

**GLENBROOK DISTRICT 225****FINANCE COMMITTEE MINUTES – FEBRUARY 1, 2010**

*Next meeting date:* TBD

7:30 – 10:00 AM

District Office Board Room

Finance Committee members present: Julie Bezanes, John Finan, Gary Freund, Paul Pryma, Kim Ptak, Mike Riggle, Hillarie Siena, Brian Wegley, Joel Taub, Jeff Wolfson. Also present were Steve Caliendo, Scott Martin, and Skip Shein.

**AGENDA ITEM #1: Student Fees**

H. Siena discussed the recommended student fees for the 2010-2011 school year which will be brought to the Board of Education for discussion at the February 8, 2010 board meeting. For the 2010-2011 school year, the recommendation is for no increase in fees, with the exception of student transportation and parking sticker fees. It was also recommended that the towel and materials fees, which in response to the economic conditions were waived for all students during the 2009-2010 school year, will be reinstated at the previous amounts of \$10.50 and \$15.00 respectively for the 2010-2011 school year. The committee discussed the sensitivity of increasing fees in current economic times. M.Riggle and H.Siena provided historical information regarding student fees. The Board Policy regarding addressing student fees was attached to the recommendation as requested by the Board of Education. H. Siena will review proposed fee for the one semester rate for parking stickers due to a possible typographical error. S. Shein requested that student fee information be posted on the District's internet webpage. S. Martin requested a copy of the most recent number of free/reduced students.

**AGENDA ITEM #2: Preliminary Financial Projections**

H. Siena presented two preliminary five year financial projections for the District. The first projection was using information available as of December 2009. The second projection was using information available as of January 26, 2010. H. Siena informed the committee that projections reflected conservative estimates on future revenue streams based on possible reductions in state funding for General State Aid, Corporate Personal Property Replacement Tax, and Categorical Grants. The January 26, 2010 projection showed that by the 2014-2015 school year although the District will meet the post-2006 referendum benchmark, the District would fall below Board Policy of a 33% operating fund balance. The committee discussed these projections and noted it was in the best interest of the District to continue to maintain an operating fund balance of at least 33%. The committee discussed the projections and the importance of being vigilant and proactive about cost containment, improved efficiencies, and expenditure reductions to improve the District's future financial outlook. The committee requested

that financial projections be updated and presented to the committee on an ongoing basis as new information becomes available.

**AGENDA ITEM #3: \$10M Referendum Bond Issue**

H.Siena reported to the committee that due to the current financial projections and in order to complete the pre-referendum capital improvement projects that are necessary to protect the investment made in the District's building structures, it is recommended that the Board approve the issuance of the remaining \$10 million dollars of voter approved referendum bonds from the 2006 referendum. H. Siena reported that based on consultation with Elizabeth Hennessey from William Blair & Company, the District would be most cost-effective by issuing Build America Bonds (BABs). BABs are attractive as the issuer receives a 35% interest credit and the bonds typically carry a higher than average rate of return. The BABs would need to be issued by December of 2010 and spent within 3 years of issuance. H. Siena presented two charts reflecting how the \$10 million dollars of Build American Bonds will impact the debt tax rate and schedule of debt. H. Siena and K. Ptak reported that these monies will be used for scheduled life safety projects that were outlined in the pre-referendum comprehensive planning process. The committee discussed that if the projects were not completed, the outcome would likely be detrimental to the District. The committee reviewed the 2006 Referendum Approved Bonding Plan. The committee discussed that there should be clear communication made to the communities informing them of this upcoming bond issuance.

**AGENDA ITEM #4: Northbrook Economic Development Committee**

H.Siena presented information from the January 13, 2010 Northbrook Economic Development Committee Meeting and provided a brief summary of the open developments in the Village of Northbrook as of January 12, 2010.

**AGENDA ITEM #5: Other**

H.Siena, K. Ptak, and M. Riggle presented to the committee a draft policy regarding Corporate Sponsorship and Partnership. M. Riggle reported that the District does not currently have a Board Policy regarding Corporate Sponsorship and Partnership. K. Ptak stated that based on research of surrounding high school districts, most do have a policy however there is a broad range of what each district allows. M. Riggle requested that the Board have a philosophical discussion regarding their thoughts and feelings on the topic of Corporate Sponsorship and Partnership as a possible avenue regarding fundraising for District projects.