

MINUTES OF THE
FINANCE COMMITTEE MEETING
Of the Board of Education
Riverside School District 96
Held on Tuesday, September 15, 2009
A. F. Ames Elementary School
Riverside, Illinois

Present: Mr. Jim Schraidt, chair, Mr. Giles McCarthy and Mrs. Mary Ellen Meindl

Absent: None

Also Present: Supt. Jon Lamberson and Board member Mary Stimming

The Finance Committee meeting was called to order by committee chair Jim Schraidt at 6:00 p.m.

The purpose of the meeting was to review the following:

- 5-year fiscal projections
- parameters for the 2009-10 Tentative Budget
- levy process

Committee Chair Jim Schraidt asked Dr. Lamberson to begin with a review of the levy process.

Supt. Lamberson noted that property tax is the primary source of local revenue for public school districts in Illinois. Each December, District 96 is required to file a "levy" stating the total amount of property tax revenue needed to balance the District's annual budget. The yearly budget must be established to determine how much money to request via the levy. The levy filed in December 2009 will be based on the 2009-10 Budget and will also contain a fiscal projection for 2010-11.

Dr. Lamberson presented a "Property Tax Timeline" illustrating the cycle of levies filed and payments received by school districts in Cook County. Payments are distributed in two installments. The first installment, representing approximately 45% of the total levy extended, is generally received in June; the second installment is normally received in August or September.

Supt. Lamberson reviewed a 10-year history in District 96 of Property Tax Rates, Levies and Collections.

State law requires districts to have an approved budget by the end of the first quarter of the fiscal year, which is September 30th of any given school year. Dr. Lamberson noted that the budget is finalized at the end of the summer after the majority of staff hiring is completed.

Supt. Lamberson reviewed Agency Tax Rate Reports issued to District 96 by the Cook County Clerk for the 2004 through the 2008 tax years. These reports describe the levy amount requested, the tax rate ceiling applied, and the tax revenue extended to the District for a given tax year. In tax year

2008, the District submitted a levy for \$24,700,957 and \$21,455,384.21 was ultimately extended. The 2009-10 property tax revenue projection is approximately 90% of the 2008 extended levy.

Dr. Lamberson then presented a 5-year fiscal projection report illustrating actual revenues and expenditures for the 2005-06 through 2008-09 school years; the budget for 2009-10 and projected revenues and expenditures through 2014-15. He noted that future property tax appeals (PTAB) and tax collection defaults were assumed in the projections as presented. Historically, property tax appeals (typically covering a 3 year period) have cost the District between \$600,000 and \$700,000 annually.

The annual General State Aid revenue the District receives is included in the fiscal projections (approximately \$270,000 or \$150.00 per student per year) presented. Due to high property values, District 96 is considered an alternate method - near a "flat grant" - district able to fund pupil education through available local resources. By contrast, many districts in Illinois with lower property values, receive General State Aid funding at a level exceeding \$5,000.00 per student.

On the expenditure side an annual 10% increase in Employee Benefits cost is projected to allow for increased costs and changes in coverage made during open enrollment periods.

An above average increase in Purchased Services expenditures in 2008-09 was noted. Supt. Lamberson commented that Purchase Services includes the cost of Special Education services provided by the LaGrange Area Department of Special Education (LADSE), and in 2008-09, the cost of Life Safety and Site Improvement work done at Ames and Hauser. He stated that although significant dollars have been spent in the past for Special Education Services he anticipates these expenditures to stabilize.

Dr. Lamberson noted that significant savings has occurred over the past few years in the purchase of Supplies and Materials since District 96 became a registered participant in the "U. S. Communities" nationwide purchasing cooperative established for local and state government agencies, including school districts (K-12). As a member of the cooperative, significant discounts are available to the District when supplies are purchased from participating vendors such as Office Depot, Ricoh and Home Depot. Although enrollment over the past 5 years has increased 30%, spending for Instructional Supplies and Materials has remained relatively unchanged.

Supt. Lamberson remarked that conservative spending assumptions such as declining enrollment projections will lead to a decrease in spending. He noted that although District 96 is currently in strong financial condition, careful monitoring of expenses must continue.

A motion was made by Mr. Schraidt, supported by Mr. McCarthy, that the Finance Committee meeting be adjourned. The time was 7:25 p.m.

Susan Moorhead, Board Secretary

Jim Schraidt, Chair