

GLENBROOK HIGH SCHOOL DISTRICT 225

FINANCE COMMITTEE MINUTES

July 13, 2022

Administration Building - Public Meeting Room 100A

Members Present: Bonner, Glowacki, Georges, Gravel, Markey, Romano, Sztainberg, Tarver, Taub, Wright

Members Absent: Johns, Ptak

Also Present: Nicole Schramm - Glenbrook HSD 225 Fiscal Manager, Jean Tom -School Business Intern

Agenda Item #1: Call to Order

A regular meeting of the Finance Committee was held in the Public Meeting Room 100A at the Administration Building on July 13, 2022. The meeting convened at 8:00 AM.

Agenda Item #2: Recognition of Community Visitors

There were no community members present at the meeting.

Agenda Item #3: Fiscal Year Tentative Budget

Ms. Tarver presented the reconciliation of the 2021-22 budget by reviewing the key findings of the 2021-22 and 2022-23 budgets. For the 2021-22 budget, Ms. Tarver emphasized that the district ended the 2021-22 fiscal year with \$163.M in direct revenues and \$152.3M in direct expenditures. She explained that the final amount of expenditures will likely increase by \$3M due to invoices not yet received that will be accrued to the 2021-22 fiscal year.

Ms. Tarver outlined that actual direct revenues are 94.6% locally funded, primarily through property taxes. As of July 15, 2022, the school district still is awaiting the receipt of approximately \$793K in outstanding state and federal categorical payments and anticipates these payments will be received by October 2022, which will be recorded within the 2022-23 fiscal year.

Actual direct expenditures indicated that 68% of the school district's expense (All

Funds) is related to salaries and benefits.

Ms. Tarver outlined a summary for the 2022-23 fiscal year budget, which includes \$164.0M in direct revenues and \$168.6M in expenditures, resulting in a balanced budget, excluding the use of fund balance for debt service payments in the amount of \$833.3K and capital projects in the amount of \$3.7M.

Ms. Tarver went on to explain that the school district's direct revenue represents 95.9% local and other funding, primarily through property taxes, with 4.1% of funding provided by state and federal sources. State and federal revenue estimates remain consistent with 2021-22 levels, except for one-time federal revenue proceeds related to the COVID-19 pandemic.

In regards to expenditures for the 2022-23 budget, Ms. Tarver shared salary expenditures represent current negotiated rates between the school district's three collective bargaining units (e.g., GEA, GESPA, GESSA), and Board-approved increases for nonunion, non-licensed personnel, and administrators. The health benefits budget has been increased to reflect changes to the expenses because of personnel transitions, and an estimated 5% premium increase for the 2023 plan year. She explained further that all other expenditure categories have been budgeted based on the zero-based budgeting approach and using pre-COVID trend data.

Agenda Item #4: Financial Forecast Model Update

Throughout the meeting, Dr. Gravel referenced the financial forecast model which accounts for known and anticipated changes to the school district's revenues and expenditures. He and Ms. Tarver shared the following updates:

- Through the consistent application of a zero-based budgeting approach, supported by a formula-based decision-making process, the school district remains financially strong.
- The school district remains on track to retire all existing debt by December 1, 2027.
- As of July 11, 2022, the Cook County Clerk has not yet released the 2021 tax rate report. Property tax projections have been included in the tentative budget and will be updated upon the release of the rate report.
- Interest earnings remain consistent with 2021-22 levels.
- To fund approved capital projects through a pay-as-you-go model, a total of \$1,500,000 will be transferred from the Operations and Maintenance Fund (20) to the Capital Projects Fund (60). This is a one-time transfer that will fund a designated one-time expenditure as approved by the Board of Education. This

appears as both a revenue source (for Capital Projects) and an expense (for Operations and Maintenance).

- In consultation with the Finance Committee, the contingency budget has been slowly phased out. For 2022-23, no contingency budget has been allocated. Should an unbudgeted expense be incurred, it will be absorbed into the current budget and/or be addressed with the Board of Education through the possible use of fund balance.

Agenda Item #5: Other Topics

Dr. Gravel brought to the committee's attention two new pieces of financial information pertinent to school districts:

1. Crain's Chicago Business reported that Cook County Board President Toni Preckwinkle announced a program that would assist taxing bodies most affected by the future delay in second-half property tax receipts. The program will allow governments to borrow between 50% - 100% of their delayed property taxes, depending on how much cash they have on hand.
2. Governor Pritzker signed into law Public Act 102-0895, which modifies how certain school districts can approve a tax levy below the maximum permitted by law and then recapture any amount below the permitted maximum in later years.

Agenda Item #6: Adjournment

The meeting adjourned at 9:14 AM.

The next Finance Committee Meeting TBD.