

The Board of Education, Downers Grove Grade School District 58, DuPage County, Illinois met for a special meeting/budget workshop on Monday, April 25, 2016, at Longfellow Center.

1. CALL TO ORDER/ROLL CALL

The President called the meeting to order at 7:05 p.m. Members present: President John D. Cooper; Vice President Doug Purcell; and Members Diehl, Heppner, 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; Lorie Pilster, Director of Business Services; James Popernik, Controller; Richard Bubula, Director of Buildings and Grounds; James Eichmiller, Director of Innovative Technology and Learning; Megan Hewitt, Coordinator of Community Relations; Ken Young, Maintenance Supervisor; and Pamela A. Osika, Board Secretary. Attending this meeting were at least four visitors.

2. BUDGET WORKSHOP

Dr. Popernik began by introducing Christy Fogarty who is a District 58 community member, parent, and student at Governors State University working on a CSBO certificate. Ms. Fogarty has been working in the Business Office voluntarily and has contributed substantially to preparing for tonight's Budget Workshop.

Dr. Popernik explained that although information provided for the Budget Workshop looks the same as in previous years, the 2016-2017 budget was prepared in the new Infinite Visions system.

2016-2017 Tentative Budget General Summary

The following points were highlighted, which will substantially impact the 2016-2017 tentative budget.

- The planned continuation of all established District programs plus the expansion of the Optional Kindergarten Enrichment & Enhancement Program (OKEEP) and a continuation of facilities and grounds improvements.
- Replacement hires related to 9 certificated and 11 non-certificated retirements as well as additional hires resulting from the OKEEP expansion. *It was noted that the PowerPoint presentation showed "8 certificated" when it should have been "9 certificated."*

2015-2016 Budget Recap

The 2015-2016 aggregate budget minus the Medical Reserve Fund, Capital Projects Fund and transfers had revenues of \$63.45 million and expenditures of \$63.1 million. To date, two State categorical payments have been received by District 58.

A third payment is vouchered and is expected to be received within 60 to 90 days. A school district typically receives four categorical payments within any fiscal year. As a result of categorical non-payment from the State, District 58 is likely to experience a shortfall for 2015-2016. Expenditures for 2015-2016 are on target. Thus, concern for the 2015-2016 budget is a result of potential revenue shortfall from the State.

2016-2017 Tentative Budget

2016-2017 Revenue Assumptions

- Tax receipts related to the 2015 levy to increase 1.6%. The 2014 CPI was 0.8% plus 0.8% for new EAV growth.
- Tax receipts related to the 2016 levy to increase 1.5%. The 2015 CPI was 0.7% plus 0.8% for new EAV growth.
- General State Aid = \$1,300,000. FY16 budget was \$1,300,000. Also, categorical revenues expected to remain flat.
- Interest Rate on Investments = +0.35%. FY15 budget was +0.35%.
- Medicaid receipts = \$200,000. FY16 budget was \$200,000.
- Student fee increases including the expansion of the Optional Kindergarten Enrichment and Enhancement Program (OKEEP) have been built into the 2016-2017 budget.

2016-2017 Expenditure Assumptions

- The total enrollment including preschool is expected to increase slightly over the 2015-2016 school year. Estimated total enrollment = 5,090.
- The Medical Reserve has been running deficits for the past two years due to increased claim activity and costs coupled with no increases in premiums. For 2016-2017 a premium increase of 5.5% is being recommended, which is expected to result in a breakeven or surplus for the Medical Reserve.
- Building supply/equipment budgets will remain flat for FY17. However budgets have been established to furnish six new kindergarten classrooms for OKEEP.
- Salaries generally budgeted to increase according to contracts (0.5% - 3%).
- SASSED tuition and services budget increased to \$3.3 million. SASSED tuition and services were budgeted at \$3.0 million in FY16.
- \$300,000 of O&M money will be spent on asphalt repairs and playground updates. These funds will be channeled through the Capital Projects Fund.

2016 Levy Preview

- The 2015 Extension came in at \$52.24 million. The 2016 Levy is projected to be 1.8% higher at approximately \$53.20 million. The 11 non-certificated retirements in 2016 will have a positive impact on the O&M, IMRF, and Social Security funds. It was suggested that consideration could be given to increasing the Transportation Fund levy in 2016.

Staffing Projections

- **Certified Positions:**
Reduction of 1.0 FTE elementary LRC teacher and 0.2 FTE gifted teacher for a total of 1.2 FTE certificated positions. Reduction of 0.5 FTE controller, which is a non-certificated position. Addition of 6 FTE kindergarten teachers, 1.0 FTE elementary P.E. teacher, and 0.2 FTE elementary music teacher, which are based on expansion of OKEEP program districtwide. Addition of 0.8 FTE school social worker, 0.5 FTE school nurse, 0.5 FTE speech therapist, and 1.0 FTE CSBO. Total of 10 FTE certificated positions to be added.
- **Educational Support Personnel Positions:**
No reductions or additions are planned.

The above staffing proposals are based on anticipated enrollments, implementation of OKEEP at all elementary schools, and other service delivery needs. The staffing plan/budget may be revised prior to the final budget adoption.

2016-2017 Tentative Budget

The Education Fund shows a slight shortfall, due in part to the recommended 5.5% increase in medical premiums. The O&M Fund runs even, which includes a \$300,000 transfer to the Capital Projects Fund. The Debt Service Fund breaks even. The Transportation Fund is forecast to continue struggling, which is why consideration to increase the Transportation levy in 2016 was suggested. The IMRF Fund continues to hold steady in part due to the number of non-certificated retirements. The District will continue to maintain the Working Cash Fund.

Transfers/Loans/Bonds

- Planned fund transfers include:
 - Transfer \$300,000 from O&M to the Capital Projects Fund for summer 2016 projects.
 - \$20,000 Working Cash Fund interest to Sinking Fund
- Working Cash loans (to Education and Transportation Funds) will again be needed in the spring of 2017.
- There are no new bond issues or other borrowing planned or budgeted.

Fund Balance

Dr. Popernik compared the fund balances from FY15 to FY16 and the projected balances in FY17. Taking into consideration the lack of a State budget and limited State funding, District 58 should be able to continue meeting obligations through FY17. The impact beyond that point are unknown.

Areas of Interest

- **Staff Development**
 - As committees finalize work for the year, professional development supports necessary to effectively implement the work will be identified.

- Curriculum
 - The District is looking at English-Language Arts, Science, and Math curriculums, which will take into consideration a more growth approach.
 - The middle school Spanish curriculum will be aligned with District 99.
- Technology
 - The District will increase its bandwidth and wide-area network, pending review of e-rate bids.
 - Upgrades to the wireless network are in its final stages.
 - Implementation of new Apple School Management capabilities, including the classroom management app.
 - Continued integration of learning ecology, organized through SQUIRREL (Student Quality & Universal Information for Recording and Reporting Educational Learning)
 - District 58 is now in year three of the 1:1 initiative. All iPads will be collected over the summer to be refreshed and allow for maintenance. One-third of the iPad fleet will not be replaced, as was originally expected when initiative was put in place.
- Facilities/Grounds
 - Natural gas and electric utilities pricing are locked in for FY17.
 - O&M budget includes \$30,000 for a replacement vehicle.
 - The Capital Projects Fund budget includes \$300,000 (from O&M) for asphalt repair/replacement at Herrick and the ASC, as well as playground work at Belle Aire, Fairmount, Indian Trail, and Pierce Downer.
 - Required ten year Life Safety inspections by an architect generated a list of projects; \$100,000 in minor projects are planned for completion during FY17.
 - The Hillcrest donated playground work is scheduled to take place during the summer of 2016.

Aggregate Operating Budget to Budget Comparison

Comparison is for operating funds (including the Sinking Fund, which is a sub fund of the O&M Fund) and excludes Medical Reserve, Capital Projects, Debt Service, and any transfers for both years.

	<u>Budget 2015-2016</u>	<u>Budget 2016-2017</u>
Revenue:	\$61,919,050	\$63,151,900 or +2.0%
Expenditures:	<u>\$61,725,557</u>	<u>\$63,398,272</u> or +2.7%
Surplus (Shortfall)	\$193,493	(\$246,372)

Budget Adoption Timeline

- Tentative Budget Review and Approval – August 8, 2016 @ ASC
- Budget on Public Display – August 9, 2016
- Budget Hearing – September 12, 2016 at Longfellow Center @ 7:00 p.m.

- Budget Adoption – September 12, 2016

Board members were given an opportunity to ask questions at this time.

3. RECEPTION OF VISITORS

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

4. CLOSED SESSION

Member Purcell moved and Member Diehl 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);
- collective negotiating matters between the District and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees; 5 ILCS 120/2(c)(2);

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

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

VOICE VOTE Motion carried

The Board convened to closed session at 7:56 p.m. and reconvened to open session at 8:56 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 8:56 p.m.

John D. Cooper, President

Pamela A. Osika, Secretary