

AUGUST 24, 2020
WILMETTE, IL
BUDGET HEARING

A Public Hearing on the Budgets was held by the Board of Education on Monday, August 24, 2020, at the Mikaelian Education Center, 615 Locust Road, Wilmette, Illinois. President Lisa Schneider-Fabes called the meeting to order at 7:00 p.m.

Members Present: Lisa Schneider-Fabes, Jon Cesaretti (remotely), Frank Panzica,
 Amy Poehling, Mark Steen, Erin Stone

Members Absent: Ellen Sternweiler

Administrators Present: Kari Cremascoli, Corey Bultemeier, Tony DeMonte Heather Glowacki,
 Katie Lee, Kristin Swanson

PLEDGE OF ALLEGIANCE

The Board of Education members and Administration led the Pledge of Allegiance.

BUDGET PRESENTATION FOR WILMETTE PUBLIC SCHOOLS DISTRICT 39

Dr. Cremascoli introduced Corey Bultemeier, Business Manager to present the budgets.

Mr. Bultemeier stated the Board approved a tentative Fiscal Year 2021 budget last May. He noted the Operating Funds had a surplus of \$22,250 excluding transfers. The Final FY21 Operating Funds will have a deficit of \$2,131,320 excluding transfers. \$200K of this deficit is related to a change in Illinois State Board of Education (ISBE) budget reporting requirements. ISBE asked fiduciary funds that go straight back to students, such as Student Activity Fund and Angel Fund be reported out separately. The revenues for these accounts are \$500K and expenditures are \$700K with a June 30, 2019 fund balance of \$306,529. He noted the remaining deficit of \$1,931,320 is almost entirely COVID-19 related expenditures. Primary assumptions driving expenditures are the need for 10 full-time equivalent certified teaching staff (estimated cost of \$797,030), 9 full-time equivalent support staff (estimated cost of \$296,098) and additional long-term substitutes (estimated cost of \$266,708). Mr. Bultemeier reported revenues consist mainly of property taxes and the net collection rate is 97.92%. The average collection rate for the past eight years was 98.64%. He noted the FY21 budget total is \$425K below the eight-year average. Additional expenditures assumed were for items necessary to reopen schools such as cleaning and personal protective equipment (PPE) supplies and rentals costing \$269,360, outfitting additional grade level sections with curriculum and technology materials cost of \$125,000, and equipment purchases at a cost of \$48,000.

Mr. Bultemeier noted budget revenue reductions were due to lowered interest revenues and local reduction in fees such as lunch, transportation, KEEP39, summer school, Early Bird Childcare, and athletics.

Mr. Bultemeier reported the capital projects planned remain the same and the Board of Education is not required to commit to summer 2021 projects until bids are approved in January/February of 2021. Scheduled projects include KEEP39 expansions at Romona and McKenzie Elementary schools, second floor air-conditioning at Wilmette Junior High and a roof replacement at Harper Elementary.

Mr. Bultemeier stated while many estimates are built into the budget related to COVID-19 particularly for staffing, the entire situation remains extremely fluid. The estimated cash balance as of June 30, 2020 was \$51.174M. The Operating Funds deficit is \$1,931,320 after removing ISBEs accounting requirements relating to student activity funds. He noted without COVID-19 the Operating Funds Budget excluding transfers would be balanced. Total Operating Funds revenues are \$64,469,719 and expenditures are \$66,601,039.

BOARD DISCUSSION

Board discussion ensued regarding forecasting out the monthly cash balance, what the low liquidity balance would be if property taxes or state funds were not received, if state payments are expected to be received on schedule, and what the state requirements are to achieve the highest financial rating. Dr. Cremascoli noted the auditors had conducted the annual audit remotely and asked Mr. Bultemeier for an update on their progress. Mr. Bultemeier stated he would present draft numbers at the next Committee of the Whole meeting and present the formal audit in November.

BUDGET PRESENTATION FOR WILMETTE COMMUNITY SPECIAL EDUCATION AGREEMENT (WCSEA)

Mr. Bultemeier stated District 39 continues to serve as the fiscal agent for WCSEA. He noted WCSEA provides a special education financial umbrella for District 39 and Avoca School District 37. The Illinois State Board of Education Funding and Disbursement Services Division requires WCSEA to keep separate accounting records and to follow the same Illinois State budget guidelines that are required of all Illinois school districts. The budget provides a “flow through” mechanism to distribute state/federal funds to both school systems. Mr. Bultemeier stated WCSEA revenue and expenses are equal at \$195K.

Mr. Buletemeier stated once the final budgets are adopted they will be submitted to the Regional Office of Education, Cook County Clerk, and ISBE. IDEA grant funds flow to districts rather than to the cooperatives.

BOARD DISCUSSION

None

PUBLIC COMMENTS

None

ADJOURN TO REGULAR MEETING

Mr. Panzica moved, seconded by Mr. Steen, to adjourn to the regular meeting of the Board of Education. The budget hearing adjourned at 7:34 p.m. by **General Consent**.

President

Secretary