

The Board of Education, Downers Grove Grade School District 58, DuPage County, Illinois met for a special meeting/budget workshop on Monday, August 22, 2016, at Longfellow Center.

1. CALL TO ORDER/ROLL CALL

The President called the meeting to order at 6:31 p.m. Members present: President John D. Cooper; Vice President Doug Purcell; and Members Diehl, Heppner, Miller, and Sigale. Member Lupescu arrived at 6:47 p.m. 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; David Bein, Assistant Superintendent for Business/CSBO; Lorie Pilster, Director of Business Services; Ken Young, 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. Attending this meeting were at least nine visitors. (Visitors' Roster attached to official minutes.)

2. BUDGET WORKSHOP

Proposed Legal Budget for 2016-2017

Assistant Superintendent for Business/CSBO David Bein presented to the Board an update of revenue and expenditure estimates for the 2016-2017 budget. At the regular monthly meeting on August 8, 2016, the Board approved the 2016-2017 Tentative Budget and made it available for public inspection. Since that time, some line item changes have been made, taking into consideration current information in regard to donations received, grant funding, enrollment, and staffing updates. The District annually prepares a budget by analyzing the District's needs and priorities. The budget accounts for slight fluctuations and unexpected needs that arise. Actual spending may vary from the budget. Sometimes unexpected expenditures occur and sometimes underspending in certain categories results in cost savings.

In order to address recent questions regarding the Educational Media Services expenditure budget, Mr. Bein explained that this budget line item includes activities that are concerned with the use of all teaching and learning resources including hardware and content materials. Educational Media Services expenditures incorporate technology costs, including the District's 1:1 program (approximately 64%); library resources (approximately 35%); and audio/visual costs. During FY16, District 58 re-evaluated its 1:1 hardware and software needs and determined that the devices did not need replacement, which saved the District more than \$300,000 in Educational Media Services. Those funds were reallocated to other needs and priorities. When preparing the FY17 Tentative Budget, the needs and priorities of the District were evaluated and spending in the area of 1:1 hardware was reduced when it was determined that again 1:1 hardware

did not need to be replaced at this time. This resulted in a decline in this line item when compared to the FY16 budget. Looking ahead to the future, needs and priorities of the District will continue to be reviewed, which will most likely result in budget fluctuations based on needs and priorities presented at that time.

The proposed FY17 budget is generally in balance with \$64.9 million in revenues and \$65.1 million in expenditures. Changes to account structures are being made, which are intended to make reporting grant expenditures easier.

When considering long-term financial projections, major budget concerns District 58 may face in the coming years are out of the District's control. Topics being discussed by the State include proposed pension cost shifts, property tax freezes, and changes to the General State Aid formula.

Facility needs throughout the District continue to be monitored. Funding for large capital projects, such as a building addition, could prove to be a challenge considering overall budget concerns. Mr. Bein outlined for the Board three potential funding options to consider. These include long-term debt, reallocating funds, or placing a referendum on the ballot. All the while, a focus must be kept on the age of school buildings, maintenance needs, and future roof replacement schedules.

The Medical Reserve Fund ran a \$242,697 deficit in FY16 but an increase in benefits insurance costs (premiums) of 5.5% is built into the FY17 budget. During FY16, District 58 switched health care providers, which is expected to help stabilize rising health care costs as well. 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.

Higher than expected transportation expenses in June caused a negative fund balance, but this is expected to be reversed in 2016-2017. Expenditures related to the expansion of the Optional Kindergarten Enrichment and Enhancement Program (OKEEP) are included in the FY17 budget.

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

Tracy Weiner, Henry Puffer parent, thanked Dr. Matt Rich and David Bein for answering questions regarding the Educational Media Services budget line item and expressed support for LRC teachers.

4. CLOSED SESSION

Member Heppner 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);

