



**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 Tuesday, October 13, 2020, 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: Mary Dunmead, Director for Transportation; Dr. Dean Romano, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Leslie Juby, Alicia Saxton.

2. PUBLIC COMMENT (Policy 2:230)

None.

3. APPROVAL OF MINUTES (Policy 2:220)

1. September 14, 2020

Motion by Egan, second by Thomas, 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

1. Review of 2020 Tentative Tax Levy (Policy 4:10)

Dr. Dean Romano presented the tentative tax levy stating that the tax levy, budget and cashflow are all intertwined within the financial operation of the District. The purpose of the local property tax is to access funding to maintain and enhance the programs associated with providing all Geneva 304 students with a high-quality educational experience. Local property taxes represent approximately 85% of the total school district revenue. The amount of the district's authorized tax rate is determined by the total amount of the taxes levied by the Board of Education. To ensure that we do not lose revenue relating to the "tax cap" formulas, we "safeguard" levy, or levy a larger amount than what will be received. The capped funds for 2020 are 3.75%. A 0.75% safeguard would capture all revenue of up to \$21,475,000 in new property. The District is expected to receive about 2.97% in new revenue for the general operating funds and the total taxes to be estimated would represent an overall estimated increase of 2.2%. The next step in the levy process will be for the final proposed levy to be developed and approved by the Board on November 16. Dr. Romano asked the committee to approve moving this forward to the full Board.

Comments, questions, concerns: What did the September tax collections come in at? (They were at about 99% collected. Traditionally, we have been at 99.75%.) Given that we are in this environment, the 0.75% safeguard is okay. If we were in an environment that was futile, we could be off. The fact that we are asking for this safeguard tax does not affect any current homeowner and what they are going to pay. It only helps us capture any new taxes we may not have anticipated. (What we need to be careful of, is the time the tax increment financing is coming off the rolls. We want to make sure that we capture all those dollars in new construction.) Is that going to happen? (It is projected that in the next five years it could.) As the debt service remains flat, the EAV (Equalized Assessed Value) goes up, which could reduce our overall tax rate. (That has been our goal over the years.)

2. Review of Transportation Equipment Options (Policy 4:60)

Dr. Romano shared that, as part of the bus buy back program last year, it had been determined that a review of transportation equipment options would be evaluated. Director for Transportation, Mary Dunmead, presented information on four different bus options. The first was electric buses, because they are environmentally friendly, however the cost was \$300,000-\$400,000 per bus. Managers and transportation directors will tell you that alternative fuel options are not a good idea right now. We also looked at propane, but the disadvantages outweigh the advantages. Propane buses cost around \$90,000 per bus. Diesel buses, which are economical on fuel and have durable engines have government regulations that are hard to comply with and we would have to have a diesel mechanic on site. Diesel buses run around \$70,000 per bus. The biggest advantages to gas buses is no emission testing and fuel is cheaper, but the gas mileage is lower. There are also varying costs in implementing any of these buses, however, gas buses come in the lowest. They also have better resale potential.

Comments, questions, concerns: At the end of the bus life, when we resell, how do these different options play into the resale value? (In talking with Midwest Transit, we did talk about going away from air brakes. We have had no issues with air brakes; however, it takes two weeks to train the drivers. These kinds of buses are also harder to sell.) We hope to bring more information back to the Committee in November.

5. FUTURE AGENDA ITEMS

1. November

- Review & Discuss Multi-Year Forecast Assumptions

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

Motion by McCormick, second by Egan, to move item 4.1 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

1. Legislative Update

There is nothing new to report.

8. ADJOURNMENT

At 7:01 p.m., motion by McCormick, second by Thomas, and with unanimous consent, the meeting was adjourned.

APPROVED _____
Date

David Lamb

CHAIRPERSON

SECRETARY _____
Dr. Kent Mutchler

Bonnie J. Johnson

RECORDING
SECRETARY