

**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 5:45 p.m. on Monday, March 10, 2014, at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

1. CALL TO ORDER

The meeting was called to order at 5:45 p.m. by Chairman Wilson.

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

Administrators present: Elizabeth Janowiak, Director of Technology; Scott Ney, Director of Facility Operations; Donna Oberg, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Kevin Gannon (GEA Vice President), Carol Young (GEA President), Leslie Juby, Mary Stith, Mark Grosso, Bob McQuillan, Carol Young

2. PUBLIC COMMENT

Comments included:

The president and vice president of the Geneva Education Association conveyed thoughts from district teachers related to debt payment and moving reserve funds from the Education Fund. They stated that the community has partnered with the district to provide excellent educational opportunities for Geneva's students but it has never been inexpensive. Now, the consequence of spending reduction efforts is being felt in the classrooms. They noted that the Board of Education has worked hard to balance the responsibilities of providing top-rated education for students with the realities of reasonable taxation by abating taxes and taking less than the full levy, while still providing for programs like honors physics, Project Lead the Way, all-day kindergarten, and a full-time math specialist. They asked that as the Board weighs options for dealing with the district's debt that it consider the impact of technology upgrades required for PAARC testing; the purchase of lab equipment and supplies for the implementation of the Next Generation Science Standards; continued professional development funding for these initiatives; as well as PLC's in the middle and elementary schools, the Danielson Framework, common assessments, and data collection and interpretation. They asked the Board of Education to make decisions that provide the greatest opportunities for student learning and provide the greatest flexibility going forward. Moving a reasonable amount of education funds into working capital provides that flexibility vs. putting money into debt service that would limit the district's ability to change course.

3. APPROVAL OF MINUTES

3.1 February 10, 2014

Motion by Nowak, second by Lamb, to approve the minutes as presented. Ayes, three (3). Nays, none (0). Motion carried unanimously.

4. DISCUSSION/CONSIDERATION

4.1 Operations & Maintenance Five-year & Seven-year Capital Plans

The Director of Facility Operations previewed five-year and seven-year Operations and Maintenance capital improvement plans. All district buildings were surveyed and analyzed for condition and repairs and improvements were prioritized based on cost, need and efficiencies. Project timelines and estimated costs were included in the plans.

Capital improvement projects for 2013-2014 came in \$43,888 under budget and included demolition of Coultrap; UV replacement lighting upgrades, orchestra pit, and flooring at GHS; VAV box and re-pipe heating hot water at GMSS; tile repair at FES; office cooling system at

MCS; paving and sidewalk repair; security cameras; locksets; and office renovations and carpet replacement at CESCO.

Projects proposed in the five and seven-year plans included: district-wide parking lot resurfacing, maintenance and seal coating, and sidewalk repairs; HVAC system improvements, flooring/carpeting, security items, bathroom renovations, and roof replacement of 20+ year section at GHS; HVAC system, track resurfacing and sidewalk expansion at Door 3 at GMSN; HVAC system improvements, flooring, and track resurfacing at GMSS; HVAC system improvements, flooring, ceiling and parking lot repairs at HSS; HVAC system improvements, water main replacement, parking lot resurfacing, and fire lane added at WAS; HVAC system improvements at MCS; HVAC improvements and carpet replacement at HES; security improvement and sidewalk expansion at WES; floor tile replacement at FES; HVAC system improvements, emergency generator, tuck-pointing, fire alarm system and asbestos abatement (floor tile) at CESC; lighting upgrades, emergency generator and carpet replacement at Transportation facility. Total estimated cost for five-year plan \$5,890,000. Total estimated cost for seven-year plan \$5,890,000. ISBE, IEMA grant funding will offset some costs and the contractor bond will offset the tile repair costs at FES.

Discussion, comments, questions: the performance bond is included in the budgeted costs (yes); why a tile issue after only 14 years (adhesive product is thinner and is being replaced everywhere); is the water main replacement a district or City expense (district's, we've been clamping it and want to replace it); why is the five-year and seven-year cost estimate the same, thought it would cost more to delay some projects (just shifted project priorities and the costs are only estimates); why only GHS security projects in five-year plan (ARCON did the high school survey but we plan to do all the other district facilities, also, the high school is open and in use for longer periods of time and consequently more vulnerable than the other buildings); while we have made many security improvements it is better to be proactive than reactive (all district buildings have security camera monitors); did our staff repair the recent water main break (they responded first and then plumbers were called, we do have a fund set aside for some projects like this); what are the floor issues at Harrison (at the expansion joints, this winter has been extreme); what's the difference between bullet resistant and bullet proof (the film would be installed on all ground floor level windows at GHS, it slows penetration and prevents glass from shattering); has removing tile and just staining the concrete been considered (yes, this was discussed but is not recommended because building movement can also cause problems with the concrete); since blacktop is not holding up, would it be possible to compare costs for concrete and brick (yes, we can do a cost analysis for other options); also had concerns about incurring additional costs by extending projects to seven years (cost estimates would be updated annually and actual costs would be known when projects were approved by the Board, also need to remember that these costs are only estimates at this time).

4.2 Technology Comprehensive Plan

The Director of Technology previewed the Comprehensive Technology Plan. She emphasized that it is not a five-year capital plan, rather it is a three-year comprehensive technology plan which focuses on the entire technology plans for all aspects of modern technology and encompasses learning and teaching, equipment and services, network improvements, technology staffing, and timeline and budget.

Learning & Teaching: continue and refine Collaborative Teacher Project; combination of district-provided and student-owned devices secondary level; elementary devices for intermediate students; established process for digital resources. Three-year roll out starting with fifth, then fourth, then third grade. Estimated costs: 2014-15 \$775,000; 2015-16 \$725,000; 2016-17 \$950,000. If devices were leased, upfront costs are less but payments would continue over longer period of time. Learning and Teaching is the most expensive.

Equipment & Services: replacements/improvements for computers, projectors, printers, library technology, music labs, TV studio equipment, etc.; mobile management system;

expanded capabilities of student information system; electronic document storage; security camera video server support. Estimated costs: 2014-15 \$528,000; 2015-16 \$400,000; 2016-17 \$343,000.

Network Improvements: wireless access; switches – power over Ethernet and core; network monitoring and HelpDesk systems; uninterruptible power supplies and battery replacements; network servers – physical and virtual; expanded bandwidth. Estimated costs: 2014-15 \$194,500; 2015-16 \$130,500; 2016-17 \$110,000.

Human Capacity Needs (Staffing): 2014 change district technicians to full time and expand hours for middle school technology assistants; 2015 and beyond evaluate needs; expansion in hours and additional positions are expected over the next three years.

Total proposed three-year cost estimate: \$4.1 million, which does not include staffing costs.

The Director of Technology and the Superintendent thanked the Fabyan Foundation and the Geneva Academic Foundation for their continued support of the district's technology acquisition.

Discussion, comments, questions: are professional development costs included (part of the staffing needs include professional development and they will be included in the April 2014 presentation to the full Board); what about leasing cost analysis (that will be included in the April presentation); the time of acquisition is the best time to compare purchase vs. lease costs; thought "virtual servers" were built into the budget capacity (first we had physical servers; would like to continue with virtual but we still need one physical server in each building); does the plan ensure we have what we will need for PARCC assessments (we believe so, but it depends on testing dates; four weeks just for testing seems excessive but we don't know specific information yet); do we have the ability to assess what we need for the best student outcomes (it's relative to classroom environment); like the advantages of eReaders vs. Books.

4.3 Debt Service Options Discussion / Recommendation

The Committee Chair noted that the Finance Committee has discussed this topic previously and it was also discussed by the full Board at their last meeting. It's now time for the committee to decide if it wants to make a debt restructuring recommendation to the Board.

Discussion, comments, questions: like the two options provided by William Blair on February 24th (there are many more options available beyond those two – the last two were updates provided by William Blair indicating different things we can do regarding paying down debt); the two updates options seem to be a balance of the various tools we could use to address debt – while it extends the debt for more years, it does flatten the rate; agree, but the second option incorporates saving to pay down principal and provides some savings in interest by paying down principal; the distinction seems to be whether to transfer some funds to Bond & Interest vs. Working Cash (funds transferred to Bond & Interest are restricted, funds transferred to Working Cash have the potential for higher yields and more flexibility); placing funds in the Bond & Interest fund clearly shows the Board's intent and I'm concerned that down the road, the intent may be lost if funds are put in the Working Cash fund; while I don't like extending the debt, I can live with it because it would be consistent with the goal of past referendums that future new growth would help pay off the debt – if we see new growth, then we could be more aggressive with paying down the debt – and I like the flexibility that putting aside money in the Working Cash fund provides (we just received updated figures and the EAV is lower again this year and new growth figures are close to our projections, while there is an increase, it isn't much); looking at all of the plans and options that we've discussed, I would also be okay with extending debt four years and the bottom line is that the savings are almost the same cost to homeowners so we need to consider that; I like option one and don't see the additional benefit of saving \$5 million more each year; feel that any plan should be able to pay down principal, avoid large jumps in increases for taxpayers, and that we need to

pay down principal when bonds come due.

It was the consensus of the committee members that the Committee Chair and the Assistant Superintendent for Business Services will prepare a debt restructuring plan recommendation for presentation to the full Board at the April 14, 2014 regular Board meeting.

5. FUTURE AGENDA ITEMS

2014-2015 Budget

6. ITEMS FOR RECOMMENDATION TO FULL BOARD

It was the unanimous consensus of the Committee that Items 4.1, 4.2, and 4.3 be moved forward to the full Board at their next meeting on April 14, 2014.

7. INFORMATION

7.1 2013-2014 Budget Amendment & Authorization to Establish Public Hearing Date

This item will be forwarded to the full Board for considered at their March 10, 2014 meeting.

7.2 Legislative Update

Nothing new to report.

7.3 Status of State Funding

The State will soon be two payments behind.

8. ADJOURNMENT

At 6:59 p.m., motion by Lamb, second by Nowak, and with unanimous consent, the meeting was adjourned.

APPROVED April 14, 2014
(Date)

William R. Wilson CHAIRPERSON

SECRETARY Dr. Kent Mutchler

Pamela S. Burgeson RECORDING SECRETARY