



**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 11, 2016, 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 6:00 p.m. by Bill Wilson.

Committee members present: Tom Anderson, Dave Lamb, Kelly Nowak, Bill Wilson.

Staff present: Donna Oberg, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Leslie Juby, Mary Stith.

**2. PUBLIC COMMENT (Bylaw 0167.3)**

None.

**3. APPROVAL OF MINUTES (Bylaw 0168.1)**

3.1 September 12, 2016

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

**4. DISCUSSION/CONSIDERATION (Bylaw 0155)**

4.1 Debt Management Policy

Ms. Oberg reported that the Standard & Poor's rating sheet cited that we did not have a Debt Management policy. We contacted NEOLA to see what policies they had, and they cited what we already have in place. We then contacted Elizabeth Hennessey, and she provided us with sample policies, along with the GFOA recommended practice. Ms. Oberg will work on a Debt Management policy to present to the Policy Committee.

Comments, questions, concerns: We do have a Debt Management Plan but not a policy. The Glenbrook sample maintains operating reserves at 33%. Do we have a similar policy? (Yes we do. We have a budget preparation policy.) The Stevenson sample was brief. (They had operating reserves of 35%. Brevity might be okay.) We do have Policy 6145 for incurring debt that is brief, so not sure if we need to look at combining some of our policies together. We also have Policy 6146, for post issuance bond compliance. A lot of what's in this policy seems to be in the sample policies. One policy seemed to push the responsibility to the Superintendent or designee. The other policy samples seem very detailed. The Glenbrook sample seemed to hit on each of the areas, which is what we should lean toward. The Stevenson sample sets parameters. Have we borrowed money that is not tied to an asset? (No.) Was there anything in particular that they are looking for or recommended in this policy? (No. They just looked to see if we have the policy in place.) We did receive the highest rating possible, but having this policy could

enhance our review in the future. The Glenbrook sample, section I, is very restrictive. May not want to include this section in our policy. Who did we use before William Blair? (Not sure, but we could find out.) We need to tailor this policy to our specific needs, but brevity would be nice. An outside professional is mentioned several times within some of the samples, but we may want to consider leaving the decision for the need of an outside professional to an administrator. The Glenbrook policy will be adjusted and taken to the Policy Committee.

#### 4.2 Bond Refunding Resolution and Outcome

Ms. Oberg reported that the resolution is to transfer funds from the Educational Fund to the Debt Service Fund in the amount of \$2,983,682.79 to pay off debt from the bond refunding. We originally had approved to move \$1 million this past January for debt reduction. We received our audited fund balance today and it came in at \$17,560,933. There should be \$1.5 million for refunding next year, and then we will be done with abatements.

Comments, questions, concerns: Will the \$1.5 million be for defeasance? (It will be held in the bond and interest fund for future refunding.)

### 5. FUTURE AGENDA ITEMS

#### 5.1 November

- Initial Levy Review/Discussion
- 1<sup>st</sup> Quarter Review

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

The committee is recommending that the Bond Refunding Resolution be moved forward to the full Board.

Motion by Nowak, second by Lamb, to move the Bond Refunding Resolution forward to the full Board as presented. Ayes, four (4) Anderson, Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Late, none (0). Abstained, none (0). Motion carried unanimously.

### 7. INFORMATION

7.1 Legislative Update  
No update at this time.

### 8. ADJOURNMENT

At 6:49 p.m., motion by Nowak, second by Lamb, and with unanimous consent, the meeting was adjourned.

APPROVED \_\_\_\_\_  
(Date)

\_\_\_\_\_ CHAIRPERSON  
William R. Wilson

SECRETARY \_\_\_\_\_  
Dr. Kent Mutchler

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