



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, August 14, 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: Tom Anderson, Dave Lamb, Mike McCormick, Kelly Nowak.

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 15, 2017

Motion by McCormick, second by Nowak, to approve the minutes as presented. Ayes, four (4) Anderson, Lamb, McCormick, Nowak. Nays, none (0). Absent, none (0). Abstained, none (0). Motion carried unanimously.

4. DISCUSSION/CONSIDERATION (Bylaw 0155)

4.1 2017-18 Tentative Budget

Marty McConahay presented to the committee the tentative budget. There were only a couple of changes made to the tentative budget from the preliminary budget presented last month. One change was the cost increase of insurance benefits, which has dropped to 7%-7.6% in all funds. This change reduces spending in the Education Fund by just over \$1 million. Other changes included a decline in the Capital Plans, and increase of \$122,762 in salaries, an increase in the General State Aid for Operations & Maintenance, a decrease in the IMRF (Illinois Municipal Retirement Fund) rate. The next step is to adopt the tentative budget and put it on display for the public.

Comments, questions, concerns: With Operations & Maintenance, is there an increase of half a million in General State Aid? (Yes, in revenues.) Is that included in this budget? (Yes. It was \$99,000 last year and we increased it by \$401,000.) With the Education Fund, the \$2.4 million that we are transferring for abatement are we about \$3.5 million above our \$14 million? In the original debt financing presentation were we splitting out the \$3.5 million? (Yes. The ending is just under \$16 million.)

4.2 2017-18 Discussion Topics Calendar

Dr. Mutchler shared that this discussion calendar is to keep the public aware of topics that will be discussed during committee meetings each month. This item should remain on the agenda for discussion and changes made as necessary.

4.3 Resolution providing for the issue of not to exceed \$52,200,000 General Obligation Refunding School Bonds for the purpose of refunding certain outstanding bonds of the District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the execution of a Bond Purchase Agreement with Raymond James & Associates, Inc., in connection with the proposed sale of said bonds

Dr. Mutchler shared that this resolution is asking for refunding and reducing the financing for our bonds. The resolution has a limit of \$52,200,000 and does ask the Board to utilize the services of Raymond James and Associates. We will ask for approval of this resolution at the Board meeting following this committee meeting.

4.4 Resolution authorizing and directing the execution of an Escrow Agreement in connection with the issue of not to exceed \$52,200,000 General Obligation Refunding School Bonds of the District

Dr. Mutchler shared that this resolution is being presented to hold up the amount in escrow. The bonds that we are targeting are the series 2001A, 2007A and 2008. The 2007A and 2008 bonds are callable after 10 years. This resolution defines the bonds, the escrow needed, defines the details of the bonding, gives window of when they can be refunded, the percentage and meets legal issues of who is responsible. The refunding has been described in the long-term planning as limiting the amount paid each year, and then specifies there should be a tax sufficient to pay that sum off. This keeps regulation on the levy amount, which serves our taxpayers better, and it extends the debt payment a couple of years.

Comments, questions, concerns: Did we give ourselves a six-month window? (Yes.) The rates are actually favorable for the district and taxpayers right now. Are we going to discuss this with Elizabeth Hennessey? (Yes, at the regular Board meeting, we will discuss Elizabeth's move from William Blair to Raymond James.) Maintaining our relationship with Elizabeth is a good outcome for the district. Are we getting a similar deal with Raymond James as we did with William Blair? (Yes.)

5. FUTURE AGENDA ITEMS

5.1 September

- Abatement Resolution

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

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

7. INFORMATION

7.1 Legislative Update

Dr. Mutchler shared that the Senate did override the mandatory vetos by the Governor on Senate Bill 1. There were districts that indicated they would not open on time if this bill is not restored. This is an issue they need to get approved in some form or another.

The House is meeting on Wednesday; however, there may not be enough votes to approve SB1. The Senate passed an identical bill to SB1 just in case it should die.

ISBE (Illinois State Board of Education) did come out with new numbers and it is clear that there was a misunderstanding with the amendments that were added. The hardest hit districts are those in Southern Illinois. An email was sent to all Board members that showed how the funding would be distributed and we fall in the area that would receive about eighty cents on the dollar, which means we would still lose funding. We need 71 votes and there were four democrats that did not vote for it before. Districts that are TIF heavy are already hurting.

8. ADJOURNMENT

At 7:52 p.m., motion by McCormick, second by Nowak, and with unanimous consent, the meeting was adjourned.

APPROVED September 11, 2017 _____ CHAIRPERSON
(Date) David Lamb

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