



Glen Ellyn School District 41: Ignite Passion. Inspire Excellence. Imagine Possibilities.

**MINUTES
BOARD OF EDUCATION SPECIAL COMMITTEE OF THE WHOLE**

**FEBRUARY 8, 2016
6:00 PM**

**CENTRAL SERVICES OFFICES, 793
NORTH MAIN STREET, GLEN ELLYN,
ILLINOIS**

- I. **Call to Order:** The meeting was called to order at 6:00 p.m.
- II. **Roll Call:** Upon the roll being called the following answered present: Joe Bochenski, Dean Elger, Drew Ellis, Patrick Escalante, Erica Nelson, Kurt Buchholz and Stephanie Clark.
- III. **Public Participation:** Resident Jeff Cooper expressed his concern with the number of teachers attending the same conferences.

Five-year Financial Projections – Forecast 5: Interim Assistant Superintendent of Finance, Facilities and Operations Becky Allard introduced Mr. Greg Kubitz of PMA who presented the financial forecast. Forecast5 is an offshoot of PMA, a company that has done financial projections for District 41 in the past. The company assists school districts by projecting finances based on multiple years of history. For this presentation, Forecast5 utilized its financial planning software, 5Cast, and entered five years of data from the district's audited financial reports of revenue, expenses and balances, as well as tax levy/extensions/maximum tax rate, information regarding Equalized Assessed Valuation (EAV), enrollment information and district assumptions. For fiscal year 2016, data was utilized from the district's approved budget and the actual general ledger balances. Mr. Kubitz noted it was important for the District to consider scenarios applying a reduction of state funding based off of recent discussions with state legislators. Using all of this information several different scenarios were presented to the Board.

Mr. Kubitz noted the District's operating budget of \$48,099,751 and shared operating funds used in this presentation include the Education, Operations & Maintenance, Transportation, Working Cash, and Tort Funds.

Forecasting assumptions taken into account include a flat rate EAV, a conservative CPI assumption of 1.0% and no change to the Other Local Revenue including Corporate Personal Property Replacement Taxes (CPPRT); fees, textbooks, food services. In addition, enrollment was forecasted to remain flat to keep the General State Aid (GSA) rate the same. A comparison of revenue and expenditure reveal deficit spending in fiscal year 2019. Mr. Kubitz noted the expenditures are mostly made up of salaries, benefits and purchased services. Salaries and benefit annual increases were calculated based of negotiated bargaining agreements or two percent for all other staff.

The different scenarios included the following:

- Base case less student fees revenue (\$250,000)
- Base case less special education funding to GSA
- Base case less pension cost shift – TRS retirement system

- Base case less two year property tax freeze
- Base case less: \$250,000 in student fees, two year property tax freeze, pension cost shift, and a shift in special education funding to GSA.

Following the presentation and Board discussion, a request for application of the following factors to the scenarios is prepared for additional discussion at the first finance meeting in March:

- Show historical EAV as an average based on the prior ten years to more accurately reflect the effect on the financial projections or in some way indicate that growth is expected
- A line item for new construction in the revenue section for clarity purposes showing a CPI rate of 0%
- A reflection of bonds falling off after 2017
- Tax rate graph
- Long term effect with a reduction in expenditures
- Plan for a future board discussion on the philosophy of fund reserve balances and the Board's intent on the amount of fund reserves to maintain.

IV. Adjourn

At 6:56 p.m. Board member Ellis moved and Bochenski seconded to adjourn the February 8, 2016 Special Committee of Whole meeting. Motion carried on a unanimous voice vote.

Respectfully submitted,

Carolyn Gust, Finance Recording Secretary



Erica Nelson, Board President



Dean Elger, Board Secretary

Approved: February 22, 2016