

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business/CSBO
Regular Meeting – Monday, July 28, 2014

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: July 28, 2014

RE: Adoption of a Tentative 2014-2015 Budget

That the Board of Education

Adopt the 2014-2015 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 29th, 2014; hold a public hearing on said budget on September 8, 2014, 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, 2014. 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 8, 2014, followed by adoption of the final budget on September 29, 2014. (Please see notice of public hearing, attached).

Copies of the 2014-2015 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, 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, 2014, will be on file and conveniently available for public inspection on the District's website at 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 29th of July, 2014.

Notice is further hereby given that a public hearing on said budget will be held at 7:00 p.m. on the 8th day of September, 2014, 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 28th day of July, 2014.

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

**Tuesday - July 22, 2014 - 7:30 AM
Glenbrook South High School Room 128**

FINANCE COMMITTEE MEETING

MEMBERS

Bruce Doughty
John Finan
Gary Freund
Karen Geddeis
Scott Martin
Paul Pryma
Kim Ptak
Mike Riggle
Hillary Siena
Brad Swanson
Vicki Tarver
Joel Taub
Brian Wegley

AGENDA

1. Call to Order
2. Tentative Budget
3. Update on Glenbrook Aquatics
4. Other
5. Adjournment

Memo

To: Members of the Finance Committee
From: Hillarie Siena
Date: 07/22/14
Re: Tentative Budget Discussion

Why did the district end FY2013/14 with a \$4.9M 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 0.1% (\$100K)
 - Higher property tax refunds than anticipated by 6%(\$68K)
 - Received balance of FY13 state/federal grants +\$1.5M
 - Slightly lower other local revenue than budgeted by 0.7% (\$16K)
 - **Overall, effect was 101% of budgeted revenues received across all operating funds**
- On the expense side:
 - Salaries less than budget by 1.75%(\$1.2M,including unspent contingency of \$260K)
 - Employee benefits, including pension costs less than budget by 6.67% (\$1.1M, including unspent pension contingency of \$200K)
 - Purchased service costs less than budget by 8.78% (\$950K)
 - Supplies less than budget, including utilities by 2.53% (\$112K)
 - Capital outlay less than budget by 1.38% (\$63K)
 - Fees/Other less than budget by 2.44% (\$35K)
 - Special education costs less than budget by 1.62% (\$85K)
 - **Overall, effect was 97% of budget expended across all operating funds**

FY2014/15 Budget parameters/assumptions:

- % of taxes collected is historically 96%- 98% of property taxes levied. FY15 budget is within this range.
- Investment interest rate of return is currently less than .25%. FY15 budget is conservative.
- FY2014/15 revenue budget includes General State Aid of \$1.1M, representing an 89% proration.
- FY15 projected ending operating fund balance decreases by 1.9%. This is consistent with 5-year projections, including non-recurring costs.
- FY15 projected ending operating fund balance of 67.1% is higher than 2014 projection by 4.2%, reflecting revenue timing differences as well as conservative spending and ongoing efficiencies.
- The aggregate salary increase for certificated staff is approximately 3.5% including step. This is consistent with the CPI formula contained in the GEA negotiated agreement beginning May 22, 2014.
- The aggregate salary increase for support staff is approximately 2.9% including step.
- IMRF rate results in ≈ 10% increase over the prior year.
- Health insurance cost increase is at 6%. This is consistently lower than industry standards.
- TRS employer costs for Teachers' Retirement Insurance for salaries paid from federal grants decreased from 35.41% to 33.00% for FY15.

Memo

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

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%.

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business/CSBO
Regular Meeting Monday, July 28, 2014

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: July 28, 2014

RE: Discussion – Financial Update

Following is a summary of the FY2014/15 tentative budget. The FY2014/15 tentative budget contains a preliminary estimate of revenues and expenditures and reflects an estimated surplus of \approx \$700K at the year ending June 30, 2015. The FY2014 Est/Actual numbers reflect unaudited actual figures as of June 30, 2014. The FY2014/15 tentative budget is based upon several assumptions and factors impacting revenues and expenditures, among which, the most significant are the consumer price index and student enrollment.

Revenue Assumptions

- Applicable year consumer price index (CPI) is 1.7%.
- Future year projections are based upon a 1.5% CPI for FY2016 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 2016 triennial reassessment year.
- 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 2013 report.
- Make-whole payments from The Glen are calculated using current enrollment projections.
- Student fees for FY2015 will remain flat, with the exception of the student technology fee for 1:1 devices.
- 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 FY2015 prorated at 89% of full allocation (budget signed by Gov. Quinn 6/30/14).
- 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 0.4 and 10-year average CPI of 2.4 $(0.4 + 2.4)/2 = 1.4\%$ base raise. Total raise with step = 3.5%.
- 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 = 2.9%.
- Employee benefits are estimated to increase by 6% for FY15 and projected forward at 9%.
- 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.
- The tentative budget contains \$700K in contingencies reflected in the budgeted surplus.

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 – **PRIOR YEAR**

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 Aquatics

Historical Program Cost Analysis FY04 - FY15

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	<i>Budget</i> 2015	TOTAL 12 YEARS	
Revenues	257,164	292,670	306,635	328,882	357,169	392,784	429,795	454,251	488,460	554,121	600,055	598,140	5,060,127	
Expenditures	173,793	243,571	292,374	342,104	352,984	381,333	461,078	451,020	486,008	544,276	580,834	597,676	4,907,052	
Surplus/Deficit*	83,370	49,099	14,261	(13,222)	4,185	11,451	(31,283)	3,231	2,452	9,845	19,221	464	153,076	
													12,756	Avg. Surplus per Year

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

PROJECTED OPERATING FUND BALANCES - 7/28/14

CPI = 1.5% TAX YEAR 2014; 2.4% TAX YEAR 2015 AND FORWARD

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Tentative Budget 7/28/14	65.9%	69.2%	69.0%	70.2%	67.1%	60.1%	52.4%	45.6%	38.8%
Prior Year Budget 9/30/13	65.9%	69.2%	67.1%	62.9%	55.4%	45.9%	35.2%	23.5%	
O6 Benchmark	45.8%	43.1%	40.1%	35.1%	28.1%	21.3%			
Board Policy 4010	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%

