

**MINUTES OF THE PUBLIC HEARING:
FY17 PROPOSED BUDGET
BOARD OF EDUCATION
MAERCKER SCHOOL DISTRICT NO. 60
HELD TUESDAY, AUGUST 23, 2016**

1.0 Call to Order and Roll Call: President Art Andersen called the meeting to order at 7:00 p.m. and the following members were present: Mike Gombosi, Lisa Bishop, Cindy Bondlow, Tim Casey, Patty Dieball, Amy Sullivan, and Art Andersen.

District personnel in attendance: Sean Nugent, superintendent; Sue Caddy, CSBO; Cathy Fisher, Director of Teaching and Learning; and Kathy Spina, administrative assistant/ recording secretary.

2.0 Recognition of Visitors and Public Comment on Agenda Items: President Andersen deferred recognition to the Regular Board Meeting, following the Hearing of the Proposed Budget.

3.0 Overview of 2016-17 Proposed Budget, and Public Comment and Questions Regarding the 2016-17 Proposed Budget:

CSBO Ms. Sue Caddy reviewed factors impacting the current year budget including:

Revenues are budgeted to increase by 2% and expenditures are budgeted to increase 5% overall. The budget reflects an operating deficit of \$85,883. The Ed Fund has a budgeted deficit of \$20,577 and the O&M Fund has a budgeted deficit of \$200,735. All other operating funds (transportation and IMRF) are considered balance with slight surpluses. The balance in the Working Cash Fund at the end of FY17 is projected to be \$2,140,695.

The Capital Outlay fund balance will be spent down by \$593,200 and will cover the cost of the masonry and window work completed during summer 2016. The fund balance at the end of FY17 in this fund is budgeted to be \$351,797, which will help fund the remaining masonry work planned for summer 2017.

Major factors affecting the FY17 Budget.

Revenues

- 1) Levy dollars increased by 1.79%. The Consumer Price Index for the levy was .8% and the balance of the increase was due to the value of new growth within our taxing boundaries.
- 2) General State Aid is fully funded for the first time in years, which results in an increase of 9% over FY16 receipts. Mandated categoricals will be prorated as follows:
 - a. Special Education Personnel Reimbursement: 99.8%
 - b. Special Education Child Reimbursement: 99.6%
 - c. Special Education Private Facility: 91.2%
 - d. Special Education Summer School: 80.1%
 - e. Special Education Transportation: 93.8%
 - f. Regular Transportation: 69.0%
 - g. State Free Lunch/Breakfast: 18.7%
- 3) Federal revenue, which includes free/reduced lunch reimbursements, IDEA for special education, Title grants, and E-Rate reimbursement, decreased by approximately 2%

Expenditures

- 1) Salaries are budgeted at a 4% increase. This includes MEA contractual obligations as well as board approved increases. The budget reflects the changes in staffing discussed with the Board in March, including the addition of a .5 FTE science teacher at Maercker. The budget also includes a contingency of \$50,000 in salaries for possible lane movements.

- 2) Benefits are budgeted at a 4% increase over FY16 actual expenditures. This includes the 4.07% increase in health insurance, .5% TRS cost shift, and the increase associated with salary increases. The cost shift has been decreased to .5% from 1% because if and when the shift occurs it is likely to be in .5% increments until the full 7% is realized. In addition, with the expiration of ERO, TRS contributions decreased from 9.4% to 9%, which saved the district .4% on all administrators' benefits.
- 3) Funds are included for the social studies adoption, payment of the new leases for copiers and projectors, and facility projects approved by the Board.
- 4) O&M Fund deficit is due in large part to the costs associated with the temporary classroom unit at Holmes School.

Future Concerns:

- Legislation for a property tax freeze. This would result in a \$4.5 million loss in revenue over the next 5 years
- On-going pension reform. If the cost shift becomes reality, it would most likely be a phase in of .5% each year until we are paying 7% of certified salaries.
- Education funding reform. Models are still being discussed and proposed. Worst case for us would be a reallocation of state funds to primarily benefit downstate districts, resulting in a potential loss of approximately \$1 million in state funds.

3.1 Public Comment and Questions Regarding 2016-17 Proposed Budget: None

4.0 Adjournment of Public Hearing: President Andersen declared the Public Hearing adjourned at 7:10 p.m. **Motion:** A motion was made by Casey and seconded by Bondlow to adjourn the Public Hearing for the 2016-17 Budget. A roll call vote was taken. Voting Aye: Sullivan, Gombosi, Bishop, Bondlow, Casey, Dieball, and Andersen. Voting Nay: None. Motion carried.

Respectfully submitted,
Kathy Spina, Recording Secretary

Secretary, Maercker 60 Board of Education

President, Maercker 60 Board of Education