

**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 6:30 p.m. on Monday, May 11, 2015, at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

**1. CALL TO ORDER**

The meeting was called to order at 6:30 p.m. by Bill Wilson.

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

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

Others present: Mary Stith, Shonette Sims, Leslie Juby, Ron Zeman

**2. PUBLIC COMMENT**

None.

**3. APPROVAL OF MINUTES**

3.1 April 13, 2015

Motion by Nowak, second by Lamb, 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 Update on O&M Budget

The Assistant Superintendent of Business Services reported that she met with Dr. Mutchler, Scott Ney and Amy Campbell to look over the budget, and decided that we would take most of the Capital Plan for this summer and the entire Security Plan, and push it out until the following year because we are low on funds in O&M. We eliminated from the 2015-2016 Facility Plan, the carpet replacement at the high school. We'll keep the tile flooring. We're going to move the contest gym floor replacement to the following year, keep some of the crack filling and sealcoating at GMSN, keep the tuck pointing at HSS, and crack filling at the bus garage. Asbestos abatement at CO will be put off until the following year, and floor tiling at FES will be done in 16-17. By holding off on some of these projects, it will give us a savings from \$537,000 to \$222,000.

As far as the security projects, we will hold off on all security enhancements at the high school. At GMSN, GMSS and WES, we are looking at the security cameras and obstruction panels to see if this could be put off for another year so that we can preserve some of the funds. We need to be prepared financially for any boiler issues at the high school.

In the past, the copier budget has been taken from the facility budget, but we would like to move the \$350,000 to the education fund. The copiers are used mostly for educational purposes. We have a new contract for the copiers which will come in between \$250,000-\$275,000. This will bring a savings in the education fund from the amount we have set aside. The reduced Capital Plan was not in the previous budget that was presented, and that was \$21,000.

All in all, we are looking at a reduction of \$769,300. This will reduce expenditures in O&M, but will have expenditures exceeding revenue, so we will be in the red.

Expenditures will be \$11,067,644 and revenues will be \$9,525,000. We will have a

projected fund balance of \$1,098,763 at the end of 2015-2016. As we move forward, we will look at the Cap Plan and determine which are the most important projects to move forward.

Board comments, questions, discussion: The Superintendent stated that this is right in line with what the Facility Task Force has discussed with him and Mrs. Oberg. We're going to delay asbestos removal at central office? (Yes. We took care of asbestos removal in buildings where students are concerned. Most of the asbestos at central office is encapsulated and is not friable.) Mrs. Oberg is still working on other segments of the budget.

#### 4.2 Set 2015-2016 Meeting Dates

The Superintendent indicated that this was added to the agenda to make sure that the start time of 6 p.m. was still good for everyone and if having their meeting prior to the first Board meeting of each month was still okay. (All members indicated that this was okay.) These dates will be posted on the District website.

### 5. FUTURE AGENDA ITEMS

#### 5.1 June

The Assistant Superintendent reported that she is hoping to have the preliminary education budget to present at the next meeting in June. We strive to get the budget adopted by the end of June, but that's not going to be possible. There are too many unknowns at this time. If all goes well, I will present to the whole Board at the end of June, with the whole tentative budget presented at the July meeting with adoption in August.

### 6. ITEMS FOR RECOMMENDATION TO FULL BOARD

Finance Chair, Bill Wilson recommended that the O&M budget be moved to the full Board.

Motion by Lamb, second by Nowak, to approve the O&M budget moving forward to the full Board. Ayes, three (3) Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Motion carried unanimously.

### 7. INFORMATION

#### 7.1 Legislative Update

The proposed teacher's pension reform was voted unconstitutional. The Assistant Superintendent of Business Services reported that we received the 3<sup>rd</sup> quarter payment at the end of April. The State is up to date on payments; however, several of those payments were reduced by proration. The proration that we incurred was \$35,000. She created a document that explains implications of Governor Rauner's Turnaround Plan. The first thing is the reduction of funds. They did a proration of General State aid across categorical for the remainder of the year, and our reduction for those is \$116,491. The property tax freeze proposal is part of the Turnaround Plan, and we did some calculations on this. If our taxes were frozen based on the 2015 levy amount, which is suggested to have an .8% increase, the 2015 levy amount projected would be \$67,101,473. If we kept that level for the next four years, and compared that to our projections which are based on a 1.3% CPI going forward, our reduction would be \$18,457,550. This does not account for any growth in the community or the EAV assessments going up or down, so it could change. This also does not mean the Geneva 304 taxes would not go up.

We looked at Senate Bill 16 to determine what our reduction would be if it were passed. It would be reduced 79.9%, so for 2014 our appropriation is \$6,057,330.

This would be reduced to \$991,814 under SB16. The difference with SB1 and SB16 is that SB16 takes money from our District and moves it to Chicago and other low income districts. We also looked at SB1, and it would reduce our funding by 71.1% or \$4,307,000. There is also the pension reform that would cause a \$2.5 million cost shift to the District. When you total all of these amounts together it comes to approximately \$26 million. The bottom line is that this affects our students' education. It's not really a comprehensive, well thought through re-writing of an educational funding formula.

Board comments, questions, discussion: Is what you put together formal? (We need to talk about this. The problem we have is that all of this legislation is pending.) We want people to advocate for our schools. This is good information to get out there. It's like the tax cap; it doesn't always play out the way you intended. As you know, for us it would actually raise taxes. If you cap, for example, the education fund rate, then we can't abate. We can't pay things off early, because our taxes are generated by what we can't control, other than through abatement, defeasement or refunding. What it really does is take away flexibility from local school districts. The current unfunded mandates impact schools and take away local control from the district. With the pension reform, will there be any sort of Senate bill redistribution? (Governor Rauner made it known that he is not in favor of moving money from one district to another. The pension reform in his Turnaround Plan does not say anything about shifting the dollars. It's more about restructuring.) It seems like the only way to increase funds is a referendum. We want you to be aware of all of the possibilities out there.

#### **8. ADJOURNMENT**

At 6:56 p.m., motion by Nowak, second by Lamb, and with unanimous consent, the meeting was adjourned.

APPROVED June 8, 2015  
(Date)

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William R. Wilson

CHAIRPERSON

SECRETARY Dr. Kent Mutchler

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Bonnie J. Johnson

RECORDING  
SECRETARY