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## **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, November 15, 2021, at Geneva Middle School South, 1415 Viking Drive, Geneva, Illinois.

### **1. CALL TO ORDER (Policy 2:220)**

The meeting was called to order at 6:16 p.m. by Mike McCormick.

Committee members present: Dan Choi, Taylor Egan, Mike McCormick, John Thomas.

Staff present: Laura Sprague, Communications Coordinator; Mike Wilkes, Director of Technology; Todd Latham, Assistant Superintendent for Business Services; Dr. Kent Mutchler, Superintendent.

Other present: Tammie Meek, Alicia Saxton, Jackie Forbes.

### **2. PUBLIC COMMENT (Policy 2:230)**

None.

### **3. APPROVAL OF MINUTES (Policy 2:220)**

1. October 12, 2021

Motion by Choi, second by Egan, to approve item, 3.1 as presented. Ayes, four (4) Choi, Egan, McCormick, Thomas. Nays, none (0). Absent, none (0). Abstained, none (0). Motion carried unanimously.

### **4. DISCUSSION/CONSIDERATION**

1. Preliminary 2022-23 Technology Capital Plan (Policy 4:10)

Director of Technology Mike Wilkes shared that, in creating the Technology Capital Plan, he had to consider the global supply chain disruption, rising costs, funding availability, grants and offsets. The plan includes new 1:1 devices for grades K, 1, 5, & 9, staff devices, mobile projection at the elementary level, a new online enrollment system, internet service provider(s), wide area network provider(s), licensing for the phone system, and firewall enhancements. Purchasing the 1:1 devices versus leasing would save the district the cost of interest over the years of the lease. However, there would be a larger cost up front to purchase. The total cost would be \$1,397,350 with approximately \$400,000 in offsets. The next steps will be a funding model for devices and approval from the Board.

Comments, questions, concerns: On purchasing versus leasing, are you saying if we purchase, then in four years we would have to purchase again? (This is not committing us to the next four years going through that model.) Are the leases on the computers typically three years? (They were under the old 3-year life cycle, but with the 4-year model, we went to 4-year leases.) Is there an advantage to leasing versus purchasing? (There is no direct benefit to leasing. When we began leasing, it was because we needed to spread the cost out.) It looks like we are under average for what we paid the last four years, so what you are saying is the kindergarten & staff devices would be purchased this year, and the rest at a future date? (Yes.) If a device is unrepairable, is there a replacement plan if we are leasing? (Not really.) The numbers you showed with inflation across the board, are those solid? (We are budgeting a 5% increase over last year's cost. We also must watch enrollment, because if those numbers go up, then so does our cost.) In terms of residual value, what happens to the devices when in four years we purchase again? (The devices that do not go back into the

classroom still have some residual value and are used in other areas.) Are there any ESSER funds going toward these devices? (Yes.) So, you are recommending to the full board to purchase outright? (Yes.)

2. 2021 Proposed Tax Levy (Policy 4:10)

Assistant Superintendent for Business Services Todd Latham shared an overview of the proposed tax levy. The purpose of the local property tax is to access funding, which represents approximately 83% of the total school district revenue. The total dollars levied, and the total assessed property is how we determine the tax rate. The Equal Assessed Value (EAV) of property and new property gives us an estimated total EAV. All our funds are capped and subject to the Property Tax Extension Limitation Law (PTELL), except for the Bonds & Interest Fund. The district is seeking approval from the Board for a levy of \$94,018,308, which represents a 2.84% limited increase over the 2020 levy.

3. Annual Financial Review (AFR) (Policy 4:80)

Todd Latham shared information on the Annual Financial Report (AFR). It is part of the larger financial picture, which also includes the budget, levy, and Comprehensive Annual Finance Report (CAFR). The AFR is an external audit of the district's finance plan and use of funds. The audit occurs in two portions and is on-site with a contracted, independent, auditor. The preliminary audit records the district financial revenue, expenses, and use of funds. The full audit digs deep with testing of payroll, accounts payable auditing, and grand spending and use. The changes this year in the AFR include federal audits on COVID grants, per capita tuition increase, operation expense per student increase, and account balance schedules. In December, the audit firm Wipfli will present both the AFR and CAFR for Board approval.

**5. FUTURE AGENDA ITEMS**

1. December
  - Comprehensive Annual Financial Report

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

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

**7. INFORMATION**

1. Legislative Update  
There is nothing to report now, but there will be several things for the next meeting.

**8. ADJOURNMENT**

At 7:03 p.m., motion by Choi, second by Egan, and with unanimous consent, the meeting was adjourned.

APPROVED December 13, 2021  
Date

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Michael McCormick CHAIRPERSON

SECRETARY Dr. Kent Mutchler

\_\_\_\_\_  
Bonnie J. Johnson RECORDING SECRETARY