

GLENBROOK HIGH SCHOOL DISTRICT 225

FINANCE COMMITTEE MINUTES

July 19, 2012 7:30 – 9:00 AM

Glenbrook South Room 128

Agenda Item #1: Call to Order

A regular meeting of the Finance Committee was held at Glenbrook South on July 19, 2012. The meeting convened at 7:30AM. Members in attendance were John Finan, Gary Freund, Kim Ptak, Hillarie Siena, Vicki Tarver, Joel Taub, and Brian Wegley. Also present was Karen Geddeis. Members not in attendance were Paul Pryma, Dr. Mike Riggle, and Jeff Wolfson.

Agenda Item #2: Insurance Renewal Staff Presentations FY2011 & FY2012

Mrs. Siena provided the committee with copies and a review of the Insurance Renewal Staff Presentations from FY2011 and FY2012. These presentations identified board paid insurance costs by plan, an explanation of how premiums are calculated, further analysis of the current pharmacy and dental plan structures, summary of options, and recommendations. (FY2012 presentation showed a two-year comparison) The analysis of the pharmacy plan generic utilization in FY2011 showed the district 8% below the school benchmark of 59%. FY2012 showed an increase of generic utilization of 4%. Mrs. Siena attributed this increase to the change in the three-tier copay structure. Mr. Taub asked for clarification of the term “benchmark”. Mrs. Siena explained that this was an industry benchmark. FY2012 data showed an overall decrease in claims. Mr. Taub asked how many employees are covered. Mrs. Siena estimated 889 covered employees not including dependents. Mr. Taub asked if the decrease in overall claims could be a result in reduction of staff. Mrs. Siena indicated the reduction in staff has been offset by an increase in the number of dependents being added to the plans. Mr. Taub further expressed changes to the current plan that should be explored that could potentially bring further cost savings to the district.

Agenda Item #3: Dental Bids for September 1, 2012 – Renewal

Mrs. Siena provided the committee with a worksheet outlining various dental plans from the recent bid analysis performed by Corporate Benefits Consultants (CBC). Mrs. Siena indicated that lower costs and a wider network of dental providers was the basis for looking at other plan providers. A broader network will allow staff benefits to stretch further and reduce overall costs for the district. Mr. Taub made inquiries into the administrative fees that will require additional information from CBC. He also indicated that the district should explore a dental HMO plan that could result in savings and benefit improvements for employees of the district.

Agenda Item #4: Tentative Budget FY2013

Mrs. Siena provided the committee with the FY2013 Tentative Budget. The tentative budget included a review of FY2012 Actual Revenue and Expenditures. FY2012 Revenues were 103% of budget due to higher property tax collections, lower tax refunds than anticipated, and deferred FY11 grant receipts. Actual FY2012 expenditures were 99% of budgeted. This is due to unspent contingencies, lower salary and benefit costs, and lower purchased services, supplies, and capital outlay spending.

Mrs. Siena discussed the assumptions that provided the basis for the FY2013 Tentative Budget. Revenue assumptions include; 1.5% CPI, 97.5% property tax collection rate (including refunds), .05% interest rate, 89% General State Aid proration, State/Federal categoricals funded at FY12 levels, CPPRT expected proration, The Glen make whole payments based on enrollment projections, and flat student fees. Expenditure assumptions include: aggregate salary increase for certified staff of 4.6% including step, aggregate salary increase for non-certified staff of 2.3% including step, employee benefits projected increase of 9%, IMRF 10% rate increase, TRS ERO penalties and rate increases, tuition expense increase of 2%, and all other expenses increased at CPI.

Mrs. Siena commended both Mr. Finan and Mr. Freund for excellent budget management. Historically GBN has experienced actual spending increases of < 2% and GBS has experienced actual spending increases of < 4% (despite increases in enrollment) over the last four years.

Agenda Item #5: 2nd Installment Property Tax Bill Analysis

Mrs. Siena reviewed some common questions the district has been receiving from taxpayers regarding their tax bills. It is the intention of the district to provide a press release regarding property taxes.

In short, property values have gone down and tax bills have gone up. Some of the factors that have created this scenario include; decreased EAV, loss or reduction in homeowner exemptions, and an increasing shift of tax burden from commercial/industrial properties to residential properties over the past four years. Overall the Township has experienced a \$40 million reduced value in total property from 2010 to 2011.

Mrs. Siena provided the committee with an example of a Northbrook resident's property tax experience for the years 2008-2011. This worksheet reflected the effects of the 7% cap phase out and subsequent loss in exemption. Mr. Freund asked why there was a reduction in the allowable exemptions. Mrs. Siena replied that the Illinois Legislation approved the phase out in 2007.

Mr. Taub asked how many taxpayers are in District 225. This information is not known at this time. Mr. Taub suggested that a press release in response to a small percentage of concerned tax payers may stimulate an increase in inquiries and that the business office should continue to address questions on a case by case basis. Mrs. Geddeis agreed and suggested providing a Q&A on the district's website or a 1-2 minute video might suffice. Mrs. Siena asked Mrs. Geddeis to review information posted in two other districts to assist in developing a response from District 225 to our residents.

Agenda Item #6: Other

Mrs. Siena provided a summary of the previous agenda items and asked if the committee had any questions or comments. No questions or comments were raised related to committee business.

Agenda Item #7: Adjournment

The meeting concluded at 9:00 AM.

Next meeting date TBD