

MINUTES OF THE
FINANCE COMMITTEE MEETING
Of the Board of Education
Riverside School District 96
Held on Tuesday, December 15, 2009
L. J. Hauser Jr. High School
Riverside, Illinois

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

Absent: None

Also Present: Supt. Jon Lamberson, Board members Jennifer Leimberer and Mary Stimming

The Finance Committee meeting was called to order by committee chair Jim Schraidt at 6:10 p.m.

The purpose of the meeting was to review and discuss the following:

- 2009 Levy Request.
- Updated 5-year Fiscal Projections.
- 2010-11 Budget Report Format.
- Preliminary 2010-11 Budget.

Committee Chair Jim Schraidt opened the meeting by providing an opportunity for public comment.

There being no public comments, Dr. Lamberson provided a summary of the 2009 levy request. He noted that the 2009 levy request of \$23,558,499 represents a 9.8% increase over last year (\$21,455,828). In Cook County, property tax revenue extended in any given year is limited by the Consumer Price Index (CPI) from the prior year. The property tax revenue extended to District 96 via the 2009 levy will be .1% (CPI for 2008) higher than the amount extended last year (a minimal increase). The amount extended to the District in prior years can be found on the Agency Tax Rate Reports provided by the Cook County Clerk.

Property tax revenue received as a result of new home construction or renovation is not subject to CPI and represents one of the few additional revenue sources available to the District. Via the December 2009 levy, District 96 is asking for more than the .1% CPI cap to capture any additional dollars that might become available through new construction or renovation.

Once the levy request is submitted state law prohibits the District from requesting an increase. Pending legislation is recommending an increase to the current .1% CPI cap; an average of the past three years' CPI has been proposed. Supt. Lamberson is recommending a 9.8% increase via this year's levy to ensure the District will have access to these additional funds should they become available. He also noted the 2009 levy has been structured with the individual fund "tax rate ceilings" in mind so the District will be able to utilize all tax revenue extended.

State law requires any taxing body requesting more than a 5% increase over the prior year's levy to post a *Truth in Taxation Notice* in a local newspaper to notify the public; and to establish a date, time, and location for a public hearing, 7 to 14 days prior to the hearing. Dr. Lamberson stated that District 96 has acted in accordance with all state notification requirements.

A Committee member opined that District 96 is in strong financial condition due to the passing of the 2004 tax referendum and strong fiscal stewardship provided by Supt. Lamberson and the previous Board of Education. In these difficult economic times, she encouraged the committee to consider ways the current Board can send a message to the community that "we appreciate their generosity and will continue to work hard to protect their tax dollars."

Dialogue took place regarding whether a percentage increase less than 9.8% should be considered this year, since it is unlikely the District would receive that amount due to the .1% CPI cap. It was mentioned that community members who are unfamiliar with school finance may have been needlessly upset by the *Truth in Taxation Notice* because they do not understand the limiting affect of CPI. Supt. Lamberson remarked that although a lesser percentage can still be requested following the hearing later this evening, the posting of a *Truth in Taxation Notice* is in keeping with the District's past practice and that this year's 9.8% increase is substantially less than increases requested in recent years.

Discussion transpired regarding the need and importance of educating the community regarding the constraints of school funding in Illinois.

Supt. Lamberson reviewed an updated 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. Conservative revenue projections have been made based on property tax revenue at 90% to account for PTAB appeals; and CPI rates of .1% in 2009 and 2% annually in 2010 through FY2015.

On the expenditure side a conservative 10% annual increase in Employee Benefits cost has been projected to allow for increased costs and changes in coverage made during open enrollment periods. In recent years the actual increase in Employee Benefits cost has been approximately 3% per year. A 3.5% annual increase in Teacher Salaries has been projected except in the 2012-13 school year due to 8 teacher retirements taking place at the end 2011-12.

Beginning in 2009-10 through FY2015, \$1.5M in Purchased Services has been allocated yearly for the completion of Life Safety projects. \$2.9M in Capital Outlay has been allocated over the next 5 years for the completion of non-Life Safety capital projects throughout the district. Dr. Lamberson recommended drafting a multi-year schedule to address capital projects.

Discussion transpired regarding various investment strategies the District could employ to increase investment income.

Superintendent Lamberson noted that the District's mortgage has been paid. He asked the Committee to begin thinking about how the available funds (approximately \$300,000) should be utilized in 2010-11.

Dialogue transpired regarding the District's budget documentation. All public school districts in Illinois are required to complete the *Illinois State Board of Education Budget Form 50-36* that is currently posted on the District 96 website. Discussion took place regarding the need for supplemental or more detailed information to help those unfamiliar with school finance better understand the data presented in *ISBE Budget Form 50-36*. Dr. Lamberson will develop supplemental material for consideration by the Committee at the next meeting. The goal will be to incorporate an increased level of detail into the 2010-11 budget reports.

When filing the 2009 levy, a Tentative Budget for the 2010-11 school year will also be submitted. The 2010-11 Budget will be funded through the 2009 Levy. Dr. Lamberson noted that the 2010-2011 Tentative Budget is based on the 5-year Fiscal Projection Report presented at this meeting.

There being no further items to discuss, a motion was made by Mr. McCarthy, supported by Mrs. Meindl and the Committee approved to adjourn the Finance Committee meeting at 7:22 p.m.

Susan Moorhead, Board Secretary

Jim Schraidt, Committee Chair