

## GLENBROOK HIGH SCHOOL DISTRICT 225

### FINANCE COMMITTEE MINUTES

July 17, 2017 7:30 AM – 9:14 AM

Administration Building - Public Meeting Room 100A

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Members Present: Doughty, Fagel, Finan, Frandson, Gravel, Ptak, Riggle, Tarver, Taub, Wright

Also Present: Geddeis, Geallis, Miller, Williamson

Members Absent: Hanley, Raflores, Swanson

#### **Agenda Item #1: Call to Order**

The meeting came to order at 7:35 AM.

#### **Agenda Item #2: Review of the FY2018 Tentative Budget**

Dr. Gravel reviewed the 2017/18 tentative budget process and timeline with the committee members. Dr. Gravel expounded on the following areas with regards to the 2017/18 Tentative Budget:

- Set a goal for the District to work towards obtaining the Meritorious Budget Award (MBA) - a recognition of preparing the budget based on “best practices”, while explaining that the Meritorious Budget Award is the path to greater fiscal transparency
- Reviewed the preliminary, un-audited reconciliation of the 2016/17 budget which ended the year with a surplus of \$2.4M. Some of the reasons for the \$2.4M surplus:
  - CPPRT receipts exceeded the initial estimate provided by the Illinois Department of Revenue by \$1M in the District’s favor,
  - Previous years funding from federal sources was received in the 2016/17 fiscal year,
  - Revenue received from the sale of surplus technology equipment that was unbudgeted.

After responding to questions from the committee regarding the 2016/17 budget reconciliation, Dr. Gravel and Ms. Tarver presented a review of the revenue and expenditures for the 2017/18 fiscal year:

- Reviewed the expenditures summary and explained the budgeting assumptions for salaries and budget

- Noted that the Board, in previous meetings held this past year, has reviewed a great deal of the budget previously, including the salary and benefits allocations and the technology budget

#### Revenue

- Emphasized that 92% of District revenue is from local sources (e.g. property taxes)
- Reviewed estimated tax collection figures
- Provided a summary of state revenue sources and current bills
- Discussed how senate bills may possibly affect state funding
- Explained the budget process for state and federal funding numbers
- Noted that there is a suggested single budgeted transfer of \$2M from working cash fund to the transportation fund
- Noted that if there is a budget freeze or a funding change it will affect the District's budget

#### Expenditures

- Explained that the District has stepped away from a conservative budget and instead used a zero-based budget approach and reviewed budget numbers methodologies
- The District is scheduled to spend more than it receives solely because we are using \$7M of life safety bond proceeds
- Noted debt service expenditures are 8% - state wide average is between 5% - 25%; there is a clear plan to be debt free in 2027 for day to day operations
- Will keep the Board apprised of more regular treasurer's reports, which will give us an update on where the District stands financially

In response to committee members' questions, Dr. Gravel:

- Reviewed mandated categorical grants received from the State, and the "bill backlog"
- Explained assumptions for salaries and budgets and addressed the methodology. Noted this year a zero-based budget approach was used for budgeting salary and benefits instead of trend lines and aggregate estimates
- Per a board member's request salaries and benefits will be broken down in more detail in the summary page

### **Agenda Item #3: Transportation Services Long Term Options Update**

Dr. Ptak addressed the committee by reminding the members that at the February 27, 2017 Board of Education meeting, the following long-term options for student transportation were presented. She emphasized to the committee that this is not a recommendation, but rather a preliminary look at various transportation options.

A. Option 1: Hybrid Model

- In this model the District would purchase buses, but would outsource drivers
- Based on our current model (fully outsourcing transportation to First Student), the cost to the District would be an increase of \$183,607

B. Option 2: Operate-In-House

- In this model the District would purchase all new buses, maintain these buses, and hire and staff drivers for these buses
- Based on our current model (fully outsourcing transportation to First Student), the cost to the District would be an increase of \$283,283

C. Option 3: Partial-In-House for Charters:

- In this model the District would purchase new buses for charter services, maintain these buses, and hire and staff drivers for these buses
- Based on our current model (fully outsourcing transportation to First Student), the cost to the District would be an increase of \$55,120

The consensus was that the Business Services office would put together information regarding hiring of a consultant to perform analysis of outsourcing vs total ownership of student transportation. This information would then be presented to the full Board of Education, at a board meeting in the near future.

**Agenda Item #4: Developing Guidelines for Large Purchase Reviews by the Board**

Dr. Gravel started by explaining to the members that regarding items under \$25,000, (the amount of purchases that do not need formal board approval), there is has been a request for clarification from budget managers as to what needs to be to be brought forth for approval by the Board of Education. Dr. Gravel informed the committee that he will be bringing forth a formal agenda item to the Finance Committee in October, showing examples to the Board of some items in question.

**Agenda Item #5: Other**

Dr. Gravel informed the committee that he will put together date options for future finance committee meetings.

**Agenda Item #6: Adjournment**

The meeting adjourned at 9:14 AM.

The next Finance Committee Meeting is TBD. A future date will be selected in consultation with the committee members.