

**MINUTES OF A BUDGET HEARING
OF THE
GLENCOE BOARD OF EDUCATION**

Monday, September 12, 2005

Vice-President Catherine Schulte called the Budget Hearing of the Glencoe Board of Education to order at 7:02 p.m. on Monday, September 12, 2005 in Young Auditorium of Central School, Glencoe, Illinois.

ROLL CALL

Present: Bailey, Chez, Schulte and Stender
Absent: Katz, Myefski
Late: Makoul

Mr. Chilcote, Business Manager, presented the final draft of the 2005-2006 Fiscal Year Budget. Incorporated were staffing levels approved by the Board. This document represented a comparison to the Actual Revenue and Expenses for 2004-05.

The following assumptions were utilized when preparing this document:

Revenue

1. Taxes were indicated at a tax cap level of 1.9% for 2004, and 3.3% for the tax levy year 2005. It was also anticipated that collection of the tax extensions would remain at approximately 99% of the total extension.
2. Interest earnings were projected to increase significantly, reflecting increasing rates and more monies to invest resulting from the referendum. A total of \$191,000 in interest revenue was estimated in the Operating Funds.
3. The revenue received by the District was budgeted at a level (% by source) similar to 2004-05, with local revenue at approximately 93.6%, state revenue at approximately 5.0%, and federal monies at slightly less than 1.5%.
4. Contributions from the PTO and Glencoe Educational Foundation were included in the Operating Budget.

5. It was anticipated that State revenue would remain relatively constant, with a slight increase in General State Aid, a slight decrease in Transportation Aid due to decreasing costs during the 2004-05 year; and other Special Education aid remaining at a level consistent with the past year.
6. Fees (busing, athletic, materials) were reflected at current levels as approved by the Board.
7. Total revenue was expected to increase (Operational Funds) by approximately \$4,669,000 (30.36%) when compared to the actual collections for the 2004-05 budget. This increase reflected the successful referendum of \$4.0 million and CPI tax extension growth. It was estimated that new growth would generate approximately \$150,000 in additional tax revenue beyond the CPI-generated increase to the tax extension.

Expenditures

1. Approved staffing levels for the district were incorporated into the final budget.
2. Supply/equipment budgets for instructional purposes were categorized in a site-based format. This included an allocation of \$300 per child for each building, incorporating supplies, textbooks, equipment and Library Learning Center resources. This amount had not increased in seven (7) years.
3. The 2005-06 school year represented the third year of the contractual agreement with Alltown Bus Service. Seven (7) South/West bus routes were incorporated in the Budget document, with anticipated consistent ridership. The cost of the contract was approximately 4.0% more than 2004-05.
4. Contingencies were included at a .5% level and budgeted at \$79,000.
5. TRS Fund was included in the non-operating category, as recommended by the District auditors. This Fund was created for State reporting purposes only and reflected anticipated payroll expenses and the anticipated State costs for retirement.
6. Operating expenditures were anticipated to increase by 6.76% (\$1,098,086) compared to actual 2004-05 levels, exclusive of 2005-06 contingencies. The 2005-06 budgeted amount was 5.97% higher than the 2004-05 budget. This increase reflected the costs associated with the negotiated GEA agreement, with all non-salary/benefit objects generating a 2.36% increase in the operating budget (\$384,366).

7. A total of \$150,000 was budgeted for the replacement of technology equipment. This amount included the Apple lease/purchase agreement.
8. The expenditure allocation levels remained consistent with previous budgets, with salary/benefits at a level of 76% of the operating budget.
9. The Education Fund budget continued to represent approximately 80% of the operating budget (80.8% for 2005-06).
10. The IMRF Fund projected approximately \$66,000 in additional expenditures reflecting the increased salaries for teacher associates, a slightly increased IMRF rate, and projected increases in compensation for the remaining support staff.

Summary

The Final Draft of the 2005-06 Budget reflected anticipated revenues including the additional tax revenues generated by the successful April referendum and expenditures resulting from previously approved staffing patterns, the negotiated GEA Agreement, as well as assumptions made for revenue from state and federal funding sources. The District was projecting significant revenue increase in the District's reserves as a result of the April referendum. The budget was in keeping with the long-term financial projection presented September 2004. This document showed a fiscal 2006 budget balance of \$2,615,592 compared to the projected balance of \$2,615,000.

Mr. Chilcote stated one of the long-term financial goals of the District was utilizing the resources provided by the community to delay the need for a future referendum. Expenditure reduction items discussed, as well as alternate revenue sources, would be pursued in subsequent budget years to achieve this goal.

Tax revenues projected for fiscal year 2006 were higher than a "normal" tax cycle due to the late collection of taxes from the April referendum. Taxes were estimated at \$1,300,000 higher than a normal cycle would generate. Collections for tax year 2005, collected in fiscal year 2007 (2006-06\7) would reflect a consistent revenue flow.

Ms. Stender made a motion to adjourn the Budget Hearing and Mr. Chez seconded the motion.

Aye: Bailey, Chez, Makoul, Schulte and Stender
Nay: None
Absent: Katz, Myefski