



**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, March 11, 2019, at Geneva Middle School South, 1415 Viking Drive, Geneva, Illinois.

1. CALL TO ORDER (Bylaws 0163 & 0164)

The meeting was called to order at 6:00 p.m. by Mike McCormick.

Committee members present: Mike McCormick, Kelly Nowak, Tom Anderson.
Absent: Dave Lamb.

Staff present: Todd Latham, Coordinator Business Services; Dr. Dean Romano, Assistant Superintendent Business Services; Dr. Andy Barrett, Assistant Superintendent of Learning & Teaching; Dr. Kent Mutchler, Superintendent.

Others present: Jill Johnson, Jessica Breugelmans, Mary Stith, Leslie Juby, Taylor Egan, Mark Grosso.

2. PUBLIC COMMENT (Bylaw 0167.3)

None.

3. APPROVAL OF MINUTES (Bylaw 0168.1)

3.1 February 11, 2019

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

4. DISCUSSION/CONSIDERATION (Bylaw 0155)

4.1 2019-2020 Finance Calendar – Draft

Dr. Mutchler shared that this is a draft copy of the 2019-2020 Finance Committee calendar and that the dates coincide with the Board calendar. He would like all committee members to review and to let him know if there are changes to be made.

4.2 2019-2020 Preliminary Budget Assumptions

Dr. Romano presented to the committee the preliminary budget assumptions for 2019-2020. The current revenue assumptions will include a 1.9% tax levy, \$11.5 million in new construction, Equalized Assessed Valuation, General State Aid Evidence-Based Funding, Corporate Personal Property Replacement Tax, transportation reimbursements, food service, special education funding that would include IDEA, Medicaid and ALOP, and Title grants. The current expenditure assumptions will include salary increases based on bargaining agreements, benefits and increased insurance costs, Technology Capital Improvement Plan, O&M Capital Improvement Plan, general expense increases that will include a 5% reduction to building budgets, special education and staffing plan changes. The purpose of this discussion is to gather feedback pertaining to these assumptions.

Comments, questions, concerns: Are we worse off with the evidence-based funding? (Yes. We would have gotten more under the old formula.) Is there an estimate of what we have received over the last five years and how it will impact us? (We don't have anything right now to provide you right now. The parts are moving too much right now. The money is substantially less though.) Is this the year we might feel the impact from those community members that prepaid their property taxes early? (Yes. There were some dollars that we received last year for this year.) Were you able to quantify what those funds were? (I would have to go back and look. We did have an estimate, and we did bring that into the current years fiscal budget.) Will the fund balances artificially adjust some, because they were a little inflated last year primarily due to the early tax payments? (They were a little inflated last year, so we wouldn't initially see the gain.) Is there still a contingency in the Special Education programs? (Yes.)

Dr. Romano shared that there have been conversations about the utilization of a Capital Projects Fund. Traditionally, this is where funds from a referendum would be placed until the close of the referendum project. The district does have the flexibility to use this fund on an on-going basis. The reason we would like to do this is that if we do a transfer from the O&M Fund to the Capital Projects Fund, we could take care of some of the capital projects. This would give us the flexibility to move forward with a project and set aside funds like we did for the turf. Instead of sitting in the O&M Fund where it might get confused with other funds, it would sit in the Capital Projects Fund, so we can set it aside for future projects. In the year-to-year operating, it will look like we are making expenditures out of the O&M Fund, but now those funds would be earmarked. Dr. Romano would like to bring this back in April for more discussion.

Comments, questions, concerns: Once you put funds into the Capital Projects Fund, doesn't it have to be used for a specific project? (Not if we don't earmark it for a specific project, but now those funds will specifically be used for capital projects.) Is there a reason why we haven't been setting aside funds like we have in the past? (This is what we would like to start doing.) So, if we misjudge pushing back some of the projects, we could dip into this fund? (Correct, if we built up enough funds in this account and don't earmark them for another project.) Given the state of the O&M Fund, we probably don't have as much flexibility, but something like what we did with the Ed Fund as we were trying to manage our debt might make sense. (Yes, it's another component of the "why" we are doing this.)

4.3 Copy Paper Bid

Dr. Romano shared that there were several bidders for the copy paper and that there has been an increase in the overall cost of about \$10,000. This is related to the mills and cost of transportation of the paper. There was a question about the State bid, which was a lower quality of paper and cost about \$3 more per case than our bid that we are recommending. Dr. Romano is recommending Murane Paper Company to supply our copy paper this year at the cost of \$71,713.50 for 2,485 cases.

Comments, questions, concerns: What about the overall cost of all paper? (I would have to go back and look that up.) Are we staying consistent with the amount of paper we use? (We are using more than in the past. There was discussion about the amount of paper buildings requested.) You would think that we would be using less paper with the technology that we have.

4.4 Accounts Payable Reporting

Dr. Romano shared that the accounts payable reporting is included in the Treasurer's Report. He would like to bring this to the Board as a separate item for approval on the consent agenda. This would make our approval for spending more

timely.

Comments, questions, concerns: Would this come to every meeting, or would it still just come to the first meeting of the month? (For right now, it would be once a month like it has been.) This is a good idea.

5. FUTURE AGENDA ITEMS

5.1 April

- 2019-2020 Preliminary Budget Presentation – O&M/Transportation
- 2019-2020 Preliminary Budget Presentation – Education
- Meritorious Budget Application
- Multi-Year Financial Forecasting
- Spare Wheels Contract

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

Motion by Nowak, second by Anderson, to approve moving item 4.3 forward to the full Board as presented. Ayes, three (3) Anderson, McCormick, Nowak. Nays, none (0). Absent, one (1), Lamb. Abstained, none (0). Motion carried unanimously.

7. INFORMATION

7.1 Legislative Update

Board member Leslie Juby was recently in Springfield where there were a lot of unfunded mandates discussed. They included mental health classes for students, professional development for staff, anger management courses, financial literacy courses, and many more. If these pass, it will require us to do program and staffing changes. There is a Bill that will be in Committee on the 14th that is to allow money to go to Regional Offices of Education for Safe Schools and ALOP. This is important so please consider doing a Witness Slip. A Witness Slip is something you can complete to share anything you might want to on a specific Bill. These do make a difference.

8. ADJOURNMENT

At 6:40 p.m., motion by Nowak, second by Anderson, and with unanimous consent, the meeting was adjourned.

APPROVED April 8, 2019
(Date)

David Lamb CHAIRPERSON

SECRETARY Dr. Kent Mutchler

Bonnie J. Johnson RECORDING SECRETARY