

**GENEVA COMMUNITY UNIT SCHOOL DISTRICT NUMBER 304
227 NORTH FOURTH STREET, GENEVA, ILLINOIS
RECORD OF PROCEEDINGS OF A REGULAR SESSION
OF THE BOARD OF EDUCATION**

The Board of Education of Community Unit School District Number 304 met in a regular session on Monday, November 11, 2013, at 7:00 p.m. at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

1. CALL TO ORDER

- 1.1 Roll Call
- 1.2 Welcome
- 1.3 Pledge
- 1.4 Reminder to sign attendance sheet

The meeting was called to order at 7:00 p.m. by President Grosso.

Board members present: President Mark Grosso, Leslie Juby, David Lamb, Michael McCormick, Vice President Kelly Nowak, Policy Committee Chair Mary Stith, Finance Committee Chair Bill Wilson. Late: None. Absent: None.

The President welcomed everyone, reminded them to sign the attendance record, and led the Pledge of Allegiance.

District administrators present: Kelley Munch, Communication Coordinator; Craig Collins, Assistant Superintendent Personnel Services; Donna Oberg, Assistant Superintendent Business Services; Patty O'Neil, Assistant Superintendent Learning & Teaching; and Dr. Kent Mutchler, Superintendent.

Others present: Sandra Ellis, Dan Garrett, Alexa Aguilar, Chris Bourdage, Bob McQuillan, Steve Schmidt, Dick Graff, Mark Pennington, Byron Bremer, Bob Hohmann, Brenda Schory (KC Chronicle), Rick Hayhurst, Erin Julseth, Jeff Calvert, Lori Dowd, Judy Wehrmeister, Jennifer Henderson, Carol Young, Krissi Evert, Patrick Murphy, Susan Sarkauskas (Daily Herald).

2. PUBLIC COMMENTS

Per Board Policy 0167.3, Section C, Attendees wishing to speak at the Board meeting must register their intention to participate in the public portion(s) of the meeting upon their arrival at the meeting. Complete the form found in the Welcome to Our Meeting brochure (print legibly) and give it to the Presiding Officer or the Recording Secretary before the meeting is called to order.

Prior to receiving comments from the Public, the Board President announced that he had two items to share. #1 - A public forum was planned for 6:30 p.m., on December 2, 2013, at Williamsburg Elementary School. Topics to be discussed at the forum included all-day kindergarten, Common Core Standards, and the District's communication efforts. Community members were encouraged to attend the forum and share their thoughts/opinions on these topics. #2 - At the October 28, 2013 Board meeting, some information was shared indicating that the District's bond rating had dropped and he wanted to correct it. According to Standard and Poor's and Moody's, the District has been and still is rated AA.

Comments included:

I was at the Finance meeting and got confused about the levy. A Committee member asked if a 1% levy would cover everything. My question is, will 0% levy cover everything? (The Board will discuss all of the options during Item 6 on the agenda and we will make sure to cover that then.)

The Board will approve minutes from the October 28th meeting. I suggest two changes be made before they are approved. It was stated that a goal of the debt reduction plan was to reduce reserves to 30% of operating expenses; which would be about \$22 million. A quote in a newspaper article attributed to the Assistant Superintendent Business Services stated that the reserves were at \$14 million. Who is correct? Also, a Board member stated that operation expenses were reduced \$7.5 million over the past five years. I emailed the Board for clarification because the Interactive School Report Card has expenses increasing \$4.1 million over the same time period. If the \$7.5

million can't be verified, the comment should be removed from the minutes. (The number came from an FAQ that was posted on the website in March. After we received your email, I asked the Assistant Superintendent to verify the information and we discovered there was an error. The website actually showed a \$7.7 million reduction over the past four years. It was actually \$6.1 million over the past four years and that is from the audited numbers from the annual financial report.) I want to know why the numbers from the report card are different than yours and would have appreciated an email. (I know that you prefer your questions be answered in public and I'm trying to accede to your wishes. I can also make a motion to amend the minutes, and I am willing to talk to you about the numbers.) At the next meeting you can show me your spreadsheet and I'll show you mine to see where the differences are. I don't want to meet with Board members individually. (When the Board approves the minutes, it is approving what was said at that meeting, so we will not amend the October 28th minutes as you requested. The discussion about the correction will be part of this meeting's minutes.)

I sent a copy of my Geneva School Debt Plan to the Chronicle and to PATCH. I trust that all Board members saw it or got a copy from the Superintendent or Assistant Superintendent for Business Services, who I met with about it last Thursday. I propose that we use some of our excess reserves to buy our debt back, save \$50 million in interest, and smooth out our debt payment in 2017 to 2021/2022 where Blair's plan shows a very high increase in our debt service payment. I'm disappointed that the Board didn't get back to me, other than to say that I should meet with the Superintendent and Assistant Superintendent. No Board member met with me, until I emailed Leslie Juby and we met for 2 hours. (I did respond to your email and said the Board couldn't meet with you as your proposed due to Open Meeting Act requirements and suggested that you should meet with the Superintendent and Assistant Superintendent and contact individual Board members.) I did that. (Several members indicated they had not received an invitation to meet individually.) This was published in the media. I hope the Board will consider my debt plan and I'd like to discuss it. Related to the District's bond rating going down, I misspoke, some of the school District's bonds were downgraded. February 8, 2013, a notice when out to the market place indicating that pursuant to its \$85 million general obligation bonds Series 2007A, \$7.5 million limited tax school bonds Series 2007B, and \$14.585 million general obligation school bonds Series 2008, the credit rating of the bonds were downgraded from AA3 to AA2 on January 17, 2013. To accuse me of deliberately lying is reprehensible. The bonds were downgraded and your prices were affected. If it is an error, I'll correct it. If it is not, don't accuse me of lying. On the debt service plan, I'm not suggesting that you spend \$30 million you don't have. I'm saying you need to reinvest some of this \$30 million, of the \$82 million that is in reserve fund balances as of September 30, 2013, which were in the Assistant Superintendent's graph, in our own bonds, and call the bonds in 2017, 2018. If you use the \$30 million, you will save \$11 million in debt on the \$30 million over the remaining life of the bonds. This is a reasonable plan.

At the last Board meeting, I listened to an hour presentation by Elizabeth Hennessy of William Blair. I took home the handout and read the disclaimer, which states that they were providing information for discussion purposes in anticipation of serving as an underwriter and as their capacity as an underwriter, their primary role would be to purchase the bonds/principal, in a commercial, arms-length transaction and would have financial and other interests that differ from yours -- I read that as a conflict of interest -- and that they would not be acting as a municipal advisor, a financial advisor, or a fiduciary. My question, based on the disclaimer, is, do we pay them a retainer to come and make the presentation? Do we pay them any kind of fees on an annual basis, or do they do that out of the goodness of their heart? (We do not pay them any retainer fees. We do not pay them anything for making these presentations. It is all done by them at no charge.) And they are not acting as advisors? (No, they are not.)

3. APPROVAL OF MINUTES

3.1 Regular Session October 28, 2013

3.2 Executive Session October 28, 2013

Motion by Wilson, second by McCormick, to approve the minutes, as presented. On roll call, Ayes, six (6), Lamb, McCormick, Nowak, Stith, Wilson, Grosso. Nays, none (0). Abstained, one (1), Juby. Motion carried.

4. RECOGNITION, AWARDS, PRESENTATIONS, PUBLIC HEARINGS

4.1 Board Member Appreciation Day - November 15, 2013

The Superintendent presented a certificate of thanks and appreciation to the Board members in

recognition of School Board Member Day. School Board member day, celebrated in Illinois on November 15, 2013, is a day community members are encouraged to recognize the nearly 6,000 individuals who volunteer to serve on local public school board throughout the state.

5. SUPERINTENDENT'S REPORT

The Superintendent thanked all the staff members who organized and presented the math nights throughout the district which introduced parents to the new Eureka Math, an online curriculum that teachers can use to apply the Common Core math standards in the classroom. He also thanked the teachers who volunteered their time to help at the math nights. Students and staff at Geneva Middle School North and South were complimented on the meaningful Veteran's Day ceremonies held earlier in the day. Partners' Day for both middle schools will be held on Friday, November 15th, American Education Week will be observed the week of November 18th, and parent/teacher conferences will be held on November 25th and 26th.

The Assistant Superintendent for Learning and Teaching provided an overview of the parent math nights which were well attended and received positive feedback from parents. Parent resources for all grade levels, including answer keys from the math-night activities, are available on the District's website via the Parent/Parent Resources link. She reported that the all-day kindergarten task force members are researching and gathering information and will be meeting again soon.

6. BOARD DIALOGUE TOPICS & PENDING ACTION CONSIDERATIONS

6.1 Resolution in Support of American Education Week

The Superintendent read a resolution authorizing the observance of American Education Week in the District the week of November 18, 2013. The theme of the week, "Great Public Schools: A Basic Right and Our Responsibility," is consistent with the goals and aspirations of the District and the community.

Motion by Stith, second by Juby, to adopt the resolution, as presented. On roll call, Ayes, seven (7), McCormick, Nowak, Stith, Wilson, Juby, Lamb, Grosso. Nays, none (0). Motion carried unanimously.

6.2 Tax Levy 2013

The Assistant Superintendent Business Services presented preliminary tax levy information (based on information from the assessor received in October). She emphasized that EAV sets the tax rate, it does not set the tax levy. She reviewed the tax levy components; EAV history from 2004 to 2013; new property growth; the Property Tax Extension Limitation Law - PTELL, enacted in 1991 and designed to limit the increases in property tax extensions - total taxes billed - for taxing districts; PTELL is commonly referred to as the "Tax Cap" but PTELL does not cap an individual's property tax bill or property assessment; PTELL allows taxing districts to receive a limited, inflationary increase in tax extensions on property - Consumer Price Index (CPI) or 5%, whichever is less; the limitation does not apply to new property (construction), which allows taxing bodies to recoup their fair share of tax revenue for that property; there has not been a CPI-U of 5% since the inception of PTELL; originally PTELL applied to only collar counties; currently 37 of the 102, or about 1/3, of all Illinois school districts are impacted by PTELL; current CPI is 1.7% trending toward 2%; debt service is levied by the County and not the school district; the Limiting Rate Calculation, which is PTELL - when EAV goes down, tax rate goes up, when EAV goes up, tax rate goes down, and all is based on the PTELL formula [prior year extension x (1 + Lesser of 5% or CPI-U)]; limiting rate decreased from 2002 through 2009, and increased in 2010, 2011 and 2012. The 2013 limiting rate is \$5.19. Overall EAV is down 2.83%. New property/new growth is projected at \$8.2 million. Over the past 5 years, the CPI-U average was 1.80%. The December 2013 CPI will be used for the following year's levy. The current 2.83% is from 2012 and will change in March. We typically levy more than we anticipate we need because we never receive the full amount of what you levy for. It's also important to remember that the County determines the levy amount for our Debt Service and it is the same amount for all three options - \$15.5 million.

Three levy options were provided for the Board's consideration. All of the options were based on projections from the township assessors.

Option 1: Levy 1.7% full CPI-U; Operating Rate \$5.19; Debt Service Rate \$1.50; Total Tax Rate \$6.69; Abatement 2012 (\$0.26); Net Tax Rate \$6.43. Increase over prior year \$6.10 = \$0.33 per \$100 EAV; Approximate increase on \$315,000 = \$343. Projected \$3.4 million shortfall and \$3.5

million surplus in Education Fund.

Option 2: Levy 1% CPI-U; Operating Rate \$5.15; Debt Service Rate \$1.50; Total Tax Rate \$6.65; Abatement 2012 \$0.26; Net Tax Rate \$6.39. Increase over prior year \$6.10 = \$0.29 per \$100 EAV; Approximate increase on \$315,000 = \$305. Projected \$4 million shortfall and \$2.8 million surplus in Education Fund.

Option 3: Levy 0% CPI-U; Operating Rate \$5.10; Debt Service Rate \$1.50; Total Tax Rate \$6.60; Abatement 2012 \$0.26; Net Tax Rate \$6.34. Increase over prior year \$61.0 = \$0.24 per \$100 EAV; Approximate increase on \$315,000 = \$252. Projected \$4.7 million shortfall and \$2.2 million surplus in Education Fund.

The difference between a 1% and 0% levy is about \$630,000.

The Finance Committee recommended Option #2 - Levy 1.0% CPI-U.

Discussion, comments, questions: At the Finance Committee you indicated that we would be okay with a 1% levy. If we were careful, could we go with 0%? (There are still many unknowns to keep in mind; i.e., uncertain whether we will received all 4 state payments, pension reform, impact of the implementation of all-day kindergarten, the increases from the five-year Technology and O&M Capital Improvement plans.) With a 0% levy we would need to find savings in other areas and/or make additional reductions. We also discussed the possibility of a debt-reduction fund. Could we be okay with a 0% levy. (With either a 1% or 0% levy we would need to use reserves.) If we implement all-day kindergarten, we will need a 1% levy.

The President asked for feedback regarding the levy options from the Board members. Comments included the following:

Could we earmark funds for the following year? (We have to be careful because we have to have a balanced budget.) A no vote on a 1% levy would not necessarily mean a no vote for all-day kindergarten. There are still so many unknowns about all-day kindergarten costs, pension reform costs, the implementation of the Affordable Care Act. The EAV is pretty certain. The revenue side is pretty certain for 2014/15. The Board and administration have done a pretty good job with the budget and we have reserves to help offset some of the issues that are of concern, so I could support 1%. In addition to other issues of concern, we also are uncertain of the level of reimbursement from the state for pupil state aide or transportation and we can't continue to rely on our reserves to get by. The last rate increase by referendum was wiped out almost immediately by legislation from Springfield. I can support a 1% levy and hope that EAV starts to rebound soon. Feel we would be okay with a 1% levy, as recommended by the Finance Committee, but this isn't a long-term solution. Primary concern is that we have to look at dollars and cents. If the Assistant Superintendent for Business thinks we will be okay with 1%, I can support that but I agree that we can't rely on our reserves long-term. If we don't use our reserves now, then when? I support 0% levy. We need to tighten our belts and work to trim the budget down. We need to remember, we are not adopting a levy tonight, only the levy resolution. We could decrease the levy before the final adoption but we can't increase it. We have plans for our debt and bond structure, and I'm concerned about a short-term gain vs. fiscal stability. If the Assistant Superintendent is comfortable with the projections and a 1% levy, I can support it. I was originally thinking a 1.5% or 1% levy and I agree the sentiments of other Board members about trying to lighten the burden on our taxpayers. But we also need to remember that the levy amount is only for our operating costs and the county puts in the multiplier for debt payment, so I can support 1%. Initially, I thought the difference between 1% and 0% - \$650,000 - could be pulled from our reserves but in January, the legislators will recommend education reform. ACA is also a large concern, so when I consider all of those things taken together, I could support 1%.

Board consensus was in support of a 1% levy resolution.

6.3 Resolution Regarding Estimated Amounts Necessary to be Levied for Tax Year 2013
The Superintendent read aloud the resolution in support of a 1% levy, Option 2. The estimated aggregate amount of taxes to be extended for the year 2013 is \$79,876,000. The aggregate amount of taxes estimated to be levied for the year 2013 does not exceed 105% of the taxes extended by the district in the year 2012.

Motion by Wilson, second by Stith, to adopt the resolution regarding the estimated amounts necessary to be levied for the tax year 2013, as presented. On roll call, Ayes, six (6), Nowak, Stith, Wilson, Juby, Lamb, Grosso. Nays, one (1), McCormick. Motion carried.

7. WORK-STUDY TOPICS & FUTURE ACTION CONSIDERATIONS

7.1 2014-2015 School Calendar Draft

The Superintendent provided a draft calendar for the 2014-2015 academic year in both a color and printer friendly black/white format for the Board's review. He noted that the calendar would be brought back for action at a future meeting but that even after it was approved, changes might be necessary.

8. INFORMATION

8.1 FOIA Requests

Received = 1. Total Costs = \$16.50. Total Employee Hours = 55 minutes.

Ellis, Sandra, 10/29/13, requested an electronic copy (DVD) of the video of the 10/28/13 Board of Education meeting. Employee hours to complete/respond = 55 mins. Cost to complete/respond = \$16.50.

8.2 FY2013 Annual Financial Report

8.3 SchoolSearch Bright A+ Award

No discussion.

9. CONSENT AGENDA

9.1 Personnel Report: Resignations, Retirements, Leave Requests, Changes in Assignment/FTE, New Hires

Long-term Substitutes Certified

Deane, Vicky, MSN, Language Arts, 1.0 FTE, 1/6/14 - 2/28/14

Kuehl, Sandra, MCS, Grade 4, 1.0 FTE, 10/31/13 - 1/16/14

New Hires Support

Godlewski, Dan, GHS, Special Education Assistant, 9 Month, Start Date 10/30/13

Wicks, Robert, MCS/Garage, Custodian, 12 Month, Start Date 11/11/13

Main, Jennifer, GMSS, Technology Assistant, 10 Month, 11/14/13

Resignations Support

Locke, Mindy, GMSN, Special Education Assistant, 9 Month, Effective 11/8/13

Fleming, Marcia, GMSN, Special Education Assistant, 9 Month, 11/22/13

Long-term Substitutes Support

Griffith, Patty, WAS, Special Education Assistant, 9 Month, 12/4/13 - 12/20/13

9.2 ISBE School Energy Efficiency Grant & School Maintenance Project Grant Applications

A Board member asked if we stood a chance of receiving either grant. (Yes. The grants would be a dollar-to-dollar match based on need. The energy grant would be up to \$250,000 and the other is for \$50,000. The projects need to be done and are part of our Capital Improvement plan. The grants would really help to reduce our costs.)

Motion by Stith, second by Lamb, to approve Consent Agenda Items 9.1 - 9.2, as presented. On roll call, Ayes, seven (7), Stith, Wilson, Juby, Lamb, McCormick, Nowak, Grosso. Nays, none (0). Motion carried unanimously.

10. COMMENTS FROM THE PUBLIC ON BOARD OF EDUCATION ACTION

Comments included:

I am confused by the Blair presentation, with revenues, it had \$3.5 million surplus. If 0% levy has \$1.2 million, what is the surplus? It seems a 0% levy would still have a surplus to address any unknowns. My debt plan is not to make us go broke, and I understand the seasonal high/low fluctuations in the balances. My plan is to use \$30 million in surplus to pay down debt and invest in ourselves. I met with the Superintendent and Assistant Superintendent and it seems like we have reserves that are not working for us to save us money. I've been in this business for over 30 years and I'd like you to explore my plan.

I heard the presentation and the concerns expressed by the Board members and I'm concerned, too. All of the taxing bodies are asking for more. I'm on a fixed income, too, and I tried to sell my house but couldn't. The Board needs to make some cuts. If you implement all-day kindergarten, the people who use it should have to pay for the costs associated with it. The Board needs to make cuts or put off spending until the debt spike is over.

I'd hoped we'd learned a lesson when we built schools on growth that didn't come. Now you continue to over tax us based on concerns that may not happen. I still have not had a response to the questions about the superintendent's contract that I asked at the last meeting. I would like a response during the Board member's comments. If I don't get a response, then I request that the superintendent repay the \$4,200 by December 31st. The loan was not in the best interest of the district and that amount of money could be used to purchase four new band uniforms.

11. BOARD MEMBER COMMENTS AND REPORTS

Policy Committee, Finance Committee, Boundary Task Force, Communications Task Force, Facilities Task Force, Joint PTO, Geneva Academic Foundation, Geneva All-Sports Boosters, Geneva Music Boosters, Geneva High School Theater Boosters, GEARS, K-12 Discipline Committee, Geneva Coalition for Youth, PRIDE, Fox Valley Career Center, IASB/Legislative, IASB Kishwaukee Governing Board, REMS Grant Advisory Board

Board members reported that they had attended Eureka Math parent nights; a meeting about the potential implications of the Affordable Care Act and the impact of the State's Common Core Standards on the District; and would be attending a PTO meeting at Geneva Middle School North later this week.

12. NOTICES / ANNOUNCEMENTS

No discussion.

13. EXECUTIVE SESSION TO CONSIDER MATTERS PERTAINING TO COLLECTIVE NEGOTIATING MATTERS BETWEEN THE PUBLIC BODY AND ITS EMPLOYEES OR THEIR REPRESENTATIVES [5 ILCS 120/2(c)(2)]

At 8:31 p.m., motion by Stith, second by Wilson, to go into executive session to consider matters pertaining to collective negotiating matters between the public body and its employees or their representatives. On roll call, Ayes, seven (7), Wilson, Juby, Lamb, McCormick, Nowak, Stith, Grosso. Nays, none (0). Motion carried unanimously.

At 8:43 p.m., following a break to relocate to the Williamsburg conference room, the Board moved into executive session.

At 9:23 p.m., motion by Stith, second by Wilson, and with unanimous consent, the Board returned to open session and returned to the Williamsburg auditorium.

14. ACTION POSSIBLE FOLLOWING EXECUTIVE SESSION

None taken.

15. ADJOURNMENT

At 9:26 p.m. motion by Wilson, second by Stith, and with unanimous consent, the meeting was adjourned.

APPROVED _____

PRESIDENT

SECRETARY _____

RECORDING
SECRETARY