

GLENBROOK HIGH SCHOOL DISTRICT 225

FINANCE COMMITTEE MINUTES

November 7, 2017 7:32 AM – 9:32 AM

Administration Building - Public Meeting Room 100A

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

Also Present: Geddeis

Members Absent: Raflores, Taub

Agenda Item #1: Call to Order

A regular meeting of the Finance Committee was held in Room 100A at the Glenbrook High School District 225 District Office on November 7, 2017. The meeting convened at 7:32 AM.

Agenda Item #2: Recognition of Community Visitors

There were no community members present at the meeting.

Agenda Item #3: Estimated Tax Levy for 2017

Dr. Gravel explained to the committee that each year the Business Services department prepares an estimated tax levy. The estimated tax levy identifies the amount of money requested to be raised by taxation for the year 2017. School districts are required to file a tax levy with the County Clerk annually, on or before the last Tuesday in December.

Historically, the district has increased the tax levy by the maximum amount allowable under the Property Tax Extension Limitation Law (PTELL), which is the lesser of 5%, or the applicable percentage increase in the Consumer Price Index (CPI). Taking this into consideration, the following data was utilized to develop the estimated tax levy for 2017:

- a. Equalized Assessed Value (EAV) for Tax Year 2016 = \$5,264,632,513
- b. Percent change in the CPI = 2.1%
- c. Estimated New Property Growth = 2.3%

Dr. Gravel shared that the estimated levy will be presented at the next Board of

Education meeting. At that time, he will request permission to publish the estimated levy, and schedule a public hearing for December.

Agenda Item #4: Contingency Discussion

Dr. Gravel and Ms. Tarver presented historical contingencies activity from 2011/12 - 2017/18. He explained to the committee that for the first time the district is developing the budget with a method identified as a modified, zero-based budget. As part of any budget, Dr. Gravel explained that an organization plans for unanticipated expenses. Because the district is now using a zero-based budget, the potential need for contingencies becomes much more important. Currently the district determines the contingency amount by taking $\frac{1}{2}$ of 1% of the total expenses in each of the operating funds.

After discussion, the committee agreed to reduce update the contingency methodology to $\frac{1}{4}$ of 1% of the total expenses for only the education (10) and operations and maintenance (20) funds. The committee suggested that Dr. Gravel put together another agenda item regarding contingencies, explaining the contingency approach in more detail for our taxpayers and that we will be looking at reducing contingencies in FY19. Dr. Gravel will bring this item forth at the next finance committee meeting scheduled for December 4, 2017.

Agenda Item #5: Enrollment Forecast Update

Dr. Ptak information regarding the fall enrollment figures, as well as a 10-year population forecast. Every year, using October 1st fall housing enrollment data, District administration updates its enrollment projections using a cohort survival method, as well as hiring a demographer Dr. Jerome McKibben to calculate a 10-year population forecast.

The Glenbrook Cohort Survival Method uses feeder enrollment figures and tracks cohorts of students as they progress from one grade to the next, beginning in kindergarten. This method shows for GBN a 1% increase in enrollment over the next three years, while GBS shows an increase of 2.5% through FY19/20 and then a gradual decline.

The Population Forecast Method, though it takes into consideration the data acquired from the Glenbrook Cohort Survival Method, primarily assesses the impact of fertility rates, housing patterns, mortgage rates, mortality rates, census data migration patterns, unemployment in its findings of enrollment data. Under this method GBN is forecasted to grow by 174 students or 8.6% over the next 10 years and GBS will reach its peak of

3,199 in FY20 and gradually decline to 2,953 or 5.6% over the next 10 years.

Based on both methods, the district is very confident that they are right on track with the appropriate amount of classroom space that would be required for future student growth.

Agenda Item #6: Student To/From School Transportation Services Update

Dr. Gravel reminded the committee that during the October 3, 2017 Finance Committee meeting, the group reviewed a financial summary for the student to/from school transportation service provided by the District. As a follow-up to the October discussion, it was requested that a high-level summary of bus services provided in recent years, along with an explanation of required transportation services per Illinois School Code and/or existing Board Policy.

As a township high school district, Glenbrook High School District 225 is not required to provide free transportation services to students. It is important to note that while the District may choose to provide free transportation services, it is not eligible to receive reimbursement from the Illinois State Board of Education for those services, “provided for regular public . . . residing less than one and one-half miles from their assigned attendance center for which there is no safety hazard approv[ed] by the Department of Transportation” (23 Ill Admin Code, Section 120.40).

Dr. Gravel shared that even with the increase in bus transportation fees for the 2017/18 school year, the highest number of bus passes, (1,063) since 1998/1999 were sold. The Board of Education supported student transportation with a \$24,000 subsidy. This raised the philosophical question as to whether or not the board wants to continue using education funds to subsidize student transportation. The committee made recommendations regarding how the financial data was reported, and requested that the administration provide recommendations for managing the costs of the student transportation program at an upcoming committee meeting.

Agenda Item #7: Joint Request for Proposal for Audit Services

Ms. Tarver and Dr. Gravel explained to the committee that in conjunction with Northfield Township Treasurer's Office and the Northfield Township School District Nos. 28, 29, 31 and 225, a joint Request for Proposal (RFP) for Auditing Services was issued. Best practice suggests that an auditor RFP be issued every three to five years.

It was the intention of the township school districts to partner in a joint request for

proposal (RFP) process for auditor services in the spring of 2017. However, due to existing contracts for auditor services maintained by several of the elementary districts, it was collectively decided that we would delay the RFP process until after the completion of the FY2016-17 audits.

The RFP was sent to eleven accounting firms who have established themselves within the school district auditing community. It is the intention of the Treasurer's office and the participating school districts to evaluate the RFP submission in November 2017, interview potential firms in December 2017, and bring recommendations to their respective boards in January 2018. Ms. Tarver will represent the District during the RFP process.

Agenda Item #8: Other

Dr. Gravel explained that at the next Finance Committee Meeting he will discuss the estimated tax levy, as well as a proposal for a new audit services company. Dr. Ptak will also be presenting a review of the district's enrollment projections.

Agenda Item #9: Adjournment

The meeting adjourned at 9:32 AM.

The next Finance Committee Meeting date will be December 4, 2017.