

Board of Education Meeting Highlights May 2004



The regular monthly meeting was called to order at 7:30 p.m. on May 10, 2004. The minutes from the regular and closed sessions of April 21, 2004 were approved. There were no comments from the public during the first opportunity of the meeting.

Newly elected Board President, Mr. Myefski, thanked Mr. Chez for his six years of service and guidance as Board President. Mr. Debb was also thanked for his willingness to serve as the past vice-president. Ms. Schulte was identified as the newly elected vice president. Mr. Myefski also acknowledged the P.T.O. Co-Presidents and thanked them for their contributions to the school district. Mrs. Susan Sholl has completed a two-year term and Mrs. Jill Dimitiref is beginning a new two-year term. Mrs. Wendy Serrino will be returning for a second year as Co-President.

The administrator reports included presentations from parent orientation meetings scheduled during the month of May. An iMovie from the Kindergarten Parent Orientation, video from the 2nd to 3rd Grade Parent Orientation, and a slide show from the 4th to 5th Grade Parent Orientation were shown.

Mr. Chilcote, Business Manager, reported the End Fund Balance for the month of April as \$9,979,965.88.

Mr. Chilcote presented the first draft of the 2004-2005 Fiscal Year Budget. The document represented items discussed by the Board concerning staffing levels and budget allocations. Assumptions utilized when preparing the document included:

Revenue

1. Taxes were indicated at a tax cap level of 1.6% for 2002, 2.4% for 2003, and 1.9% for the tax levy year 2004. It was anticipated that the collection of tax extensions would remain at approximately 99% of the total extension.
2. The decline in revenue generated by interest was projected to continue. This was attributed to lower interest rates and less reserve monies to invest. Interest revenue was estimated at \$75,000.
3. The revenue to be received by the District was budgeted at a level similar to 2003-2004, with local revenue at approximately 92.5%, state revenue at approximately 5.7%, and federal revenue at approximately 2%. Medicaid Administrative Cost Reimbursement was eliminated; PL 94-142 (Special Education) funds were anticipated to increase by approximately \$22,944, and Title I funds were anticipated at the lower amount of \$45,634.

4. No funding from the P.T.O.. or Educational Foundation was included in the first draft of the budget.
5. It was anticipated that state revenue would remain relatively constant with a slight raise in General State Aid, a slight increase in Transportation reimbursement and no change in Special Education reimbursement.
6. Fees for busing, materials, and athletics were reflected at the levels approved by the Board.
7. Total revenue was expected to increase by \$402,000 (2.74%) in the operating funds. The increase reflected greater new property growth than previously estimated. It was also estimated that the new growth would generate approximately \$150,000 in additional tax revenue beyond the CPI generated increase to the tax extension.

Expenditures

1. Staffing levels approved by the Board, salaries reflecting the recently negotiated agreement, and actual salaries of new staff were included. Projected compensation for support staff and administrators was incorporated.
2. The same allocation as used for the past six years, \$300 per child, was incorporated for supply/equipment budgets.
3. The budget reflected the second year of the contractual agreement with Alltown Bus Service. Seven (7) South/West bus routes were incorporated into the budget with consistent ridership anticipated. The cost of this contract increased by approximately 3.5%.
4. Contingencies were included at a 1% level or approximately \$146,000.
5. A TRS fund was again included in the non-operating category as recommended by District auditors. The fund was created for reporting purposes only and reflected anticipated payroll expenses and the associated state cost for retirement.
6. The budget included \$70,000 for curriculum program implementation.
7. Operating expenses were anticipated to increase by 5.12% or \$782,444. This was identified as a reflection of costs associated with the recently negotiated agreement for staff salaries and benefits.
8. Replacement of technology equipment/hardware was budgeted at \$150,000. Included in this amount was the lease/purchase agreement with Apple.

9. The expenditure allocation level remained consistent with previous budgets as salary/benefits represented 77% of the operating budget.

10. The Education Fund budget continued to represent approximately 80% of the operating budget (81.7% for 2004-2005).

11. An increase of approximately \$77,000 was projected in the IMRF fund. This was attributed to increases in IMRF rate and compensation increases for support staff.

Mr. Chilcote indicated the District was projecting a deficit budget for the second consecutive year. The First Draft of the 2004-2005 budget was in keeping with the long-term financial projections presented in January. The deficit was anticipated at approximately \$992,650.00. The revenue in the First Draft was slightly higher than that projected in the long-term financial projection. It was noted that Glencoe Education Foundation and P.T.O. contributions had no impact upon the projections. Since their contributions were for specific targeted items the revenues equaled expenditures.

Future versions of the budget would show slight change in the District's financial condition.

The Board approved the Bill List and a Revised Personnel Report for May 2004.

Three Board policies were recommended for revision. The following policies were approved for revision:

- 2:100 Board Member Conflict of Interest
- 2:105 Ethics and Gift Ban
- 5:120 Ethics

The Board approved the Collective Bargaining Agreement with the Glencoe Education Association for school year 2004-2005 through 2007-2008. As reflected in the agreement a change in the school calendar required Board approval to modify the 2004-2005 school calendar. The following amendments were approved:

- August 26, 27, 30 – Teacher Institute/Workshop Days
- August 31 – First Day for 1st – 8th Grade Students
- September 1 – First Full day of Attendance for Grade 1st – 8th
- September 6 – No School, Labor Day
- September 7 – First day for Kindergarten

The Board approved the annual designation of depositories for District funds for the coming year. The following were designated as District depositories:

Harris Bank of Glencoe:	Checking account, student activity account, payroll account, revolving account, investments
Illinois School District Liquid Asset Funds:	Investments

The Board approved the annual resolution indicating contractors working for the District would pay wages comparable to other contractors in the immediate area. The prevailing wage rate will be determined by the Department of Labor for various areas in the State of Illinois.

The Board also approved plans and specification to be submitted to the Regional Office of Education for the purpose of obtaining building permits. These permits were associated with the Life Safety projects to be completed during Summer Break 2004.

Mr. Ray Coyne of Hutchinson, Shockey, Erley and Company presented the Board with three resolutions. The first reflected the sale of \$800,000 of General Obligation Limited Tax School Bonds (Life Safety). These bonds would be repaid with accumulated Loss and Cost monies in the Bond and Interest Fund. The second resolution was refunding of existing bonds in the amount of \$11,375,000 to take advantage of the lower interest rates. The third resolution reflected an escrow agreement between the school district and J.P. Morgan Trust Company to provide for the refunding of the District's existing debt. The proceeds of the refunding would be placed in an escrow account to pay the principal and interest of refunded bonds. The Board approved the first resolution to sell the bonds for Life Safety work and authorized the Board President, Business Manager and Superintendent to proceed with refinancing of the identified debt were interests rates low enough to derive benefit. The authorization also allowed for establishing an escrow account should refinancing occur. The officers identified would take such action upon consultation with the District financial advisors.

Mr. Chilcote recommended the Board approve the policy and administrative guidelines to establish a 457 Deferred Compensation Plan. The documents were provided by the District's legal counsel and consistent with the existing 403(b) documents. In a survey of District staff 34 responses were received and 22 indicated interest in exploring an additional tax sheltered investment vehicle.

During the second opportunity for public comments Ms. Laurie Morse inquired about specific details of the newly negotiated agreement between the Board of

Education and G.E.A. Board members indicated a meeting with a Pioneer Press reported was scheduled for Tuesday morning and a joint press release would be issued at that time. A copy will be forwarded to Ms. Morse. She also inquired as to the reorganization of the Board of Education officers.

During committee reports Ms. Catherine Schulte indicated the Communications Committee was in the process of developing a presentation regarding the finances of District #35. It was the hope of committee members to present the information to a group of community members prior to the end of the current school year.

The meeting was adjourned to closed session for the purpose of discussing matters related to personnel, pending litigation and a special education student's program.

The next meeting of the Board is scheduled for **Tuesday, June 8, 2004 at 7:30 p.m.** The meeting will be held in Young Auditorium at Central School.