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

The Board of Education of Community Unit School District Number 304 met in a retreat session on Monday, November 17, 2025, at 6:00 p.m. at Coultrap Educational Services Center, 227 North Fourth Street, Geneva, Illinois.

1. CALL TO ORDER

1. Roll Call
2. Welcome
3. Pledge
4. Reminder to Sign Attendance Record

Board members present: Molly Ansari, Policy Committee Chair Stephanie Bellino, President Larry Cabeen, Dan Choi, Vice President/Finance Committee Chair Jackie Forbes, Paul Radlinski. Late: None. Absent: Willard Hooks.

The President welcomed everyone, and led the Pledge of Allegiance.

District staff present: Brian Pedersen, Director Facility Operations; Todd Latham, Assistant Superintendent for Business Services; Dr. Andy Barrett, Superintendent.

Others present: Matthew Toepper, FGM Architects Inc.; Alyson Sternquist, FGM Architects Inc.; Elizabeth Hennessy, Raymond James.

2. PUBLIC COMMENTS

None.

3. BOARD DIALOGUE TOPICS

1. Retreat Purpose and Background

Dr. Barrett shared that there would be two things shared today. The first is the Comprehensive Facility Conditions Assessment that includes the 10-Year Capital Plan and second is a discussion regarding the district's debt service. Prior to the conditions assessment starting there had not been a whole scale conditions assessment conducted in the district in many years. What we did know was presented in the 7-Year Capital Plan that was done internally. What we have understood is that we had a small window post COVID in which we were going to need to do some big capital spending and spend down our fund balance. Then after a couple of years our capital needs would diminish and our fund balance would come down to prior levels. What we have learned from the conditions assessment is that this is not the case. We have some significant infrastructure needs that will be coming due in the district. There was not a lot of deferred maintenance done over the last several years. What we need to consider is what capital needs do we need to prioritize from this assessment, what funding opportunities should we consider to support this work, and are there other capital considerations we should think about at the same time. After we talk about the conditions assessment, we will talk about the bond update. We have the potential for refunding some callable bonds, new Health Life Safety (HLS) considerations in the law that we can consider, and other possible ways to acquire new bonds, including via referendum.

Board comments, questions, concerns: Was the facilities assessment done because we chose to do it or does this need to be done every so often by law? (You do not have to do this assessment, but it gives you a better picture of what needs to be done so that you can make informed decisions about how to spend your money.)

2. Facility Conditions Assessment and 10-Year Capital Planning

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Alyson Sternquist and Matthew Toepper from FGM Architects and Brian Pedersen shared an overview of the facilities assessment that was conducted. Back in September of 2024 through February of 2025 a facility assessment walk and meeting was done with school representatives. In March of 2025 through June of 2025, they did a review of the assessments and assigned work to categories. In June/July of 2025 there was refinement and finalization of the 10-year plan. In August of 2025 they presented the conditions assessment to the Facilities Task Force Committee. They reviewed next steps and gave historical background on each building. The work has been categorized by 10-Year Capital Improvements Plan, capital projects, and in-house items. To prioritize the work, they broke it up into four areas: 1) critical items; 2) high priority items; 3) items in fair condition; and 4) items in serviceable condition. The assessment included a detailed list of work to be done at each building over the next ten years and beyond. For the newer buildings, you should be spending about one percent of the replacement value per building per year for maintenance, for older buildings it is about three percent, and older buildings with deferred maintenance it is 4-5 percent. The total square footage for the district, minus some of the out buildings, is just under 1.5 million square feet. Using the current construction cost, which is about \$600 per square foot, this would put the district at just over \$850,000,000 to replace all buildings right now. When you back this out, one percent of the replacement cost for the district buildings is about \$8.5 million, which is where your current budget is. When you get up to 3-4 percent, \$25-\$35 million which clearly cannot be budgeted. In the 10-year plan the high priority items need to be addressed across the district. In 2025, we assigned \$136,635,480 to high priority items, but only \$91,749,558 was assigned to a year. There was \$44,885,922 left that should have been in this 10-year plan, but the team felt these were the lowest priority of this high priority level. Of this total amount there is about \$54,000,000 that could qualify for HLS funding that could help close this gap. Most of the 10-year capital projects in the plan are infrastructure and building materials. There are projects that fall under the capital plan, which must be done all at once and not in phases.

Board comments, questions, concerns: After 25-30 years is a roof out of warranty? (Warranty is different from anticipated life expectancy. Twenty-five to thirty years is what you can expect before it begins to fail.) What is the roof material you are coating the roofs with? Is it metal? (No, standing seam metal would be different from coating for a membrane roof.) Is there a distinction between the roofs that are pitched and those that are flat? (It is the material.) When you start really going into some of the infrastructure work in terms of the case work, masonry, and flooring do we or will we have an issue with any asbestos? (In any building older than twenty years, you are going to have asbestos. This has been built into the budget.) If ISBE approves \$54,000,000 in HLS, is the process an exemption to the levy without having to go to referendum? (It is a bond issue, and it must be used specifically for HLS.) Is that why the state requires HLS or is it two different things? (It is two different things.) So, would we have the HLS funding that would still get passed on to taxpayers? (Yes, and this is where communication is important.) For clarity, the \$136,000,000 is still the cap and the \$53,800,000 is part of that but considered capital? (No, it is on top of the \$136,000,000.) So, all in we are looking at almost \$200,000,000? (Yes.) So, accessibility is not just those things that you can see because that could also be HLS standards for background noise, correct? (Correct. We do take acoustics into consideration.)

At 7:00 p.m., Willard Hooks left the meeting.

Beyond this 10-year plan more will be coming due. They started reviewing the needs at each building.

Board comments, questions, concerns: So, in the 10-year plan right now for Fabyan it is about \$12,000,000? (That is all in and includes those things not assigned.) Is what you are saying is that after ten years do not expect a decrease because other things are coming due? (Correct.) When we first started to ramp up our spending the message that we received was to spend now and by 2027 you are going to see your spending come down. We need to

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recognize that this is not going to happen. (It is cyclical.)

At 7:03 p.m., Willard Hooks returned to the meeting.

Board comments, questions, concerns: For some of these districts, when we look at declining birth rate, consumer price index is changing the idea of whether people should have children in the first place. So, when is it that a district decides that they do not need a building to save costs? (It would be part of a process like this. Typically, you would get a demographer.) We have done that, but what is the tipping point? (We have two schools that are at 90% utilization and three schools that are at 70% utilization. If they were down around 50%, then we might want to look at combining buildings but we are not there right now.)

We are not going to go through all the buildings' needs, but you should know that the high school will be significantly higher than the others coming in around the \$30-\$40 million range. The middle schools would follow the high school in cost. The elementary schools are interesting because we took into consideration past projects, so their cost may seem lower. This does not mean that there is not more work that needs to be done at these schools. There will be continued conversations on this topic. The all in cost for all buildings is roughly \$136,000,000.

At 7:17 p.m., the Board and all attendees took a short break.

At 7:22 p.m., the Board and all attendees returned to open session.

3. Bond Update: Debt Service and Life Safety Considerations

Elizabeth Hennessy from Raymond James shared that the capital overview will include reviewing current and potential mechanisms available to fund capital improvements, explaining how non-referendum bonds differ, explaining debt certificates and alternate bonds and debt paid from operating funds, and providing tools to understand possible taxpayer impact. The reason we are discussing this is because the district does not have enough money to address the needs of the district. There are two ways to fund capital projects. Non-borrowing options are using the fund balance and or the annual operating budget. Borrowing options include referendum bonds and life safety bonds, which are paid from the tax levy and non-referendum bonds, paid from limited tax levy, and alternate bonds, paid from operating funds. It is important to engage in a structured, long-term community engagement process if you are going to consider a referendum. This will allow you to let people know what you are trying to accomplish and get feedback. Health Life Safety bonds are limited in what they can be used for. You must have your architect or engineer do a survey and cost estimate. The work and estimate must be approved by the ROE and ISBE. Once it is approved the work must be completed. Working cash fund bonds are issued to establish or increase the working cash fund. The amount authorized to be issued is subject to the State's working cash fund bond formula. These bonds must meet specific IRS requirements, and you must have a valid petition signed by at least 10% of the registered voters. They also allow for larger projects to be addressed in a shorter time frame, they maintain operating funds that would be otherwise spent on capital, and they do not require voter approval. These bonds do limit the debt service extension base and increase the debt service tax levy. Debt certificates are budgeted annually to pay the principal and interest, there is no separate bond and interest tax levy for repayment, they are for capital projects only, no hearing or petition period is required, and they are subject to the statutory debt limit. Alternate bonds are payable from two sources of revenue, there are designated pledged revenues, bond and interest tax levy filed with county clerk, can be issued for capital projects or operating expenses, are subject to a 30-day petition period, requires BINA public hearing, and are not subject to the statutory debt limit. Debt certificates and alternate bonds can be used for larger projects, do not require voter approval, and do not increase taxes. Challenges a district could face with these bonds is if budgets become constrained, the district may have to reduce operating costs, and it reduces pay as you go funds for capital. Some examples of refunding and new money bonds is they

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are the most cost-effective way to extend debt payments without increasing taxes, they show bond proceeds available by extending the debt to 2035 or 2040, and bond proceeds options are assumed to be approved by referendum.

Board comments, questions, concerns: Is it our policy or are there any state regulations on the fund balance? (It is your policy to keep 30% in the fund balance.) You said a primary, because it is for the larger offices, is better than consolidated elections? (Yes.) Was there a time when it was normal for a referendum to fail the first time it is on the ballot and then pass the second time? (In my recent experience, districts are getting more sophisticated in getting information out to the public and when the voters feel heard there is a better chance for success.) You said you must spend the referendum bond in three years, is that the law? (That is the law.) These working cash bonds that are limited to the debt service base, is it fair to say that many districts to whom an opportunity is afforded take the max that they get to help with deferred maintenance and other things in their plan? (That is correct.) For something like this, if you must spend it in three years, do we even have the capability to do that in terms of engineering, people, and contractors? (If you have \$40,000,000 in HLS work that is going to get approved, they have issued bonds for \$25,000,000 of it. At the end of the three years, you could then reevaluate.) If we refinance, are we getting so many years additional to extend it? (No, we would not be extending it.) So, for the two bonds that we have, we have payments of approximately \$14,000,000 annually. If we refinance it the term still stays the same, but are we saving because of the decrease in the rate? (Correct.) I am confused about where we need to be based on where our current budget is. What amount is in the current conditions assessment? (We are between \$135,000,000 and \$190,000,000.) Are we saying we have \$8-\$9 million over the next three years to spend anyway that we can add \$25,000,000? (You could take \$25,000,000, but you are at your floor of your capital. I think what Todd was saying is that you could spend \$25-\$30 million over the next three years, but then you want to protect your fund balance.) If we went for a referendum and it did not pass, then capital projects would be eliminated or delayed is going to cost more in inflation, so this is an opportunity to save money instead of rushing to spend it. If we do not go to referendum until 2028, could we start the HLS part now? (It is the messaging that needs to be clear because the HLS will increase taxes.) Could we go for a portion of the HLS, say \$4-\$5 million per year, and then fund the rest from our fund balance? (That is what Elizabeth was showing us.) So, the idea for no tax increases would be to keep the levy the same, and in 4-5 years when that \$14,000,000 drops down you could extend the debt with new bonds? (yes). We must keep in mind the population that does not have children in the district. I am hearing consensus that next fall would be too soon, so does everyone agree with that? (Yes.) It also sounds like April of 2027, which is a school board election, is not the best option either. So, that would put us in March of 2028 or November of 2028. If that is the case, we have refunding that is ready to go. My thought is that we move forward with the callable bonds in January of 2026 and again in January of 2027. (This might be something that you and Todd should talk about and bring back to the board, since it is not on the agenda.) Is the mayor on the ballot in 2027? (No.) It sounds like, based on our timeline, that we need to get started on this. We need to get our consultant lined up right away.

4. ADJOURNMENT

At 8:55 p.m., motion by Cabeen second by Radlinski and with unanimous consent, the meeting was adjourned.

APPROVED _____ PRESIDENT
(Date)

SECRETARY _____