



**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, August 12, 2019, at Coultrap Educational Services Center, 227 North Fourth Street, Geneva, Illinois.

1. CALL TO ORDER (Policy 2:220)

The meeting was called to order at 6:30 p.m. by Dave Lamb.

Committee members present: Taylor Egan, Dave Lamb, Mike McCormick, John Thomas.

Staff present: Dr. Dean Romano, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Mark Grosso, Leslie Juby.

2. PUBLIC COMMENT (Policy 2:230)

None.

3. APPROVAL OF MINUTES (Policy 2:220)

3.1 June 10, 2019

Motion by Grosso, second by Thomas, to approve the minutes as presented. Ayes, three (3) Lamb, Gross, Thomas. Nays, none (0). Absent, none (0). Abstained, two (2), Egan, McCormick. Motion carried unanimously.

3.2 July 22, 2019

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

4. DISCUSSION/CONSIDERATION

4.1 Bond Refunding Opportunity

Elizabeth Hennessey from Raymond James Public Finance presented to the Committee an update on the debt profile and refunding. She shared that the district has three bonds outstanding and interest rates have dropped significantly. The district currently has a net debt limit of \$86,021,440. There are several issues outstanding. Most recent being the 2017 refunding followed by the 2016 refunding. Next are the 2010 bonds that were issued in 2010, which have a call date of January 1, 2020. You can refund the bonds within 90 days of the call date. Ms. Hennessey is recommending that a resolution be presented to the Board allowing the refunding of those bonds strictly for savings. This would be an estimated savings of \$311,940 to the taxpayers. There are two options for refunding the bonds, which are public sale or private placement. Private placement cuts the cost of issuance almost in half; however, the district may not get as low of an interest rate as a public sale. The approval of the resolution will authorize the Assistant Superintendent and the Board President to say yes to the winning bidder. This would take place toward the end of

September.

Comments, questions, concerns: Is the \$65,000 in the all-in cost? (Not on the public sale.) With the private placement, you said there is a delta with the rate, so do you do a calculation with a third row? (Yes, we analyze it for you.) Will this eventually be a four-year plan? (Yes.)

4.2 Policy 4:30, Revenue and Investments – Review

Dr. Romano shared that there was one section of this policy that needed feedback from the committee. In Policy 4:30, Revenue and Investments, under Collateral Requirements, best practice by other districts, as we have been told by PMA, was suggesting to reduce this paragraph to only say, “All amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized in accordance with the Public Funds Investment Act, 30 ILCS 235.” The reason for this change is because if statute should change, we would not have to go back and change policy. Dr. Romano is looking for feedback from the committee on how to proceed.

Comments, questions, concerns: This makes sense.

5. FUTURE AGENDA ITEMS

5.1 September

- Budget Hearing
- Approval of 2019-2020 Budget

6. ITEMS FOR RECOMMENDATION TO FULL BOARD (Policy 2:150)

Motion by Egan, second by McCormick, to move items 4.1 and 4.2 forward to the full Board as presented. Ayes, four (4) Egan, Lamb, McCormick, Thomas. Nays, none (0). Absent, none (0). Abstained, none (0). Motion carried unanimously.

7. INFORMATION

7.1 Legislative Update

There is not much to report. There are laws getting signed in. We have heard that Huntley School District is preparing a bill to help schools with receipts. When we last talked about assumptions, we assumed that 99% of our extended taxes would be collected and that this bill would allow us to get that 1% back on the following year of taxes. There is a federal movement to address school safety, because of the recent shootings, that would require every classroom to have silent panic buttons. This would be extremely costly for districts.

8. ADJOURNMENT

At 6:23 p.m., motion by McCormick, second by Thomas, and with unanimous consent, the meeting was adjourned.

APPROVED September 9, 2019
Date

David Lamb CHAIRPERSON

SECRETARY Dr. Kent Mutchler

Bonnie J. Johnson RECORDING SECRETARY