

January Board of Education Meeting Highlights

The regular monthly meeting of the Board of Education was called to order at 7:35 p.m. Following approval of minutes for the December 8, 2003 Levy Hearing, Regular Meeting and Closed Meeting, an opportunity was provided for public comments. There were no comments during this portion of the meeting.



The Modern Languages staff provided Board members and audience with an overview of the K-8 Spanish and 5-8 French programs. Staff members: Lynn Sica-Nelson, Eliza Everett, Jill Lapin, Maura Hagestad, Barbara Kane, and Sara Sturtz highlighted activities at their respective grade levels. Enrichment activities, curriculum modifications, and hopes for the future were also identified. Dr. Howe reviewed his conversations with the New Trier High School Modern Languages Department Chairs at the Northfield and Winnetka campuses. It was reported that ninth grade students from District #35 were coming well prepared with no distinction made between students attending different sender districts. The high school department chairs suggested students remain in the recommended class level. It was also identified that students unaccustomed to studying may struggle. The New Trier Summer Review classes in French and Spanish were recommended.

Mr. Chilcote, Business Manager, indicated the End Fund Balance for November 2003 was \$8,047,471.83 and December 2003 was \$7,191,822.95.

Facilities Committee Members: Mr. Chilcote, Mr. Debb and Mr. Myefski suggested a summer 2004 construction program option. Potential Life Safety projects in Priority 1 and 2 categories were identified at each of the three attendance centers. It was suggested application be made to the Illinois State Board of Education for approval of the projects as Life Safety. The District would then be obligated to complete this work. The monies available in "Loss and Cost" funds, approximately \$800,000, would cover the cost of identified Life Safety projects. A sale of bonds for the Life Safety projects would be repaid with the "Loss and Cost" funds. There would be no change in a resident's tax bill due to this sale of bonds. This would not require voter approval or be subject to a petition by 10% of the voters.

Mr. Chilcote also indicated the District was required to complete a ten-year Life Safety Re-Survey of district facilities. The survey would be submitted through the district architect to the Illinois State Board of Education. These proposed projects would satisfy the requirements of the ten-year re-survey.

Specific Life Safety items included in this project were:

South School

Crawlspace Ventilation
Classroom Door Replacement
Corridor Lighting
Bathroom Renovations
Intercom Upgrade

West School

Floor Covering Replacement
Corridor Lighting
Bathroom Renovations

Central School

Door Replacement – Misner Auditorium
Bleacher Replacement – Exhibition Gymnasium
Corridor and Room Lighting
Floor Covering Replacement

The total cost of the Life Safety projects was estimated at \$813,240. Following discussion by the Board it was suggested the option be put forth as an action item. The Board then unanimously approved the sale of bonds for Life Safety projects not to exceed the funds available in “Loss and Cost” funds.

Mr. Chilcote also provided the Board with long-term financial projections reflecting two years of budget history and six future years. The projections extended through fiscal year 2008-2009. Mr. Chilcote noted that audited data was utilized for the projections. It was identified that audited figures were completed on a modified accrual basis, with fund balances projected with outstanding receivables from the State included, and continuation of a consistent tax collection. He stated these factors eliminated variations occurring from year to year. The projections did not include staffing adjustments for future school years.

The following revenue assumptions were used when preparing the projections:

Tax revenue estimated to increase with a CPI level of 2%.including new growth would provide and annual tax collection of approximately 2.5%.
Tax collection was estimated at the current level of almost 100%.
PTA and Educational Foundation contributions were not included beyond the 2002-2003 actual fiscal year.

The Medicaid reimbursement currently budgeted for 2003-2004 at \$50,000 is no longer anticipated due to a revised formula for reimbursement.

It was anticipated that miscellaneous revenue would increase at approximately 1% per year.

The following expenditure assumptions were used when preparing the projections:

Salary and benefits would increase at approximately 5%.

Salaries were adjusted to reflect elimination of retirement incentive costs paid during the 2003-2004 school year.

Projections for enrollment changes were not included.

Purchased services, tuition, and supplies were projected to increase from 3%-10% per year.

A contingency fund of 1% was included.

The financial projections reflected the \$3,000,000 costs associated with recent renovations at Central School. The corresponding reduction in reserve level equated to approximately 3 months. The high level of reserve, 6.7 months, was seen in 2001 and the low of 3.7 months was estimated for the end of the 2003-2004 school year.

The projections showed a deficit of \$632,000 for the current school year. A deficit of approximately \$1,000,000 is anticipated for the 2004-2005 school year. The deficit was expected to grow at approximately \$500,000 per year thereafter. It was anticipated the district would maintain a 3-month reserve level through the 2005-2006 school year. Mr. Chilcote indicated a successful operating referendum would be required by spring 2005.

Mr. Chilcote reported outstanding registration fees owed by 46 families in the amount of \$7,085. A personal letter will be sent to each family with the February notice.

Ms. Schulte provided the Board with a brief overview of the community survey results. Responses were received from 145 individuals. Based upon the 3,634 households receiving the survey, this represented a 3.9% response rate. A more in-depth review of the survey results was scheduled for the February Board meeting.

Ms. Schulte and Dr. Crawford reviewed a suggested outline for the PTA/Board Forum on January 26, 2004. The topics proposed included: Review of District Activities, Ongoing Staff Development Opportunities, Capital Improvement Plan, Negotiations and Early Retirement, Financial Status of the District, and a Question/Answer Session.

Mr. Chilcote presented the Board with a policy regarding Tax Sheltered Annuities. The district legal counsel recommended inclusion of the policy. Board members requested additional information regarding guidelines for 403(B) and 457 plans. The policy was scheduled to appear on the February agenda as an Action Item.

The Board approved the bill list and personnel report for January 2004.

Mr. Chilcote reviewed a resolution calling for intervention in the pending property tax appeal by Lake Shore Country Club. The Country Club requested the assessed value of the property in question be reduced by \$531,225. If approved by the Property Tax Appeal Board the tax revenue loss for District #35 would be approximately \$35,000. The New Trier High School Board has been requested to approve a similar resolution. District 203 and 35 would share the cost of legal representation. It was anticipated the legal fees would be \$1,500. The Board approved the resolution calling for intervention in the tax assessment appeal.

The Board tabled the approval of adding a 403(B) Tax Sheltered Annuity Provider. Pacific Life/Craven requested inclusion as a district provider assuming:
The provider signed the 403(B) documentation utilized by all vendors.
The vendor generated a client base of no less than six employees before implementation of their TSA program.

The Board requested additional information regarding steps taken to ensure credibility of all annuity providers.

Mr. Chilcote provided the Board with information regarding 457 Deferred Compensation Plans. Recommended language from district legal counsel was reviewed and a Plan Adoption Agreement. The Board tabled approval of a 457 Plan and directed Mr. Chilcote to provide additional information regarding Board policy, administrative guidelines, and steps taken to ensure credibility of providers.

There were no public comments during the second opportunity in the meeting and there were no Committee Reports.

The Board adjourned to closed session for the purpose of discussing matters related to personnel, negotiations, and matter related to individual students.