

Community Consolidated School District 15 Board of Education

580 N. 1st Bank Drive, Palatine, Illinois 60067 • 847-963-3000 • www.ccsd15.net

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MISSION STATEMENT

To produce world-class learners
by building a connected learning community.



BOARD BRIEFS: *June 15, 2016, Regular Meeting*

[Meeting Video](#) and [Agenda Attachments](#)

Student Recognition—Math Kangaroo: ([Video Clip: 00:00-4:50](#)) Meg Schnoor, Ed.D., Assistant Superintendent for Teaching and Learning, introduced 10 students who received top 20 national rankings in Math Kangaroo, a popular international mathematics competition for students in Grades 1-12. The students also led the Board in the Pledge of Allegiance.

Public Hearing on the Adoption of the FY2016 Amended Budget: ([Video Clip: 5:45-8:00](#)) The Board approved the FY2016 Amended Budget following a public hearing on the proposal. The amended budget includes \$13.9 million of changes, all of which are related to the \$18.5 million of additional revenue the District received when it issued its first series of life safety bonds earlier this year. The District began its life safety work earlier this month. The first \$2.7 million of construction project expenditures will come out of the FY2016 Budget. The District will also spend an additional \$1.9 million of fund balance reserves from its Debt Service Fund toward outstanding principal and interests payments. The District utilized existing fund reserves to reduce the total amount of borrowing needed to complete the life safety projects. Later in the meeting, the Board approved the adoption of the FY2016 Amended Budget.

Presentation—FY2017 Tentative Budget: ([Video Clip: 8:00-16:56](#)) Michael Adamczyk, Chief School Business Official, presented the FY2017 Tentative Budget. Excluding the Health Life Safety Fund, the budget proposal outlines approximately \$150.5 million in operating fund revenues and \$150.4 million of operating fund expenditures, resulting in a projected \$64,724 surplus. The proposed budget would increase the District's June 30, 2017, fund balance to approximately \$64.8 million, or 39 percent of the District's budget.

During his presentation, Mr. Adamczyk addressed the potential impact the state's budget impasse could have on the District's spending plan, which currently projects no changes in state funding levels. He also noted that, unlike many school districts, District 15's financial standing is strong enough that it could use its cash reserves to continue operating next year if the state's budget impasse continues and school districts do not receive funding from the state.

Mr. Adamczyk also noted that the District currently has 21 unfilled teaching positions for next year, but none of them are new to the budget. Still, due to enrollment changes that typically occur over the summer, the District will not be able to finalize its certified staff count—and that number's impact on the budget—until September. Final staffing levels for program assistants also will not be known until mid-October, when the District has a clearer picture of how many students qualify for its reading intervention, bilingual, regular education, and special education programs.

The budget also includes \$1.9 million of capital projects funding that's unrelated to the District's life safety projects, and \$267,819 of one-time expenditures for a new maintenance truck, refrigerated delivery truck, and service truck.

A public hearing on the proposed budget will be held at the beginning of the next regular Board of Education meeting on Wednesday, August 10. The FY2017 Tentative Budget will then be presented to the Board for adoption during its regular meeting on Wednesday, September 14.

Review of the Five-Year Financial Projections: ([Video Clip: 17:05-28:44](#)) Mr. Adamczyk presented an updated five-year forecast that indicates the District will run deficits of approximately \$6.3 million in 2016-17 and \$9 million

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in 2017-18. Those deficits are due to the District's life safety projects. The \$18.5 million of life safety bonds issued this year were recorded as additional revenue in the Amended FY2016 Budget, but the great majority of those funds (as well as the funds from the \$9 million bond issuance planned for next year) will be spent as part of the FY2017 and FY 2018 budgets. Excluding those expenses on life safety projects, the District's revenues are projected to exceed its expenditures in each of these years, just as they are projected to do through the final three years of the forecast. These small budget surpluses, which are projected to top out at about \$1.3 million in 2020-21, are expected to preserve healthy fund balances in the range of 35 percent of the District's operating expenses—or roughly \$56 million—over the course of the next five years.

Scott Thompson, Ed.D., Superintendent of Schools, noted that the projections account for all of the provisions in the new Classroom Teachers' Contract, which is projected to contain annual cost increases associated with teacher compensation to less than 1 percent over the agreement's 10-year term. He said those costs amount to around 60 percent of the District's budget, and that locking them in for a decade makes proactive, long-term financial planning of this sort easier and more effective.

During his presentation, Mr. Adamczyk also detailed how the District managed to maintain a strong financial standing over the previous five-year period, despite a number of significant financial challenges. For instance, the District has lost nearly \$13.9 million in general state aid and transportation revenue due to the state not fully funding the reimbursements since 2011. Also, its annual investment income, which stood at \$2.4 million before the economy crashed in 2008, has averaged just around \$158,000 a year for the past five years. Nonetheless, over that time, the District has come in no less than \$1,161,559 under budget, and its ending fund balances exceeded projections and fell no lower than \$55 million.

Superintendent's Report—Successes and Highlights from the 2015-16 School Year: ([Video Clip: 28:44-35:33](#)) Dr. Thompson shared with the Board the list of accomplishments from the 2015-16 school year published in the [June 2016 issue of Connections](#). He said the Board and public should be reminded of the important work that was accomplished, generated by the Board's leadership, and the positive impact that work had on students and the community.

Superintendent's Report—Facilities Plan Committee v2.0 Report: ([Video Clip: 35:33-36:15](#)) Dr. Thompson reported that officials from District 15 and Palatine Park District will meet on June 22 to further explore the possibility of a joint usage agreement for the Falcon Park Recreation Center. The proposed agreement would include the construction of an elementary school in northeast Palatine attached to the existing building.

Superintendent's Report—PR Committee: ([Video Clip: 36:16-37:10](#)) Dr. Thompson reported that he plans to create a committee to focus on public relations, and that Board members Jessica Morrison and Zubair Khan have expressed interest in representing the Board on that committee. He said he intends to invite Jeffery Arnett, Assistant Superintendent for Operations and Outreach for Barrington Community Unit School District 220, to share with the committee ideas that can help the District create a top-notch public relations department.

Citizens Address the Board: ([Video Clip: 45:55-57:11](#)) Two residents addressed the Board regarding its responses to residents who attend its meetings and go before it to make public comments.

Next Regular Board of Education Meeting: Wednesday, August 10, 2016, at 7 p.m. at Walter R. Sundling Junior High, 1100 N. Smith Street, Palatine.