



**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, January 11, 2016, at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

1. CALL TO ORDER (Bylaws 0163 & 0164)

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

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

Staff present: Amy Campbell, District Safety/Security Supervisor; Kristy Poteete-Kriegermeier, Communications Coordinator; Scott Ney, Director Facility Operations; Donna Oberg, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Leslie Juby, Mark Grosso, Mike McCormick, Mary Stith, Scott Duenser.

2. PUBLIC COMMENT (Bylaw 0167.3)

None.

3. APPROVAL OF MINUTES (Bylaw 0168.1)

3.1 December 7, 2015

Motion by Lamb, second by Nowak, to approve the minutes as presented. Ayes, three (3) Anderson, Lamb, Nowak. Nays, none (0). Absent, none (0). Abstained, one (1), Wilson. Motion carried unanimously.

4. DISCUSSION/CONSIDERATION (Bylaw 0155)

4.1 Audit Presentation/Discussion

The Superintendent thanked Mr. Duenser and Donna Oberg for their hard work on this CAFR. This audit provides the District with useful data that we can track over time in a comprehensive fashion. Mr. Duenser reported to the Board the results of the audit and that the District will be applying for the Certificate of Excellence again this year. The results of this audit can be found on BoardBook.

Comments, questions, discussion: Is \$3.8 million what we are short? (Yes, as based on the new accounting requirements for TRS liabilities. This is information simply for long term liability projections. The district paid what they should have for both TRS and IMRF. IMRF is different because it changes from year to year, because they do actuaries.) There is nothing we can do about this, so we need to take the knowledge that we have and track it. Every district is talking about implications of possible pension reform, when would that show up in a financial budget? (We take guidance to best satisfy current requirements. If there is a change then we will have to figure that out.) There hasn't been any discussion that directly impacts TRS. If they shift liabilities, then it becomes a long-term issue for the district. Are there any specific issues with the CAFR? (No, but there is always room for improvement.)

4.2 Facility Capital Plan

Scott Ney presented to the Board the Operations & Maintenance Pre-preliminary 7-year Capital Improvement Plan. The plan lists the improvements for the 2016-2017

school year totaling an estimated \$2,661,905 and improvements over the course of the following six years totaling an estimated \$7,386,600. The total cost to the district for the 7-year capital plan is currently estimated to be \$10,048,505 and includes setting money aside for some major future projects. Detailed information on this plan can be found on the district website.

Comments, questions, discussion: This was a very thorough report. Are there any big ticket items that could be a surprise to us? (The high school boilers, which we are already aware of, and roof replacements.) There are items that keep popping up year after year in your plan. Are you keeping an eye on these items? (Yes. These are things that have been on hold due to the budget. We would like to get some of these projects completed.) There are a lot of parking lot maintenance repairs. Have we investigated any savings cost for concrete versus pavement? (Yes. We know that concrete lasts longer and we are still researching this.) What about the pavers that were put in? (Those have been wearing well.) In the amount for 2016-2017, you have a set aside for the turf field and other projects estimated at about \$200,000. We are looking to set up a separate reserve fund balance account so that those funds would be accounted for. We plan proactively to avoid spending much more down the road for major repairs. What if we have a major catastrophe? Would we be able to access those funds? (Yes, we would have access to those funds.)

Amy Campbell presented to the Board the Pre-preliminary Operations & Maintenance Security 7-year Capital Improvement Plan. The plan lists the improvements for the 2016-2017 school year which total an estimated \$82,900. Each individual school is broken into detail with a total cost for the 7-year capital plan totaling an estimated \$284,115. Detailed information on this plan can be found on the district website.

4.3 Abatement Resolution for Review

Donna Oberg presented the Abatement Resolution to the committee for review. This year's abatement is for \$5,891,672 which is from funds over the \$15 million in the Education Fund. This will abate the taxes for this year and part of next year. This will be brought forward for approval at a future meeting.

5. FUTURE AGENDA ITEMS

5.1 February

- 2nd Quarter Review
- 16/17 Pre-Preliminary Budget
- Technology Capital Plan

6. ITEMS FOR RECOMMENDATION TO FULL BOARD (Bylaw 0155)

It is recommended that the following items be moved forward to the full Board: CAFR, Capital Plans and the Abatement Resolution.

Motion by Nowak, second by Lamb, to move these items forward to the full Board as presented. Ayes, four (4) Anderson, Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Abstained, none (0). Motion carried unanimously.

7. INFORMATION

7.1 Legislative Update

Donna Oberg reported that the District received most of its first quarter payments from the State at the end of December. We have not received any second quarter payments though. ISBE has approved their FY17 budget and it will now go forward to the legislature. Part of that proposal is to prorate general state aid a little differently than in the past. They want to increase the state level per pupil, but in

order to do that, they would need to pull funds from districts that have less low income and more local funds. For our district, that would mean about a \$405,000 reduction in state aid next year. They are also looking at funding categoricals at almost 100%, and moving regular vocational transportation back up to 80% and special education to 100%. Categoricals have not been fully funded for many years.

Comments, questions, discussion: What is the foundation level? (It is \$6,119 and they are looking to move it to \$6,327. Right now we get approximately \$300-\$350 per student.) So we are down to about \$275 per student? (Yes.) We may not even see this budget this fiscal year. We also keep getting unfunded mandates. It was calculated that giving the ACT to all of our juniors would cost about \$25,000. If we have to also fund the SAT, we could be looking at about \$50,000 for both tests. A huge concern is the possible combination of a reduction in state aid, the pension shift, and then the 2-year property tax freeze.

8. ADJOURNMENT

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

APPROVED February 8, 2016 _____ CHAIRPERSON
(Date) William R. Wilson

SECRETARY Dr. Kent Mutchler _____ RECORDING
SECRETARY Bonnie J. Johnson