

OAK PARK AND RIVER FOREST HIGH SCHOOL
201 North Scoville Avenue
Oak Park, IL 60302

FINANCE COMMITTEE MEETING
Tuesday, August 14, 2012

A Finance Committee meeting was held on Tuesday, August 14, 2012. Ms. McCormack called the meeting to order at 8:10 p.m. in the Board Room. Committee members present were Terry Finnegan, Dr. Ralph H. Lee, Amy McCormack, John Phelan, and Sharon Patchak-Layman. Also present were Dr. Steven T. Isoye, Superintendent; Michael Carioscio, Chief Information Officer; Dr. Tina Halliman, Assistant Superintendent of Student Services; Amy Hill, Director of Assessment and Research; Philip M. Prale, Assistant Superintendent for Curriculum and Instruction; Nathaniel L. Rouse, Principal; Lauren M. Smith, Assistant Superintendent for Human Resources; Karin Sullivan, Director of Community Relations and Communications; Cheryl L. Witham, Chief Financial Officer and Treasurer; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors included Mary Jo Haley of the League of Women Voters.

Pekron Contract

The presentation of the contract with Pekron will be presented at the regular Board of Education meeting.

Thrive Contract

It was the consensus of the majority of the Finance Committee members to recommend that the contract with Thrive Counseling Center be approved at the August 23 regular Board of Education meeting. Ms. Smith reviewed some of the changes from last year's contract.

- 1) The contract notes that a resource manager will lead the FREE Program.
- 2) The contract delineates the number of days these people will work. They will be in attendance on student non-attendance days and institute days;
- 3) The contract stipulates that these people will go through a background check, as required by law.

Addendum to Cite II Agreement

It was the consensus of the majority of the Finance Committee members to recommend that the Board of Education approve the addendum to the CITE Agreement with the River Forest Community Center (RFCC), as presented, at its regular August 23 Board of Education meeting.

Dr. Halliman reported that the RFCC had allowed OPRFHS last year to use its center for the CITE II Program. Previously, this program was functioning at Triton College and at Rush Hospital. RFCC will host both the CITE I and CITE II programs on the second floor of its facility. Approximately 30 students will participate in this program. CITE II students are more mobile as they go to work, take classes at Triton, etc. There will be no additional cost related to this agreement.

Strategic Plan Facilitator Contract

It was the consensus of the majority of the Finance Committee members to recommend that the Board of Education approves the contract with Alson Consulting at its Special Board of Education meeting immediately following the Finance Committee meeting. Dr. Isoye will discuss with Dr. Alson the following:

- 1) How many days will be specified for focus groups and surveys and how many days will Dr. Alson be on site? Will that work be part of the subcontracted work? Will having Dr. Alson participate in various meetings limit the number of focus groups?

- 2) The Board of Education's intent is that Dr. Alson will run the focus groups and not delegate this responsibility the majority of time.

Dr. Isoye reported on the activities that Dr. Alson is preparing, including meeting with DLT on Thursday, August 16, 2012 to talk about the process and the next steps, including all faculty and staff who will participate in responding to questions about the strategic plan.

Ms. Patchak-Layman expressed her disappointment that Dr. Alson did not want to work with Gary Marx of the Center for Public Outreach at the outset of this endeavor. She noted that the members of IGOV were excited about the opportunity to think about things from that perspective. She felt it would have been an enthusiastic way to start this process.

Tentative Budget

The Board of Education was presented with the Tentative Budget for the 2012-13 school year. Ms. Witham noted that it included all Governmental and Internal Service Funds of the District. The Superintendent and the Assistant Superintendent of Finance and Operations assume responsibility for the data, accuracy, and completeness of this budget. The budget presents the District's finance and operations plan and all necessary disclosures and reflects the financial support of the goals and objectives of the District. The budget document is the primary vehicle to present the financial plan and the result of operations of Oak Park and River Forest High School. It is presented in six main sections: Introduction, Organizational Structure, Financial Overview, Supplemental Information, Glossary, and References. This is the first budget that experienced the new budgetary process.

Ms. Witham highlighted the information:

Page 4 Comparison of the Governmental Funds' for FY 2012 and FY 2013. The percentage change is 1.70%.

Cook County reassesses property every three years. Due to the economic downturn in the real estate market, the Cook County assessor reduced the 2009 EAV of residential properties by 7%. However, total EAV in the District was still higher than the previous year due to the expiration of the River Forest TIF district. The EAV reduction for homeowners did not negatively impact the total property tax revenue for the school district. Total EAV for the 2011 levy is down by approximately 15% from the 2010 levy. The total EAV is now 7.2% lower than the 2008 levels. This reduction did not reduce the total levy amount but it did impact the amount that could be received in the Life Safety and Working Cash funds.

Page 6 This chart showed the amount of assessed value. There was a 15% decrease from 2010 to 2011 Levy. That does not change the revenue due to the PTELL law.

The CPI for Tax Levy 2011 is 1.5%. The CPI that will be used for the 2012 Tax Levy will be 3.0%.

Oak Park Hospital became a for-profit organization and was added to the tax base.

Page 8 Chart 1.06 showed the property taxes extended on a calendar year basis. Due to the PTELL caps and the requirement to levy by dollar amount rather than rate, equalized assessed value and tax rates have an inverse relationship; if EAV increases faster than the CPI-U (Consumer Price Index for all Urban Consumers) then the tax rates decreases. If

EAV declines, the tax rate increases. There is confusion in the community about this fact.

State sources are 4.9%. The District will receive \$369 per student in FY 2013 per the ADA via the Alternate Formula. Because District 200 has available local resources per pupil greater than 93% of the State foundation level (\$6,119) per pupil, it does not qualify for the Foundation Formula.

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A chart showed the percentage change over the prior year of expenditures in the Governmental Funds. It will increase 2.67%.

Ms. Witham noted the components of the major salary agreements:

- Faculty Senate, including its hard and soft freeze of the contract that will expire June 2014;
- B&G negotiations are commencing. The current contract expired June 30, 2012 and provided an annual 1.5% salary increase.
- The CPA contact expires in 2013 and has had 4% salary increases with the elimination of step increases, a second tier salary schedule for new employees and an electronic time keeping system.
- The Safety and Support Team contract expires June 30, 2014 and has annual increases of 2.0%

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Listed were the budget additions/changes to the 2012-13 school year which reflected the work done by the cost containment groups that DLT implemented as appropriate. The cost savings was approximately \$248,000.

In addition, information was provided about the budget's alignment with the Board of Education's goals. Areas highlighted were 1) learning environment and school culture, 2) administrative organization and general administration, 3) staff development, 4) student achievement, 5) technology plan, 6) the long-term facility plan, and 7) finance and operations.

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Chart 1.12 showed where the District budgets its revenue by fund. The majority of its revenue and expenditures are in the Educational Fund (74.1%) and the Operations and Maintenance Fund (10.6%).

An overview of each fund was presented in summary form in this session and in a more detailed form at the back of the budget document.

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Chart 1.18 showed an allocation of certified and classified staff from 2008-2009 to 2012-13 and the percentage change from FY 2012 to FY 2013.

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Chart 1.19 was the enrollment projections through FY 2022. The projections show that the District is expecting modest growth in enrollment over the next three years and then dramatic growth through 2022. Legat Architect was engaged to determine if the District would be able to meet the space requirements of this growth. With some modifications, Legat believed that it would.

- Page 59 An All Funds Summary was provided and Ms. Witham highlighted the different funds, noting that OPRFHS will expend over \$6 million in its self-insurance fund on Page 60. The Budget Revenue Summary for Fiscal Year Ending June 30, 2013 showed where the revenue comes from in the different funds.
- Page 80 A description of what the Education Fund is used for was provided, e.g., instruction, co-curricular, special education, pupil support and administrative aspects of the District's educational operations on a day-to-day basis. The Educational Fund consists of three separate funds, which are combined together for purposes of reporting to the Illinois State Board of Education, but are viewed separately for District presentation and management purposes. The three separate funds are the Education Fund, the Bookstore Fund, and the Food Service Fund. The table delineates the balances of the separate funds.
- Page 83 The chart titled Education Fund Sources of Revenue showed that property taxes accounted for 89.2% of the District's revenue.
- Page 89 Chart 3.16 showed the Education Fund Comparative Analysis by Program. The combined categories of general instruction, drivers' education, special education, vocational programs, alternative programs and tuition represent 69.4% of the Education Fund budget compared to 69% in FY 2012, 69% in FY 2011, 68.33% in FY 2010, 68.17 % in FY 2009 and 66% in FY 2008. The education fund expenditures will increase by 4.5%. This information was followed by an education fund comparative by type of expenditure, e.g., salaries, employee benefits, purchased services, supplies, and materials, capital outlay, other objects.
- Page 92 A pie chart depicted the expenditures in the Education Fund by type.
- Page 147 The Capital Projects Fund section provided a summary of the long-term capital projects in advance of the work of the capital projects fund, including plumbing and electrical, HVAC, masonry work, etc.
- Page 184 Chart 4.17 showed the historical Property Tax on a Home Valued at \$300,000 since 2006. Ms. Witham suggested that when taxpayers ask about the amount of money that is paid out of property taxes to the high school she suggested referring them to the budget book itself. She noted that if their taxes have risen more than what the chart reflects, it may be due to different reasons.

Ms. Witham noted that the Standardized Test scores and Board of Education goals would be included in this document before publication.

Resolution to Put Tentative Budget on Display

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the Resolution to Place the FY 2013 Tentative Budget on display for 30 days at the August 23, 2012, Board of Education meeting.

Treasurer's Report

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the Treasurer's report at the August 23, 2012 Board of Education meeting.

At the September Finance Committee, Ms. Witham will provide the Board of Education with the long-term projection graph showing changes in expenditures both past and future and revenues for both the Educational Fund and all of the other funds.

Adjournment

At 10:25 p. m. on Tuesday, August 14, 2012, Ms. McCormack adjourned the meeting.

Terry Finnegan
President

Amy Leafe McCormack
Secretary