

**Minutes of the 2020-2021 Budget Hearing  
City of Lake Forest School District 67 Board of Education**

**September 22, 2020**

*Governor Pritzker recently extended the disaster declaration related to the COVID-19 pandemic for all Illinois counties to October 17, 2020. Based on the current public health concerns, the Board President of Lake Forest School District 67, as head of the public body, has determined that it is neither practical nor prudent to hold an in-person meeting of the Board of Education on September 22, 2020. The Board President has further determined that it is not feasible for the public to be present at the public body's regular meeting location due to the health concerns related to COVID-19. This Board meeting will be remote and comply with the procedures set forth in Public Act 101-640 that Governor Pritzker signed on September 18, 2020.*

**CALL TO ORDER AND ROLL CALL**

The 2020-2021 Budget Hearing of the Board of Education was held virtually and called to order at 7:00 p.m. by President Justin Engelland. Board members present at roll call were:

Carl Kirar, Member  
Rob Lemke, Vice President  
Alice LeVert, Secretary  
Richard Chun, Member

Suzanne Sands, Member  
Justin Engelland, President  
Jeff Folker, Member

**Administration Present:**

Mr. Michael Simeck, Superintendent  
Jennifer Hermes, Chief Operating Officer/CSBO  
Rebecca Jenkins, Deputy Superintendent  
Melissa Oakley, Chief Communications Officer  
Jordan Salus, Chief Technology Officer

**Staff Present:** Julia Polszakiewicz, Board Clerk

**2020-2021 Budget Overview**

Ms. Hermes presented the 2020-2021 Budget to the Board of Education. She advised that, by law, the budget must be adopted by the end of the first quarter of the Fiscal Year, which is September 30, 2020. Prior to adoption, the tentative budget must be placed on public display for a minimum of 30 days. A date and time must be scheduled for a public hearing and notice of that meeting must be published in the newspaper. District 67 has complied with all requirements.

Ms. Hermes reviewed the timeline for presenting the 2020-2021 Budget and stated that on August 5, the tentative budget was reviewed with the Finance and Operations Committee. On August 11, the Board took action on the Reopening Plan. On August 18, the Board approved the tentative budget that was then on public display and a hearing date for the budget adoption was set. Between August 12 and September 16, the reopening plan was incorporated into the budget and related changes were made, and on September 22, the Board would adopt the final budget.

Due to the challenges and successes of the reopening plan, the budget was delayed and has been very fluid. Ms. Hermes stated that she expected the District would have to amend the budget again sometime in the spring of 2021. The District had some ability within a fiscal year to transfer funds among certain accounts but if those transfers exceeded or appeared to exceed a 10 percent threshold, then the budget must be amended. If the budget was amended in the spring, the same process would be followed and a tentative budget and tentative amended budget would be put on display and the Board would approve a final amended budget.

Ms. Hermes reported on the revenue of the District and stated that the District was heavily funded by property taxes. Lake County had split property tax payments into four installments instead of the normal two installments for the current year. The District would normally see the majority of its taxes arrive in June and September but this year, one payment was due in June, one in July, one in September, and one in November and the same amount of collection would now be made in smaller increments over a larger span of time.

As of September 17, the District collected about \$26 million, or approximately 74.39 percent of the anticipated tax collections for the year. Ms. Hermes stated that the District was likely slightly behind in this amount because those who escrow their taxes, did not have their payments split into four but instead into the usual two. Ms. Hermes would provide the Board an update once the District had completed September collections. Ms. Hermes stated that the District's cash on hand would not be impacted and would not impede the District's ability to conduct normal operations.

Ms. Hermes reported on additional local revenue details which included corporate and city taxes, textbook rentals, pupil activities, and earned interest. Ms. Hermes stated that she made changes to the final budget that reduced some of the other revenue. No changes were made to the anticipated property tax collection. Ms. Hermes stated that compared to last year's budget, it would look like a much bigger increase in property tax collections for 2021 due to the shift of some of the June property taxes to the current budget year. Fiscal year 20 would look short and fiscal year 21 would look high as a result.

Ms. Hermes presented the revenue that was recently made known to the District, or was still unknown. The District did not know if it would have property defaults and if there were people who would not have made all four of their tax installment payments by November. Based on the reopening plan, food service revenue was eliminated as students were participating in either AM or PM cohorts with lunch being in the middle of the day. Transportation costs were further reduced for lower anticipated ridership. Interest earnings would be monitored as the year progressed.

Ms. Hermes reported on all fund expenditures including salaries, benefits, purchase services, supplies, capital outlay, and other objects including debt, tuition payments and termination benefits. The bulk of expenditures were in staffing as the District was heavily employee-driven. Staffing would continue to fluctuate as additional staff were hired to support the hybrid model and the Academics Virtually Achieved (AVA) as needed. Some positions may be filled through a contract service and would not appear as staffing. Ms. Hermes presented other budget highlights including facility improvements which were all in motion pre-COVID-19. No new projects had been added at that point.

Ms. Hermes presented some of the remote and hybrid learning expenditures that were already included in the tentative budget including technology, PPE, and facility equipment in addition to a 20 percent reduction in regular transportation costs and a 50 percent reduction in food service revenue and expenditures. Ms. Hermes reported that several expenditures had been added to the final budget including employees and contracted personnel, the remaining piece of the tent rental, additional PPE, COVID-19 testing, and enhanced communications. Reductions included \$300,000 in the food service reduction program, \$194,000 in the transportation program, and slight modifications in Teaching and Learning and Special Education.

Ms. Hermes presented a final budget summary and reported \$45,894,602 million in revenue, with expenditures of \$48,203,867 million. After adjusting for property taxes, the budget was unbalanced due to planned life safety, capital projects, construction and nearly three million dollars in hybrid and reopening expenses. The District would be spending the remaining funds from the May 2018 capital borrow. The 2020-2021 Budget would become the baseline for the 5-year Projection. Based on the updated trajectory of the 5-Year Projection, the Finance and Operations Committee would review any adjustments necessary to maintain a strong financial position.

#### **PUBLIC COMMENT**

There was no public comment.

**ADJOURNMENT**

**MOTION:** Mrs. LeVert moved, seconded by Mr. Folker that the Board of Education of Lake Forest District 67, Lake Forest, Illinois, close the Budget Hearing at 7:37 p.m.

The motion carried unanimously.

The Public Hearing was adjourned at 7:37 p.m.

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Justin Engelland, President,      Date

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Alice LeVert, Secretary      Date