

GLENBROOK DISTRICT 225**FINANCE COMMITTEE MINUTES – July 19, 2011**

Next meeting date: TBD

7:30 – 9:30 AM

Glenbrook South Room 128

Finance Committee members present: Julie Bezanes, John Finan, Gary Freund, Paul Pryma, Kim Ptak, Hillarie Siena, Joel Taub, and Jeff Wolfson. Also present was Karen Geddeis, Steve Caliendo and Jennifer Zimmerman.

Not present: Dr. Mike Riggle and Brian Wegley

AGENDA ITEM #1: Update on Impact of Board Policy 6433 (ESP one-time retirement)

H. Siena provided the committee with a final cost analysis of the special ESP retirement package (Policy 6433) offered to ESP staff age 55 with 15 years of service and eligible to retire under IMRF by June 30, 2011. Four staff members at Glenbrook South, (2 clerical and 2 custodians) have elected this retirement package at an aggregate cost of \$220,000. With the elimination of one position at Glenbrook South, total costs will break even within the next two years. As a result of these retirements, the district will realize a \$70,000 - \$80,000 annual savings.

AGENDA ITEM #2: Update on Liability/Workers' Comp Insurance

H. Siena presented a liability and workers' compensation insurance historical cost trend analysis to the committee. She explained that the district has been self-insured for liability insurance for many years, and prior to 2007, the district was also a member of a self-insurance pool for workers' compensation coverage. On January 1, 2007, the district moved the workers' compensation program to the Secondary School Cooperative Risk Management Pool (SSCRMP), which also carries the liability insurance. H. Siena went on to explain that as a member of a self-insurance pool, the districts within the pool share administrative costs, but each carry their own proportional share of claims. The pool districts benefit from their aggregate enrollment with respect to administrative fees and deployment of best practices. The pool has an established fund equity reserve to cover future catastrophic claims without causing dramatic fluctuations in claims experience. This serves the pool by keeping annual costs consistent and measurable.

AGENDA ITEM #3: Update on Financial Aid

H. Siena presented a 6-year historical analysis of student financial aid. Due to the downturn of the economy since 2008, there has been a significant increase in the number of families qualifying for free or reduced services. Although GBS has greater

numbers, the percentage of growth over time is less than that at GBN. According to the trend analysis, the overall percentage increase from 2005/06 through 2010/11 at GBN for families in need of financial aid is 157.3%. The percentage increase for the same period at GBS for families in need of financial aid is 74.5%. Financial aid costs to the district at the year ended June 30, 2011 were \$640,000, with an anticipated \$700,000 budgeted for financial aid for the 2011/12 fiscal year.

AGENDA ITEM #4: Update on Glenbrook Aquatics

H. Siena presented to the committee that over the last nine years the Glenbrook Aquatics program has been operating in the black, with an average annual surplus of approximately \$13,000. Over 700 students in the community are served by this program. The district provides the staff, (pays salaries/benefits), while the club operates the program and pays rent for the pools and facilities.

AGENDA ITEM #5: Tentative Budget

H. Siena presented the FY 2011/12 Tentative Budget. At June 30, 2011, the district received 104% of its budgeted revenues and spent 100% of its budgeted expenditures in the operating funds. The net effect was that the district ended the year with an actual surplus of \$4.1M as compared to a budgeted surplus of \$63K. The FY2011/12 Tentative Budget as presented, contains a projected surplus of ~\$650K. This represents a balanced budget, with estimated fund balance reserves in the operating funds at June 30, 2012 of \$65.2M.

The 2011 and 2012 fund balances are affected by a number of factors, the most significant of which are:

1. For FY 2010/11, overall actual revenue from property taxes is higher by \$2.9M due to the residual effect of a shift in the timing of distributions and lower than anticipated property tax refunds.
2. For FY 2010/11, overall actual revenue from state/federal grants is higher than budget by \$950,000 due to the receipt of deferred payments from the prior year and one-time federal stimulus grants.
3. For FY 2010/11, revenue from Corporate Personal Property Replacement Taxes (CPPRT) exceeded budget by approximately \$300,000.
4. The FY 2011/12 budget includes \$1.6M revenue from General State Aid, which represents the district's full allocation for one year. This amount is tentative pending final legislative approval.