

Big Hollow School District #38, Ingleside, IL 60041

Committee of the Whole Meeting

OFFICIAL MINUTES

November 13, 2013 – 1:00 p.m. - Big Hollow Middle School Board Room

Guests: Dawn Lucas, Jenny Prostka, Amy Harding, Doreen Linderman, Donelle Staples, Elizabeth Thomas

OFFICIAL MINUTES

- A. Call to Order: President Gallichio called the meeting to order at 1:00 p.m.
- B. Pledge of Allegiance: The Pledge of Allegiance was recited.
- C. Roll Call: Christine Arndt called the roll with the following members answering “present” Vickie Gallichio, Heather Janquart
Administration Present: Dr. Christine Demory, Christine Arndt, Lenayn Janusz, Bill Schufreider, Rick Engstrom
- D. Approval of Agenda: A motion was made by Heather Janquart and seconded by Vickie Gallichio to approve the agenda. Upon roll call vote the motion passed. 2 ayes, 0 nays.
Aye: Vickie Gallichio, Heather Janquart
Nay: None
- E. Public Comments: There Were No Public Comments.
- F. Introductions of Guests/Presentations:
 - 1. Doreen Linderman, PMA Financial Representative
Dr. Demory welcomed everyone. A copy of a power point presentation on “Deficit Reduction Planning” was provided to all in attendance. The power point stated the schools Mission Statement: The District will provide a strong educational foundation that empowers students to excel and instills the desire for life-long learning.

Meeting Goals:

- 1. Raise awareness – provide information
- 2. Make informed decisions
- 3. Balance Budget Needed- Why?
 - a) Refinance Bonds Opportunity
 - b) Financial Watch – Maintain local control-Prevent State from taking control
- 4. Provide Balanced Budget Plan for the Board of Education to consider 11/18/13

Community Engagement 11/6/13 Outcomes – Considerations

- Look at every line item on the budget

- Ask staff for cost saving ideas
- Revenue resources – property tax, business tax, grants, per student cap grants, Title grants, technology grants
- Sell Route 12 property
- Medicaid/Medicare funding sources
- Special Education reimbursement
- No more staff cuts – negative impact on student’s education
- The teacher contract salary to CPI
- Cannot afford 5% + salary increases per year
- Assess personnel for possible reduction of staff
- Limit salary increases to CPI
- Add Kindergarten fees
- Increase Registration fees
- Bring contract services “in-house” food, busing, maintenance
- Insurance Benefits – shop annually for best rates
- Hardship policy regulated to increase revenue
- Reducing mailing costs – hold student registration at school
- Develop equitable teacher salary matrix
- Tuition reimbursement cap
- Reduce administration
- Reduce lunch monitors
- Salary freeze district wide
- Special Education – bring in house
- Financial Committee
- Link salaries to performance

Future Goal: Adopt Board resolution long-term financial stability:

“The projected, combined fund balances for the four funds of Education, Building, Transportation, and Retirement (excluding any early tax monies) at the beginning of any fiscal years shall be equal to approximately 25% of the average of the total expenditures for the two previous fiscal years which have most recently closed.”

Balanced Budget Options:

1. Step & Lane with base increases of \$500.00
2. Step & Lane with no base increase
3. Maximum 1.7% on individual current salary
4. Hard Freeze
5. Reduction of staff without compromising integrity of learning
6. Blend of salary and staff reduction

Doreen Linderman presented statistical information, assumptions, and financial forecasting projections of the District's finances.

- The District receives 66% of their revenue from property taxes.
- Projecting a 10% drop in Equalized Assessed Evaluation.
- Expenditures
 - 58.3% is spent on Personnel
 - 23.7% on Purchased Services
 - 6.1% on Supplies and Materials
 - 6% on Other Objects

The District is spending more than what we are bringing in.

G. Financial Discussion

1. Deficit Reduction Planning

Everyone received a hand-out with salary schedules for 2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014. (*Attached to minutes*)

The following eleven options were reviewed and discussed:

Option 2: Step & Lane (No base increase)

2015 (\$778,362)

2016 \$92,756

2017 \$107,404

2018 \$70,148

2019 \$137,486

Option 1: Step & Lane (with base increase \$500)

2015 (\$830,272)

2016 (\$145,370)

2017 (\$160,895)

2018 (\$124,639)

2019 (\$193,025)

Option 3: Maximum 1.7% on individual current salary (No step , No Lane) 5 years

2015 (\$649,680)

2016 \$170,026

2017 \$290,917

2018 \$461,602

2019 \$532,421

Option 4: Hard Freeze (no increase) 5 years

2015 (\$517,489)

2016 \$438,819

2017 \$701,712

2018 \$1,021,293

2019 \$1,250,206

Option 5: Reduction in staff without compromising the integrity of learning (Step & Lane No Base) (\$300,000) Salary & Benefits

2015 (\$485,122)

2016 \$211,707

2017 \$208,850

2018 \$258,456

2019 \$204,992

Option 7: Hard Freeze – 1yea (\$518,000)

2015 \$991

2016 \$539,399

2017 \$414,273

2018 \$327,685

2019 \$131,978

Option 8: Hard Freeze (1 year, 2.0 CPI)

2015 (\$517,489)

2016 \$269,040

2017 \$355,788

2018 \$491,067

2019 \$525,067

Option 9: \$300,000 & No Staff Reduction

2015 (\$478,114)

2016 \$214,731

2017 \$208,536

2018 \$255,421

2019 \$198,999

Option 10: (\$500.00)

2015 (\$277,933)

2016 \$419,877

2017 \$419,877

2018 \$473,454

2019 \$425,390

Option 11: \$200,000 (Step & Lane)

2015 (\$578,197)

2016 \$112,190

2017 \$103,096

2018 \$146,688

2019 \$86,363

Board member Heather Janquart left at 3:25 p.m.

Option 6: Blend of Salary & Staff Reduction

5% of the budget \$800,000

4% of the budget \$600,000

Options not supported by consensus: 1, 2, 4, and 7.

Options supported by consensus: 3, 5, 8, 9, 10, 11.

Consensus: Recommend a Balanced Budget by the 2015 – 2016 school year.

H. Business Recommended Action Items: Consider Motions To:

None

I. Other/Comments/Announcements

1. Regular School Board Meeting on Monday, November 18, 2013 at 6:00 p.m. Big Hollow Middle School Library
2. Dr. Demory shared that do to the power surge last week, there was damage to the boiler system. This information will be submitted to the insurance company.

J Adjournment: The meeting adjourned at 3:45 p.m.

Victoria Gallichio, President

Board of Education

Doug Pedersen, Secretary

Board of Education