IL

Board President Anthony Borrelli called the meeting to order at 6:35 p.m. Other Board members present were Dan Collins, Dathan Paterno, Scott Zimmerman, John Heyde, Vicki Lee and Terry Cameron. Also present were Assistant Superintendents Lori Hinton and Joel T. Martin, Director of Special Education/Pupil Services Jim Even, Director of Technology Terri Bresnahan, Business Manager Becky Allard, Assistant Business Manager Brian Imhoff and approximately five members of the public.

Board President Borrelli stated the purpose of the meeting was to discuss the first draft of the tentative budget for 2014-15. Business Manager Allard reported that the budget is designed to meet the requirements of the Illinois School Code and is required to be adopted by the end of the first quarter of the fiscal year, which is September 30. The budget is the plan to accomplish the educational and financial goals of the school district. The legal budget is reported by fund, she noted.

Ms. Allard responded to Board member questions throughout her presentation to help clarify understanding of the information.

For 2014-15, she pointed out that if capital projects were not considered, the Operating Funds budget expenditures would decrease 0.6% from the 2013-14 budget. As an overview, when capital projects are included, she stated Operating Fund revenues are expected to decrease by 1.5% to about \$70.1 million and expenditures are expected to increase by 0.3% to \$73.4 million. Over the year, she reported that the estimated Operating Fund balance including capital expenditures would decrease by about \$3.3 million, from about \$53.7 million anticipated on June 30, 2014 to \$50.4 million on June 30, 2015. Ms. Allard reported this would provide a fund balance ratio of 68.2%.

Ms. Allard then offered a detailed review of both revenues and expenditures. On the revenue side, she noted that 86% of the District's Operating Funds revenue is from local property taxes. She pointed out that property taxes are affected by the Property Tax Extension Limitation Law, which makes the annual increase subject to the lesser of 5% or the Consumer Price Index (CPI). The 2013 CPI of 1.5% impacts the 2014 levy year, while the District's revenue collections are affected in two fiscal years: the 2014-15 fiscal year for the 2014 spring collection, and the 2015-16 fiscal year for the second installment collections in fall 2014. Reviewing other revenue components, Ms. Allard discussed projected amounts for the Personal Property Replacement Tax, general state aid, other state and federal revenue, and other local income. She noted that local income reflects the shutdown of the elementary before and after school care program that is moving to Park Ridge Park District supervision in 2014-15.

Regarding general state aid, Ms. Allard pointed out that the \$6,119 per student “foundation level” when prorated and other weighting factors were applied resulted in District 64 receiving only \$342 per student in 2013-14. For the draft budget, Ms. Allard is using the same amount for 2014-15.

Turning to expenditures, Ms. Allard pointed out that when capital outlay is removed, salaries and benefits account for more than 84% of the Operating Fund budget. Ms. Allard reviewed budgeted expenditures for the Educational Fund, including breakdowns of the salary component, which is the largest area within that fund. She responded to many Board member questions related to staffing for the coming school year and the application of the District’s class size guidelines. Ms. Allard also reviewed how the expenditures and revenues related to the Board’s adoption of the 1:1 initiative were being addressed in the budget and / or would be added to the next draft. Ms. Allard then reviewed budgeted expenditures for the other funds, providing dollar amounts for each type of expenditure and percentage increases. She responded to many questions regarding expenditures for security upgrades, ongoing building maintenance, carpeting replacement, capital projects, and other items related to the District’s facilities.

Ms. Allard noted that the financial projections from February 2014 typically are updated when the budget is adopted in its final form in September. Board members then discussed whether the financial projections could instead be updated when the tentative draft is adopted and actual performance from 2013-14 is available. Board members then discussed what major expenses might be forthcoming in the next two years. Ms. Allard recommended the Board consider reviewing the remaining projects for facilities after the remaining priority items have been completed at Field School. Dr. Hinton noted that the science curriculum will be reviewed beginning in 2014-15 and that expenditures for resources would be similar but allocated differently among textbooks, subscriptions and other areas.

It was agreed to delay adoption of the tentative budget from the June 23 to the July 14 meeting, so that comparisons could be presented to actual 2013-14 expenditures and revenues.

At 7:50 p.m., it was moved by Board member Zimmerman and seconded by Board President Borrelli to adjourn, which was approved by voice vote.

President

Secretary