

**GENEVA COMMUNITY UNIT SCHOOL DISTRICT NUMBER 304
227 NORTH FOURTH STREET, GENEVA, KANE COUNTY, ILLINOIS
FINANCE COMMITTEE MINUTES**

The Board of Education Finance Committee met at 6:00 p.m. on Monday, October 14, 2014, at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

1. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Bill Wilson.

Committee members present: Dave Lamb, Kelly Nowak, Bill Wilson

Administrators present: Donna Oberg, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent

Others present: Tom Anderson, Leslie Juby, Mark Grosso, Mary Stith, Julie Matousek, Deanna Bach

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

3.1 September 8, 2014

Motion by Lamb, second by Nowak, to approve the minutes as presented. Ayes, three (3) Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Motion carried unanimously.

4. DISCUSSION/CONSIDERATION

4.1 Treasurer's Report Format

The Assistant Superintendent of Business Services presented the finance committee with a treasurer's report format based on information the committee wanted to see. August financials were used so that the committee could see where we are with revenues and expenditures. Expenditures used were only those over \$10,000 and the current numbers do not include the audit. Took operating funds revenues and expenditures over the last 10 years and graphed them. This will show where we went up and down. This is just a general overview of where expenditures and revenues have been over the last 10 years. Not sure what else you would like to see or if this was a good format.

Discussion, comments, questions: When do we typically receive tax money? (We get an early tax payment in May, then June, July, August, September, and October. The big tax payments are June and September. The early tax dollars are never the same percentage, so it's hard to trend it that way.) The tax dollars are to be expended in the year received? (Yes. They are to be expended through June.) Do we have a ballpark on what the 2014 revenue and expenditures are? (Don't have those with me.) In 2007 you said we had money left over from the referendum that was transferred into the Operations & Maintenance fund? (Yes.) That was a part of our surplus that I know we spent down. (We did spend it down and I could get you the exact dollar amount but I did not put that in this report.) I like that you show the starting balance and how much we receive and spend each month. The summary page looks good. I do think that expenditures that are \$10,000 or more are feasible if it's half a page. (Some of these major expenditures will dwindle off, because they are from summer projects.) I would prefer to see a 12 month progression. In our fund balance, we have some funds we can't touch and others we have access too.

To show the 30% fund balance that we have to keep, it would be nice to compare that against the amount of money that's not used. I think what we were looking for is a month to month report. Do you want the yearly report on here with the monthly? (I think the yearly one is good.) What's important is the average balance. I would like to see our actual fund balance. Do you want me to bring this back to you again before we go to the full Board? (I think we can take it to the full Board.) Mrs. Oberg will make the changes noted and bring to Board.

4.2 First Quarter Financial Review

The Assistant Superintendent of Business Services reported that revenue's received were at 41% because our tax dollars were in. We have received our general state aid but have not received the first quarter payment. Expenditures are pretty much on target. The first quarter is always hard to tell, and we usually get a better picture after the second quarter.

4.3 Preliminary Levy

Assistant Superintendent Oberg announced that the preliminary numbers were received from the county clerk. The EAV is up by 1.7% and new construction is about the same from last year. When we got the final numbers in, new construction was up just a little but the EAV had dropped from the projected amount, as we projected a drop in the EAV. We entered the numbers into the calculation pages provided by PMA to determine what we should levy. We are looking for EAV to go down less than they are projecting. The final numbers will not come in until March when we will know exactly what the levy numbers are. The prorated extension is what we are allowed to levy. The limiting rate is coming in at \$5.19 for this next levy year. This is the levy that we are planning to recommend to the Board based on past Board planning.

Discussion, comments, questions: The new construction projection has been averaging around \$10 million? (Yes.) Are we doing \$15 million in the event there is a spike? (Yes.) Do they adjust back down to \$10 million? (We will only receive tax dollars for the actual new construction.) If we have a higher than needed fund balance for IMRF, then why wouldn't we use all of the fund balance or at least 90%? (The reason we don't want to drop it down to zero is because next year the levy will substantially increase in that fund and then the rate will spike.) Should the pensions shift would those dollars come out of this particular account or is it more IMRF? (No. It is more IMRF.) So excess in this fund would not help us with pension? (No it would not. We could abate this amount back to the taxpayers and continue to levy what we need.) Is the amount we spend on IMRF roughly \$1.2 million? (It's a little bit less than that.) We can talk to the county clerk about abating these funds back. Are these PMA assumptions assuming this levy? (No. The PMA assumptions do not have these levy amounts included.) Do you want me to have them plug the numbers in before going to the Board? (I'd like to see what it's going to look like with the projections.)

4.4 PMA Financial Assumptions

The Assistant Superintendent of Business Services announced that Steve Miller will be presenting at the next Board meeting so you have been given handouts with information on what will be presented. This information is based on this year's budget. It appears to be right on target with where our budget projections are.

5. FUTURE AGENDA ITEMS

5.1 November

- Final Levy Review/Discussion
- Long Term Debt Presentation by Elizabeth Hennessey & William Blair

No Discussion.

6. ITEMS FOR RECOMMENDATION TO FULL BOARD

The Treasurer’s Report format will move forward to the Board of Education.

7. INFORMATION

7.1 Legislative Update

There was a public forum held last week in St. Charles to address Senate Bill 16 by Senator McConnaughey. All of the local superintendents attended and answered questions on how Senate Bill 16 would affect their districts. The state legislators felt that the bill could not go forward in the state it’s in. They would like to see a different and fair solution to the school funding problem. Fairness and equity isn’t just adequate funding for students but is about many issues. The consensus at the forum was that at the state level, students and public schools are inadequately funded. We also have to look at the total taxes people pay, as those with lower property tax rates are not funding their schools like we are here. There is concern over adequately funding education and changing rules half way through the budgeting process. Senate Bill 16 would reduce our state funding from \$5 million to \$1 million.

Discussion, comments, questions: Can we opt not to take any state money and if we don’t are we under the states mandates? (That could be explored because we have well over \$1 million in unfunded mandates.) A good point was made at the forum that it is about prioritization and the importance of funding public education at the state level throughout Illinois.

8. ADJOURNMENT

At 6:58 p.m., motion by Lamb, second by Nowak, and with unanimous consent, the meeting was adjourned.

APPROVED November 10, 2014
(Date)

William R. Wilson

CHAIRPERSON

SECRETARY Dr. Kent Mutchler

Bonnie J. Johnson

RECORDING
SECRETARY