

**GLENBROOK HIGH SCHOOLS**  
**Office of the Assistant Superintendent for Business Affairs**  
**Regular Meeting – Monday, July 29, 2013**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: July 29, 2013**

**RE: Adoption of a Tentative 2013-2014 Budget**

That the Board of Education

Adopt the 2013-2014 tentative budget as presented; direct that copies be made available for public inspection for a period of not less than 30 days beginning on or before July 31<sup>st</sup>, 2013; hold a public hearing on said budget on September 9, 2013, at 7:00 p.m., and direct the secretary to have inserted in the local newspaper the attached notice of said availability for inspection.

**Background Data**

The Illinois School Code requires that the Board of Education adopt a Tentative Budget, publish notice of same, make it available for public inspection for a period of not less than 30 days, and hold a public hearing prior to adoption. The budget must be adopted in final form by the Board of Education no later than September 30, 2013. The tentative budget may be amended and changed up until the time it is adopted in its final form.

As noted in the recommendation, a public hearing will be held on September 9, 2013, followed by adoption of the final budget on September 30, 2013. (Please see notice of public hearing, attached).

Copies of the 2013/2014 Tentative District Budget, as well as the Glenbrook North and Glenbrook South operating budgets can be found, in PDF format, at the district's website, [www.glenbrook225.org](http://www.glenbrook225.org), for viewing and/or printing. Please note that a summary of the budget can be found in the first section of the budget document.

HS/hjs

Attachment

**PUBLIC NOTICE**

Notice is hereby given by the Board of Education, Northfield Township High School District No. 225, Cook County, Illinois, that a tentative budget for said school district for the fiscal year beginning July 1, 2013, will be on file and conveniently available for public inspection on the District's website at [www.glenbrook225.org](http://www.glenbrook225.org), or at the District Office Reception desk of said school district, Glenbrook High Schools, 3801 W. Lake Ave., Suite 200, Northfield Township, Glenview, Illinois 60026, from and after 8:30 a.m. on the 31<sup>st</sup> of July, 2013.

Notice is further hereby given that a public hearing on said budget will be held at 7:00 p.m. on the 9<sup>th</sup> day of September, 2013, at Glenbrook South High School Student Activity Center, 4000 W. Lake Ave., Glenview, Illinois 60026.

**SKIP SHEIN**  
**President - Board of Education**

**ROSANNE WILLIAMSON**  
**Secretary - Board of Education**

Dated this 29<sup>th</sup> day of July, 2013.

**Office of the Assistant Superintendent for Business Affairs  
Glenbrook High Schools  
3801 West Lake Avenue  
Glenview, IL 60026**

**Tuesday - July 23, 2013 - 7:30 AM  
Glenbrook South High School Room 128**

**FINANCE COMMITTEE MEETING**

**MEMBERS**

Robert Boron  
Steven Caliendo  
John Finan  
Gary Freund  
Karen Geddeis  
Scott Martin  
Paul Pryma  
Kim Ptak  
Mike Riggle  
Hillary Siena  
Vicki Tarver  
Joel Taub  
Brian Wegley

**AGENDA**

1. Call to Order
2. Insurance Timeline
3. Tentative Budget
4. Update on Sequestration
5. Other
6. Adjournment

**GLENBROOK HIGH SCHOOLS**  
**Assistant Superintendent for Business Affairs**  
**Regular Meeting – Monday, July 29, 2013**

**TO:** Dr. Michael Riggle  
**FROM:** Hillarie Siena  
**DATE:** July 29, 2013  
**RE:** Discussion/Action: Health Insurance Timeline

**AUGUST**

- Board of Education information packet. March 1<sup>st</sup> through June 30<sup>th</sup> quarterly claims report will be placed in the information packet.

**NOVEMBER**

- Finance Committee regularly scheduled meeting. Review plan year actual claims for full plan year ending August 31<sup>st</sup>. Review plan enrollment data for new plan year beginning September 1<sup>st</sup>. Discuss topics for first Cost Containment Committee meeting in December.
- Board of Education regularly scheduled meeting. Discuss items from November Finance Committee meeting.

**FEBRUARY**

- Finance Committee regularly scheduled meeting. Review September 1<sup>st</sup> through November 30<sup>th</sup> quarterly claims report. Discuss items from December Cost Containment Committee meeting.
- Board of Education regularly scheduled meeting. Discuss items from February Finance Committee meeting.

**MARCH/APRIL**

- Meet with CBC to review claims, trend data and plan design, and obtain recommendation for calculated premium increases. Review of SSCRMP pool performance.

**APRIL**

- Board of Education regularly scheduled meeting. Present renewal information with recommendations for plan changes. Review SSCRMP pool performance.
- Present renewal information and recommended plan changes to the Cost Containment Committee.

**MAY**

- Present renewal information and recommended plan changes to all staff.
- Begin open enrollment period.

**It is important to note differing time periods for insurance renewals and/or implementation of regulatory mandates.**

**SSCRMP – Key Dates**

- The SSCRMP pool benefit period runs from July 1 – June 30.
- SSCRMP shared cost items renewal is July 1<sup>st</sup>.
- All requests for quotes must be provided to the broker by the preceding January.

**D225 – Key Dates**

- The District 225 benefit year runs from September 1 – August 31.
- Open enrollment runs May-August. All SSCRMP plan changes impacting D225 begin on September 1<sup>st</sup>.

**HEALTH CARE REFORM – Key Dates**

- The Affordable Care Act plan year runs from January 1 – December 31.
- All mandatory plan changes beginning January 1<sup>st</sup> impact D225 the following September 1<sup>st</sup>.
- Grandfathered status for all District 225 plans expires on August 31, 2014, although mandates have recently been deferred by the Federal Government.

# Memo

To: Members of the Finance Committee  
From: Hillarie Siena  
Date: 07/23/13  
Re: Tentative Budget Discussion

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Why did the district end FY2012/13 with a \$3.1M operating surplus? (Note: Operating funds include the Education, Operations & Maintenance, IMRF/SS and Working Cash funds)

- On the revenue side:
  - Slightly lower property tax collections than budgeted by 1% (\$970K)
  - Higher property tax refunds than anticipated by 12% (\$120K)
  - Received balance of FY12 state/federal grants & one-time federal grants +\$1.8M
  - Received higher CPPRT than budgeted by 28% +\$530K
  - **Overall, effect was 101% of budgeted revenues received across all operating funds**
- On the expense side:
  - Salaries less than budget by 0.8% (\$500K, including unspent contingency of \$260K)
  - Employee benefits, including pension costs less than budget by 8% (\$1.2M)
  - Purchased service costs less than budget by 5% (\$440K)
  - Supplies less than budget, including utilities by 8% (\$320K)
  - Capital outlay less than budget by 26% (\$350K)
  - Special education costs higher than budget by 23% due to increases in enrollment +\$975K
  - **Overall, effect was 98% of budget expended across all operating funds**

FY2013/14 Budget parameters/assumptions:

- % of taxes collected is historically 96%- 98% of property taxes levied. FY14 budget is within this range.
- Investment interest rate of return is currently less than .25%. FY14 budget is conservative.
- FY2013/14 revenue budget includes General State Aid of \$1.1M, representing an 89% proration.
- FY14 projected ending operating fund balance decreases by 3.9%. This is consistent with 5-year projections, including non-recurring costs.
- FY14 projected ending operating fund balance of 64.0% is higher than 2013 projection by 3.9%, reflecting revenue timing differences as well as conservative spending and ongoing efficiencies.
- The aggregate salary increase for certificated staff is approximately 3.4% including step. This is consistent with the CPI formula contained in the GEA negotiated agreement beginning July 1, 2013.
- The aggregate salary increase for support staff is approximately 2.8% including step.
- IMRF rate results in a 10.71% increase over the prior year.
- Health insurance cost increase is at 7%. This is consistently lower than industry standards.
- TRS employer costs for the Teachers' Retirement Insurance Pool have increased by .03% and for salaries paid from federal grants by 7.36%.

# Memo

To: Members of the Finance Committee  
From: Hillarie Siena  
Date: 07/19/12  
Re: Tentative Budget Discussion – **PRIOR YEAR**

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Why did the district end FY2011/12 with a \$5.5M operating surplus? (Note: Operating funds include the Education, Operations & Maintenance, IMRF/SS and Working Cash funds)

- On the revenue side:
  - Slightly higher property tax collections than budgeted +\$1.4M
  - Lower property tax refunds than anticipated +\$1M
  - Received balance of FY11 state/federal grants & one-time federal grants +\$1.7M
  - **Overall, effect was 103% of budgeted revenues received across all operating funds**
- On the expense side:
  - Salaries less than budget (\$925K including unspent contingency of \$500K)
  - Employee benefits, including pension costs less than budget (\$320K)
  - Purchased service costs less than budget (\$160K)
  - Supplies less than budget, including utilities (\$325K)
  - Capital outlay less than budget (\$45K)
  - Special education costs higher than budget due to increase in Transition enrollment +\$375K
  - **Overall, effect was 99% of budget expended across all operating funds**

FY2012/13 Budget parameters/assumptions:

- % of taxes collected is historically 96%- 98% of property taxes levied. FY13 budget is within this range.
- Investment interest rate of return is currently less than .5%. FY13 budget is conservative.
- FY2012/13 revenue budget includes General State Aid of \$1.1M, representing an 89% proration.
- FY13 projected ending operating fund balance decreases by 2.1%. This is consistent with post-referendum projections, including non-recurring costs.
- FY13 projected ending operating fund balance of 62.5% is slightly higher than 2012 projection by 0.5%, reflecting revenue timing differences as well as conservative spending and ongoing efficiencies.
- The aggregate salary increase for certificated staff is approximately 4.6% including step. This is consistent with the CPI formula contained in the current GEA agreement.
- The aggregate salary increase for support staff is approximately 2.3% including step.
- IMRF rate increase results in a 15.29% increase over the prior year.
- Health insurance cost increase is at 6.5%. This is consistently lower than industry standards.
- TRS employer costs for the Teachers' Retirement Insurance Pool have increased by .03% and for salaries paid from federal grants by 3.14%.

**GLENBROOK HIGH SCHOOLS**  
**Office of the Assistant Superintendent for Business Affairs**  
**Regular Meeting Monday, July 29, 2013**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: July 29, 2013**

**RE: Discussion – Financial Update**

Following is a summary of the FY2013/14 tentative budget. The FY2013/14 tentative budget contains a preliminary estimate of revenues and expenditures and reflects an estimated deficit of  $\approx$  (\$5K) at the year ending June 30, 2014. The FY2013/14 tentative budget also contains a new provision for pension contingency in the amount of \$200K. The FY2013 Est/Actual numbers reflect unaudited actual figures as of June 30, 2013. The FY2013/14 tentative budget is based upon the following assumptions:

**Revenue Assumptions**

- Applicable year consumer price index (CPI) is 3.0%.
- Future year projections are based upon a 1.7% CPI for FY2015 and 2.4% thereafter.
- Debt service includes all projected debt, including all referendum authorized debt.
- Future increases in equalized assessed valuation are estimated at 2.0% for non-triennial years and 3.0% for the 2013 triennial reassessment year only. The 2016 triennial year is estimated at 5.0%.
- Property tax rates are calculated under the tax cap.
- Collection rates are estimated at 52% for the spring and 48% for the fall installments.
- Total collection rate is estimated at 97.5% (includes 1.5% for refunds).
- Enrollment projections are per the November 2012 report.
- Make-whole payments from The Glen are calculated using current enrollment projections.
- Fees relative to the Google Chromebook initiative will be recorded as an offset to related line-item expenditures.
- All other student fees for FY2014 will remain flat.
- Interest income is projected to remain flat.
- Corporate Personal Property Replacement Tax is projected to remain prorated, with \$2.2M budgeted to the operating funds.
- General State Aid is included for FY2014 prorated at 89% of full allocation (budget signed by Gov. Quinn 6/28/13).
- State and Federal categorical grants are budgeted for payments in arrears and for partial payments of current year reimbursement claims.

**Expenditure Assumptions**

- Estimated salary increases for certificated staff are calculated using the average of 0.2 and 10-year average CPI of 2.4  $(0.2 + 2.4)/2 = 1.3\%$  base raise. Total raise with step = 3.4%.
- Estimated salary increases for support staff are calculated using the average of 0.8 and 10-year average CPI of 2.4  $(0.8 + 2.4)/2 = 1.6\%$  base raise. Total raise with step = 2.8%.
- Employee benefits are estimated to increase an average of 9% per year.
- IMRF is estimated to increase by 10% per year (based on actuarial rate).
- FICA/Medicare estimates are in line with salary increases.
- Other variables are estimated at approximately 2% each year to capture unexpected fluctuations.
- Retirement salary adjustments are estimated at 1% each year.
- TRS Early Retirement Option (ERO) penalties are estimated using the reauthorized TRS employer formula.
- Tuition expense is estimated to increase on the average of 2% per year; all “other” expenses at CPI.
- Annual operating transfers represent the debt certificate payments per schedule (3801 W. Lake building), building operating budget transfers, building transfers for artificial turf, and transfers for capital projects.
- Staffing projections maintain current ratios and are projected by formula.

**GLENBROOK HIGH SCHOOLS**  
**Office of the Assistant Superintendent for Business Affairs**  
**Regular Meeting Monday, July 30, 2012**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: July 30, 2012**

**RE: Discussion – Financial Update – **PRIOR YEAR****

Following is a summary of the FY2012/13 tentative budget. The FY2012/13 tentative budget contains a preliminary estimate of revenues and expenditures and reflects an estimated deficit of ≈(\$545K) at the year ending June 30, 2013. The FY2012 Est/Actual numbers reflect unaudited actual figures as of June 30, 2012. The FY2012/13 tentative budget is based upon the following assumptions:

**Revenue Assumptions**

- Applicable year consumer price index (CPI) is 1.5%.
- Future year projections are based upon a 3.0% CPI for FY2014 and 2.5% thereafter.
- Debt service includes all projected debt, including all referendum authorized debt.
- Future increases in equalized assessed valuation are estimated at 2.0% for non-triennial years and 5.0% for triennial reassessment years.
- Property tax rates are calculated under the tax cap.
- Collection rates are estimated at 52% for the spring and 48% for the fall installments.
- Total collection rate is estimated at 97.5% (includes 1.5% for refunds).
- Enrollment projections are per the November 2011 report.
- Make-whole payments from The Glen are calculated using current enrollment projections.
- Student fees for FY2013 will remain flat.
- Interest income is projected to remain flat.
- Corporate Personal Property Replacement Tax is projected to remain prorated, with \$2.3M budgeted to the operating funds.
- General State Aid is included for FY2013 prorated at 89% of full allocation.
- State and Federal categoricals are budgeted at the FY12 levels.

**Expenditure Assumptions**

- Estimated salary increases for certificated staff are calculated using the average of 3% and applicable CPI.
- Estimated salary increases for support staff are calculated at approximately 2.3% including step.
- Employee benefits are estimated to increase an average of 9% per year.
- IMRF is estimated to increase by 10% per year (based on optional rate).
- FICA/Medicare estimates are in line with salary increases.
- Other variables are estimated at approximately 2% each year to capture unexpected fluctuations.
- Retirement salary adjustments are estimated at 1% each year.
- TRS Early Retirement Option (ERO) penalties are estimated using the TRS employer formula.
- Tuition expense is estimated to increase on the average of 2% per year; all “other” expenses at CPI.
- Annual operating transfer represents the lease certificate payments per schedule (3801 W. Lake building) and building operating budget transfers.
- Staffing projections maintain current ratios and are projected by formula.

FY2013/14 Tentative Budget

Detail for Benefits/Pensions and Purchased Services

	FY14 Budget Increase from FY13 Actual	
<u>Benefits/Pensions</u>		
IMRF	160,000	Based on salary increases and blended rate
FICA	48,000	Based on salary increases
Medicare	46,000	Based on salary increases
Early Retirement	345,500	Based on employees in the "pipeline"
Medical/Dental	1,645,500	Based on 7% increase budget to budget
Retiree Insurance	55,000	Based on projected enrollment
TRS Pension Contingency	200,000	Based on estimated creditable earnings @ 0.5%
	<u>2,500,000</u>	

	FY14 Budget Increase from FY13 Actual	
<u>Purchased Service</u>		
Leases	552,000	Chromebooks (net of student fees)
Property/Casualty Insurance	30,000	Premium increase
Liability Insurance	42,000	Premium increase
Workers' Compensation Insurance	75,000	Based on anticipated claims
Unemployment Claims	45,000	Based on anticipated claims
Budgeted Losses (Self insurance reserve)	168,000	Based on 7% increase budget to budget
Special Education I.D.E.A.	180,000	Based upon enrollment
Student Financial Aid	78,000	Based on trend
Telecommunications	148,000	Internet services including redundancy
Consultants	77,000	Support for PowerSchool
Legal	80,000	Based on 0% increase budget to budget
Transportation	212,000	Based on current contract
	<u>1,687,000</u>	

Glenbrook Aquatics  
 Historical Program Cost Analysis FY04 - FY14

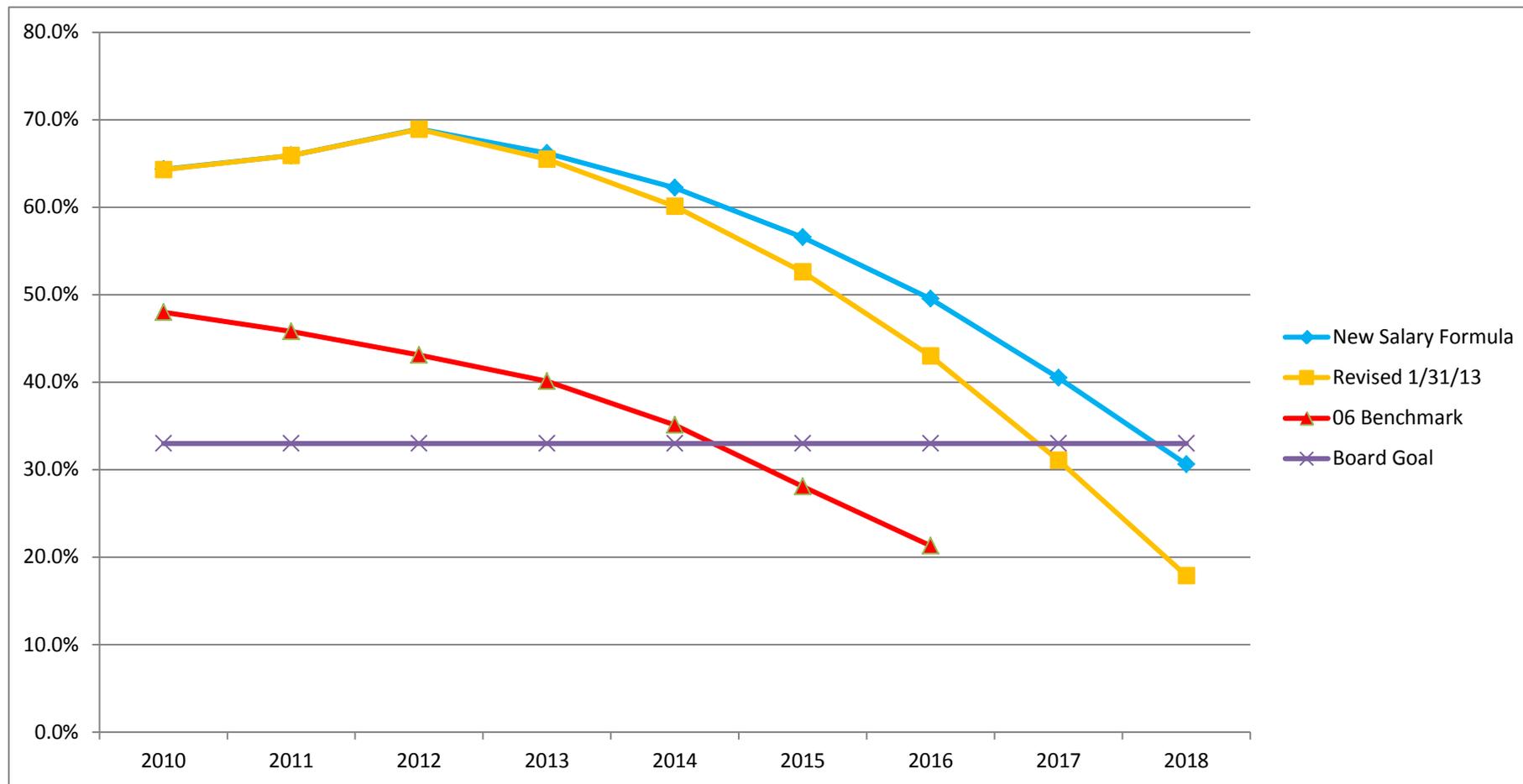
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	<i>Budget</i> 2014	TOTAL 11 YEARS	
Revenues	257,164	292,670	306,635	328,882	357,169	392,784	429,795	454,251	488,460	548,562	548,680	4,405,053	
Expenditures	173,793	243,571	292,374	342,104	352,984	381,333	461,078	451,020	486,008	544,276	548,511	4,277,053	
Surplus/Deficit*	83,370	49,099	14,261	(13,222)	4,185	11,451	(31,283)	3,231	2,452	4,286	169	128,001	
												11,636	Avg. Surplus per Year

\*Cash basis as of June 30th of each year.

**PROJECTED FUND BALANCES - *IMPACT OF NEGOTIATIONS***

***CPI = 1.7% TAX YEAR 2013; 2.4% TAX YEAR 2014 AND FORWARD***

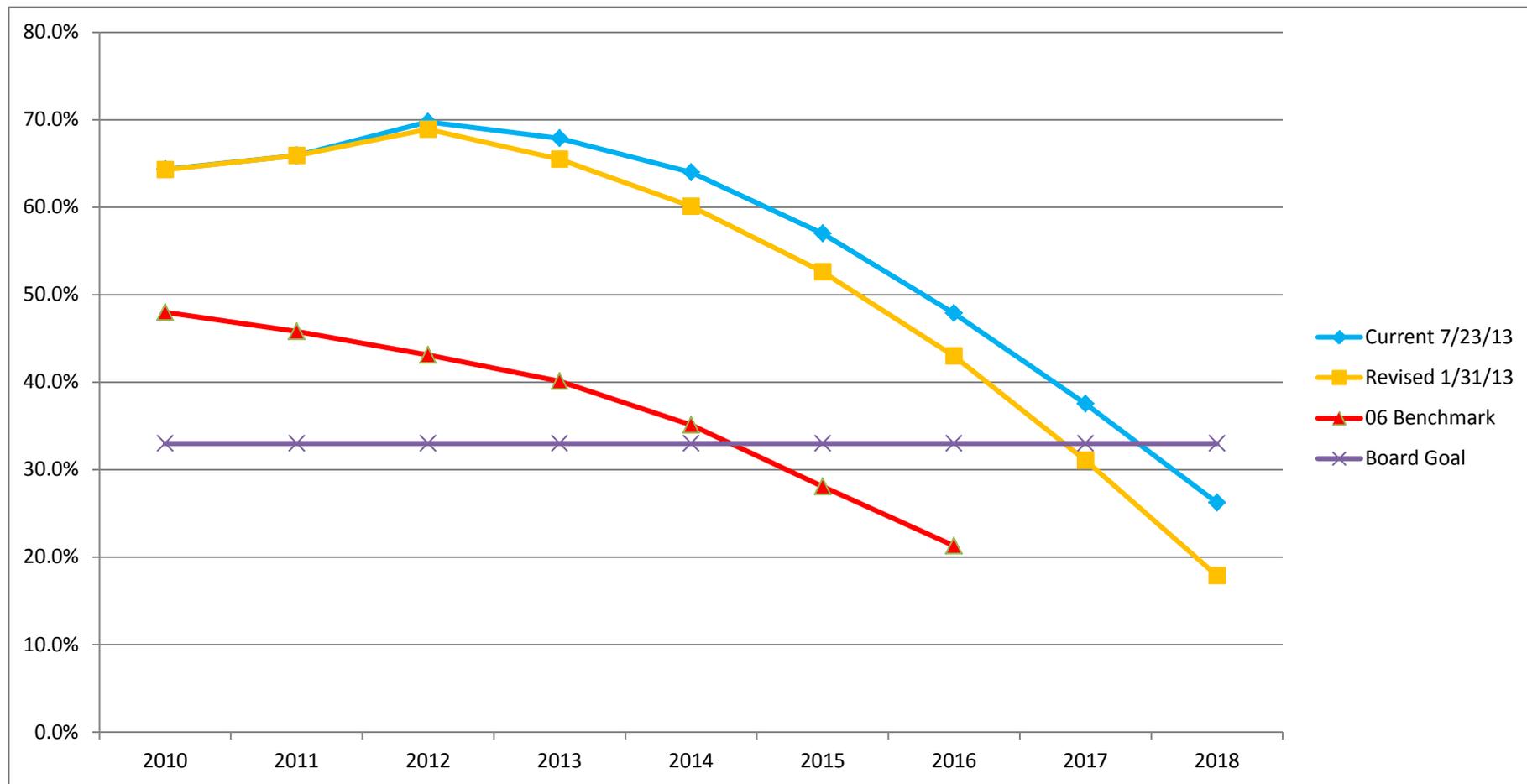
	2010	2011	2012	2013	2014	2015	2016	2017	2018
New Salary Formula	64.3%	65.9%	68.9%	66.2%	62.2%	56.6%	49.5%	40.5%	30.6%
Revised 1/31/13	64.3%	65.9%	68.9%	65.5%	60.1%	52.6%	43.0%	31.1%	17.9%
O6 Benchmark	48.0%	45.8%	43.1%	40.1%	35.1%	28.1%	21.3%		
Board Goal	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%



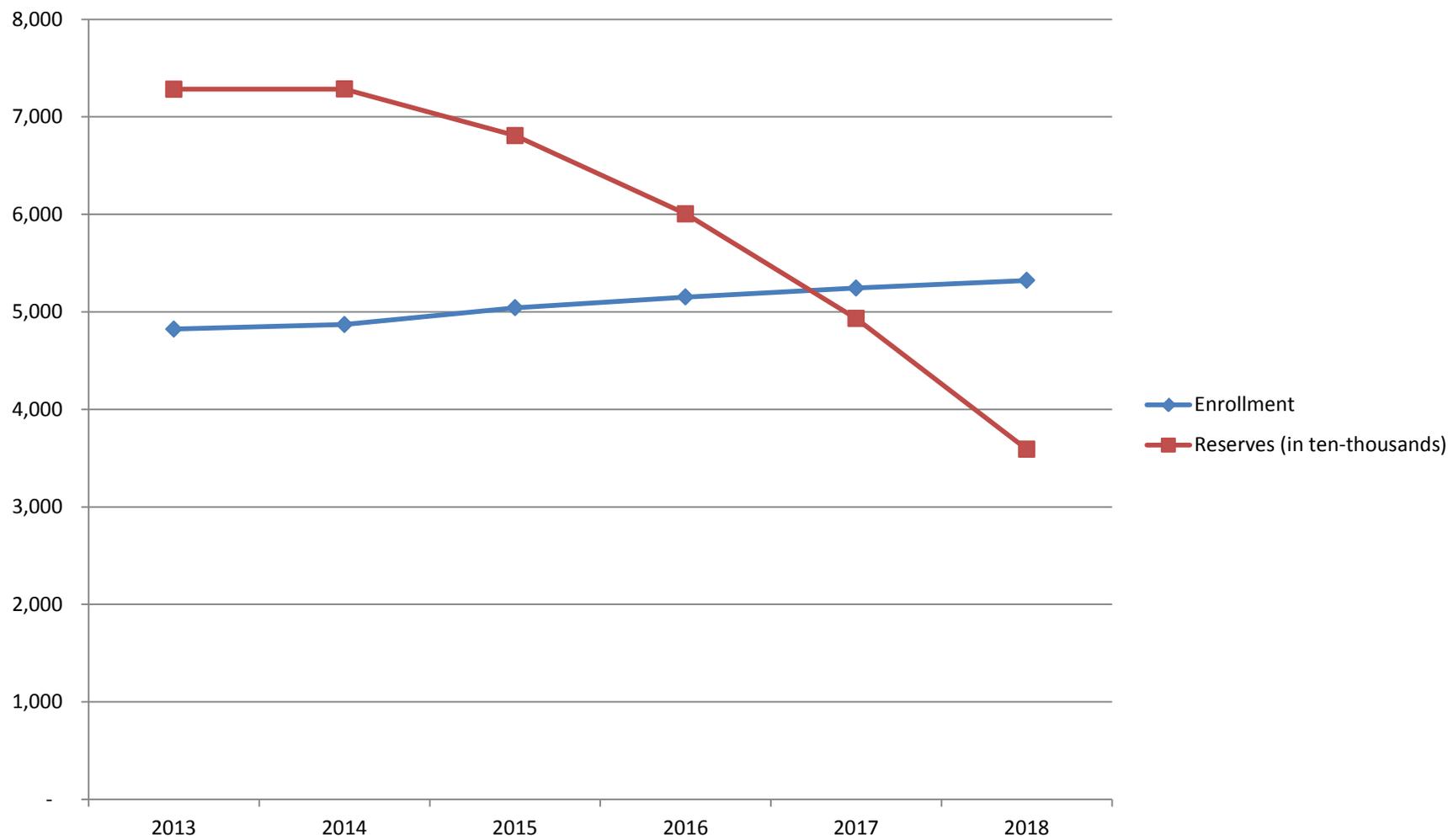
**PROJECTED FUND BALANCES - REVISED 7/23/13**

**CPI = 1.7% TAX YEAR 2013; 2.4% TAX YEAR 2014 AND FORWARD**

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current 7/23/13	64.3%	65.9%	69.8%	67.9%	64.0%	57.0%	47.9%	37.5%	26.3%
Revised 1/31/13	64.3%	65.9%	68.9%	65.5%	60.1%	52.6%	43.0%	31.1%	17.9%
06 Benchmark	48.0%	45.8%	43.1%	40.1%	35.1%	28.1%	21.3%		
Board Goal	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%



## Comparison of Enrollment to Fund Balance Reserves



July 7, 2010					
TAXABLE G.O. SCHOOL BONDS (BABs)					
2010					
\$10,190,000.00					
12/1/2020 @ 100					
12/1/2027					
Amount	Coupon	Interest	Debt Service	<b>Less: Subsidy</b>	Net Debt Service
Aaa/NR/NR					

Fiscal Year					FULL SUBSIDY			REDUCED			
					35%			SUBSIDY		June 1 Payment	Less 8.7%
2013			589,910	589,910	(206,469)	383,442	(8,981)	8.7% for 6 mos June 1 Payment	103,234.25	8,981.38	
2014			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2015			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2016			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2017			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2018			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2019			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2020			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2021			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2022			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2023			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2024			589,910	589,910	(206,469)	383,442	(17,963)	8.7% full year paymt			
2025	845,000	5.700%	565,828	1,410,828	(198,040)	1,212,788	(17,229)	8.7% full year paymt			
2026	3,285,000	5.700%	448,123	3,733,123	(156,843)	3,576,280	(13,645)	8.7% full year paymt			
2027	3,040,000	5.800%	266,340	3,306,340	(93,219)	3,213,121	(8,110)	8.7% full year paymt			
2028	3,020,000	5.900%	89,090	3,109,090	(31,182)	3,077,909	(2,713)	8.7% full year paymt			
							(248,269) *				

\* Funding for the reduced federal subsidy will be covered by fund balance reserves in the debt service funds. These reserves are restricted for debt service payments only and therefore, have no impact on operating fund balance.