

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

Monday, September 10, 2007

President Rob Bailey called the Budget Hearing of the Glencoe Board of Education to order at 7:00 p.m. on Monday, September 10, 2007 in Young Auditorium of Central School, Glencoe, Illinois.

ROLL CALL

Present: Bailey, Burnham, Chez, Malehorn, Makoul, and Myefski

Absent: Sigurdson

Mr. Tanner, Director of Finance and Operations, presented the final draft of the 2007-2008 Fiscal Year Budget. This document represented items discussed by the Board of Education and Finance Committee concerning staffing levels and budget allocations for each of the individual school buildings.

The following assumptions were applicable when preparing this document:

Revenue

1. Taxes were indicated at a tax cap level of 3.3% for the tax levy year 2005, and 3.4% for levy year 2006, and 2.5% for levy year 2007. It was anticipated that the collection of tax extensions would remain at approximately 99% of the total extension.
2. Interest revenue was estimated at \$368,000 in the Operating Funds.
3. The revenue to be received by the District was budgeted at a level similar to 2006-2007, with local revenue at approximately 95%, state revenue at approximately 4%, and federal revenue at less than 1%. The IDEA grant showed an anticipate reduction of \$42,000 from the previous year due to changes in NSED distribution of funds.
4. Funding from the P.T.O. and Educational Foundation were included at an estimated level of donation.
5. It was anticipated that state revenue would remain relatively constant with a slight shift in allocation. The state budget had not yet been formalized.
6. Fees for busing, materials, and athletics were reflected at the levels approved by the Board.

7. Total revenue was expected to increase by approximately \$687,485 (2.87%) when compared to actual funds received in 2006-2007 budget.

Expenditures

1. Staffing levels approved by the Board, salaries reflecting the negotiated agreement, and actual salaries of new staff, support staff and administrators were included.

2. The same allocation as used for the past nine years, \$300 per child, was incorporated for supply/equipment budgets.

3. The budget reflected the fifth 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 2.75% over the previous year, not including adjustments for fuel.

4. Contingencies were included at a .7% level or approximately \$148,000.

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. Operating expenses were anticipated to increase by 10.34% or \$1,910,667. This increase reflected the costs associated with the negotiated agreement, contracts entered into and the cost of capital improvements. This increase was exaggerated as it reflected estimated costs for the current year. It was not expected that the budgeted amount would be expended. When comparing the 2007-08 budgeted expenditures with the 2006-07 budgeted expenditures, the increase was 6.82%

7. Replacement of technology equipment/hardware was budgeted at \$150,000. Included in this amount was the lease/purchase agreement with Apple.

8. The expenditure allocation level remained consistent with previous budgets as salary/benefits represented 76% of the operating budget.

9. The Education Fund budget continued to represent approximately 80% of the operating budget (81.25% for 2007-2008).

10. Capital Outlay represents an increase of approximately \$300,000 to cover the cost of new lockers at South and Central Schools, replacing the fence at West School, the GPS clock systems at South and Central Schools, re-sod in the South School courtyard, and installation of air conditioning unit in the Central School MDF (server) room.

11. Included in this budget was the cost of moving to fiber optics within the district. This included the one-time cost of \$16,000.

Mr. Tanner indicated the financial condition of the district remains strong with a projected fiscal 2008 budget balance of \$2,139,791. The impact of compounding new property values and interest income generated from investments provided an opportunity to elongate the time frame for an operating referendum.

Mr. Myefski made a motion to adjourn the budget hearing and Mr. Makoul seconded the motion.

Aye:	Bailey, Burnham, Chez, Makoul, Malehorn and Myefski
Nay:	None
Absent:	Sigurdson