

The Board of Education, Downers Grove Grade School District 58, DuPage County, Illinois met for a special meeting/budget workshop on Monday, August 24, 2015, at Longfellow Center.

1. CALL TO ORDER/ROLL CALL

The President called the meeting to order at 7:06 p.m. Members present: President John D. Cooper; Vice President Doug Purcell; and Members Diehl, Lupescu, Miller, and Sigale. Members absent: None. Also in attendance were Kari Cremascoli, Superintendent; Jayne Yudzentis, Assistant Superintendent for Personnel; Jessica Stewart, Assistant Superintendent for Special Services; Matthew Rich, Assistant Superintendent for Curriculum and Instruction; James Popernik, Controller; Richard Bubula, Director of Buildings and Grounds; James Eichmiller, Director of Innovative Technology and Learning; Megan Hewitt, Coordinator of Community Relations; and Pamela A. Osika, Board Secretary.

2. BUDGET WORKSHOP

Proposed Legal Budget for 2015-2016

Controller Dr. James Popernik presented to the Board an update of revenue and expenditure estimates for the 2015-2016 budget. In July, the Board approved the 2015-2016 Tentative Budget and made it available for public inspection. Since July, a number of line item changes (mostly expenditures) were made in the Education Fund but the totals (revenues and expenditures) remained unchanged. No other funds were revised. As the budget stands, the operating funds -- Education, Operations & Maintenance (O&M), Transportation, IMRF/FICA-Medicare, and Working Cash – are in balance. It was noted that the Medical Reserve Fund ran a \$530,000 deficit in FY15 and is expected to run a deficit in FY16. The Medical Reserve Fund does not have a budget; it is only tracked. It is established to record revenues (mostly Board and employee contributions that are budgeted expenditures in the Education and O&M Funds) and expenditures in the form of claims and administrative costs. Another Medical Reserve Fund shortfall is anticipated since premium charges have not been increased and claims experience/costs have been tracking higher. Medical Reserve Fund expenditures have also increased due to Affordable Care Act fees, which have been implemented. Dr. Popernik compared projections made in 2012 for 2015-2016 to current budget projections for 2015-2016. Three years ago, caution was raised concerning the 2015-2016 budget, but as a result of preemptive steps taken by the District the FY16 budget is expected to generate only a slight overall deficit. The timing of receipts from the State will be monitored closely and may impact the final results. If there is a change in the General State Aid program, estimates show District 58 would lose approximately \$2,000,000 each year. If there is a property tax freeze for two years, District 58 would lose a little over \$1,000,000 each year. Again, looking to the future, the District could be facing budget challenges in three years.

Dr. Popernik reviewed the history of District 58's fund balances and showed how the fund balance of the total operating funds has decreased since FY05 based on Treasurer's Reports. It was noted that while the fund balance of the Education Fund has increased over the past ten years, the fund balances of the O&M, Transportation, IMRF, and Working Cash Funds have decreased substantially. Caution was expressed looking forward and the Board was reminded that approximately \$7 million is borrowed from the Working Cash Fund each spring when cash flow is tight.

Fund transfers include \$20,000 interest income from the Working Cash Fund to the Sinking Fund. Per Illinois State Board of Education (ISBE) regulations, capital projects must be budgeted and accounted for in the Capital Projects Fund; \$350,000 budgeted as revenue in the Capital Projects Fund is a transfer from the O&M Fund.

The aggregate 2015-2016 budget is generally in balance. The budget includes approximately \$350,000 for one time capital projects including asphalt work at O'Neill, carpet replacement at Belle Aire and El Sierra, and playground work at Lester and Highland. This is planned, controllable deficit spending. Expenditures related to the full implementation of the 1:1 initiative as well as rolling out the Optional Kindergarten Enrichment and Enhancement Program (OKEEP) at five Title I schools is included in the FY16 budget.

The 2015-2016 year is projected to generally be a good budget year. Discretionary dollars are limited but the District is in a good position in regard to facilities. The State's financial situation is a concern. Moving forward in the short term, prioritization of goals and projects as well as monitoring and operating with shrinking resources will be the focus.

Dr. Popernik reviewed the Revenue & Expenditure Reports explaining that financial reports have a new look with the implementation of the iVisions administrative software. The ISBE School District Budget Form 50-36 was briefly presented. Board members were given an opportunity to ask questions and make comments.

3. RECEPTION OF VISITORS

There were no comments or questions from members of the audience at this time.

4. CLOSED SESSION

Member Diehl moved and Member Purcell seconded the motion to move to closed session for the purpose of discussing matters relating to

- the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the District; 5 ILCS 120/2(c)(1);
- the selection of a person to fill a public office, including a vacancy in a public office, when the District is given power to appoint under law or ordinance, or the discipline, performance, or removal of a public official when the District is given the power of removal by law or ordinance; 5 ILCS 120/2(c)(3);

ROLL CALL VOTE: AYES: Members Cooper, Diehl, Lupescu, Miller, Purcell,
and Sigale
NAYS: None Motion carried

Member Miller moved and Member Sigale seconded the motion to reconvene in open session.

VOICE VOTE Motion carried

The Board convened to closed session at 7:45 p.m. and reconvened to open session at 8:40 p.m.

5. ADJOURNMENT

Member Purcell moved and Member Lupescu seconded the motion to adjourn the meeting.

VOICE VOTE Motion carried

The meeting was adjourned at 8:42 p.m.

John D. Cooper, President

Pamela A. Osika, Secretary