



**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 6:15 p.m. on Monday, July 31, 2017, at the Coultrap Educational Services Center, 227 North Fourth Street, Geneva, Illinois.

1. CALL TO ORDER (Bylaws 0163 & 0164)

The meeting was called to order at 6:15 p.m. by Dave Lamb.

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

Staff present: Marty McConahay, Interim CFO; Todd Latham, Director of Business Services; Dr. Andy Barrett, Assistant Superintendent Teaching & Learning; Dr. Kent Mutchler, Superintendent.

Others present: Leslie Juby, Mary Stith, Taylor Egan, Mark Grosso.

2. PUBLIC COMMENT (Bylaw 0167.3)

None.

3. APPROVAL OF MINUTES (Bylaw 0168.1)

3.1 May 8, 2017

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

4. DISCUSSION/CONSIDERATION (Bylaw 0155)

4.1 2017-18 Preliminary Budget

Marty McConahay presented to the committee the 2017-18 preliminary budget. Revenue assumptions are based on property taxes, State and local funding, General State Aid, bus buy back and E-Rate funding. Expenditure assumptions are based on salary costs per agreements, benefits, Operations & Maintenance Plan (O&M), Security Plan, Technology Plan and Bus Purchase.

Expenditures are up by 5% in the Education Fund with expenditures projected to be \$64,982,937 and revenues projected to be \$62,935,414 leaving a projected \$2,047,523 deficit. There is a projected beginning fund balance of \$18,495,688 leaving a projected ending fund balance of \$16,488,145.

Expenditures are down by 7.2% in the O&M Fund with expenditures projected to be \$11,824,117 and revenues projected to be \$11,309,419 leaving a projected \$740,591 deficit. There is a projected beginning fund balance of \$1,687,242 leaving a projected ending fund balance of \$946,651.

Expenditures are up by 2.94% in the Transportation Fund with expenditures projected to be \$5,645,679 and revenues projected to be \$5,667,458 leaving a

projected \$21,869 balance. There is a projected beginning fund balance of \$4,700,488 leaving a projected ending fund balance of \$4,722,357.

Comments, questions, concerns: Are the benefits assumption solid, or is it still an estimate? (Most employees have made their selections for insurance, however we still have open enrollment in the fall where staff could make changes.) Are you comfortable with the fund balance? (We are never comfortable, but we do have reserves.) Considering we have squeezed our budget tight over the last few years, it is expected that we would start to see a deficit. State and Federal funding is still out of our hands at this point. Once we have resolution we can adjust our budget to reflect any changes? (Yes. By law, we have to submit a budget, but if needed we can amend.) In the tentative budget, will you come back with assumptions that are to the best of our knowledge? (Absolutely. We did not put the IMRF fund, debt service and transfers into the preliminary budget. The biggest debt transfer will be about \$2.5 million.)

4.2 2017-18 Meeting Discussion Topics

Dr. Mutchler shared that this is a first draft. Committee members need to review this document and it will be brought back at the next meeting for any needed changes. We will treat this discussion calendar as a working document like the Board's discussion calendar.

Comments, questions, concerns: When we go for round two of the debt plan, do we need to put a placeholder on this calendar for that, or is it too unknown right now? (With the change with William Blair that is one item we want to add but haven't.)

5. FUTURE AGENDA ITEMS

5.1 August

- 16/17 End of Year Report
- Parameters Bond Resolution (Long-Term Financial Plan)

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

Motion by McCormick, second by Nowak, to the preliminary budget forward to the full board as presented. Ayes, three (3) Lamb, McCormick, Nowak. Nays, none (0). Absent, one (1) Anderson. Abstained, none (0). Motion carried unanimously.

7. INFORMATION

7.1 Legislative Update

The Superintendent shared that Senate Bill 1 was approved today and speculation is that the governor will adjust line items and send it back to the legislature. The sticking point is the bailout for Chicago Public Schools. We will probably know more in a couple of weeks.

Comments, questions, concerns: Other districts have announced that if they do not get funding that they will not be able to open their doors. To be clear, this is not the case with us, correct? (Correct.) The take on this from another perspective is that Rauner is planning to veto the bill when it gets to his desk, which it has. He was unable to file his veto because the Secretary of State's office closed at 5:30. The two sides are saying they are not talking and the bailout for Chicago is not really a bailout. What the bailout means, is that you can only spend your dollars once. If Chicago needs to use their money for pensions, then that is money that they do not have to spend on the many other areas that need to be funded. Wasn't it supposed to be an amendatory veto? (Yes, but an amendatory veto is a veto.) This is the only bill up until this point that has had both the House and Senate approval. Once the veto is filed, they have three weeks to act on it. If no action is taken, then the bill

dies and they have to start over.

8. ADJOURNMENT

At 6:51 p.m., motion by Nowak, second by McCormick, and with unanimous consent, the meeting was adjourned.

APPROVED _____ CHAIRPERSON
(Date) David Lamb

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