

**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 6:00 p.m. on Monday, April 13, 2015, at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

1. CALL TO ORDER

The meeting was called to order at 6:02 p.m. by Bill Wilson.

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

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

Others present: Mary Stith, Andy Barrett, Leslie Juby, Mark Grosso

2. PUBLIC COMMENT

None.

3. APPROVAL OF MINUTES

3.1 March 9, 2015

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

4. DISCUSSION/CONSIDERATION

4.1 3rd Quarter Review

The Assistant Superintendent of Business Services reported that we should be at 75% of our budget. The revenue received is at 50.6% which is under target because of the lagging State funds. As of March 31st we had only received the 1st quarter State payment, and during the first week of April we received the 2nd quarter payment. This is the biggest reason why we are not at 75% of our budget. We are about \$723,000 short in State revenue. Expenses are at 66.5% which is slightly lower than the 75%. All areas are around that 60% level except for purchased services and capital outlay. Overall we are at 66.5% on 75% of the budget, and we are trending under budget. During the 4th quarter we usually see an increase in spending because the buildings are generally ordering their supplies for the next school year.

4.2 2015-2016 Preliminary O&M and Transportation Budget

The Assistant Superintendent of Business Services presented the preliminary O&M and Transportation budgets. The revenue assumptions were based on the property tax levy (CPI 1.5%), State, Federal, and local funding (projected based on current information), and the bus buy back, which has been split into two years with one half in June 2016. The expenditure assumptions were based on salary costs per agreement (2-2.65% increase), benefits are projected with a 6% increase, bus purchase is split into two years with half in June 2016, completion of camera replacement, energy increases, and O&M, Security, and Technology Plans for 2015-2016. For the transportation budget, we will have revenue of \$5,567,259 and expenditures of \$5,386,685, leaving us with a surplus of \$180,574. For the O&M budget we will have revenue of \$9,525,293 and expenditures of \$11,836,944 leaving us with a \$2,311,651 budget deficit. To view the PowerPoint presentation click [here](#).

Board comments, questions, discussion: Any idea where our current reserve balance is at? (Yes.) What are some of the options, because the following year we will have a deficit here? (We can move some corporate personal property tax from

the education fund over to operations and maintenance, we could move some General State aid, we could do a permanent transfer, we could move money from working cash, or we could try for a rate referendum. I don't know any other way to generate income for O&M. The property tax levy has decreased for the last four or five years. Does this figure into the capital plans? (We will scale back on capital improvements and continue to look for efficiency's. It seems like we have been looking for efficiencies entirely in the area of energy and then the rates are set to drastically increase.) Have we done an energy audit? (Yes we have and we will continue to audit. The Facility Task Force has talked about a program called Energy Otter through UIC.) The lighting project we did was funded through a grant which was part of this program. We have so much natural lighting in our buildings you wonder what we could do to save electricity. The HVAC may come in a little lower. Has the Facility Task Force looked at the HVAC? (No, Johnson Controls has our contract and its proprietary. We are trying to get away from it.) We need the working cash sustained. I am hesitant about doing something permanent with working cash. Any movement of money from our educational fund would also impact our ability to do what we need with the debt restructuring. Ultimately, it could cost us more if we hold off on repairs. The education fund drives the debt restructuring. We are also trying to get the guidelines on developer fees from our legal counsel. With the new construction projects taking place, we look to collect about \$400,000 in developer fees, but we know that these fees can be restricted. Technology was added to the list this year, so we could shift some funds over to this. Right now, we have collected about \$41,000 in developer fees.

4.3 2015-2016 Student Fees

The Assistant Superintendent of Business Services reported that student fees were discussed at the last meeting, and there is a need to add a technology fee into our student fees. We talked about increasing student fees by \$15 at each level, but we would like to recommend we increase the registration fee by \$20 for each level. This would bring in about \$114,000 for technology which is about 10% of what we are spending. Students are driving the need for technology by using computers in the classroom.

Board comments, questions, discussion: Are we still trending behind some of our neighboring communities? (Yes we are. With the 1-to-1 initiative we are looking to do something different because students could be taking the computers home. We would like to set some guidelines for this). As far as fees, it's still the same if they are on free/reduced lunch? (Correct. Their fees would be reduced or waived.)

5. FUTURE AGENDA ITEMS

5.1 May

- Recommend FY 2016 Tentative Budget to Board

At our May meeting we will bring the education budget forward, and in June we would bring the full budget forward.

Board comments, questions, discussion: If we want to strive for our goal of approving the budget at the last meeting in June when would we have to publish the budget? (We would have to publish in May, but I don't think we will make that deadline. It probably won't be ready until the end of July.)

6. ITEMS FOR RECOMMENDATION TO FULL BOARD

Student fees will be moved to the full Board at their next meeting.

Motion by Nowak, second by Lamb, to move the topic of school fees forward as presented. Ayes, three (3) Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Motion carried

unanimously.

7. INFORMATION

7.1 2nd Quarter Finance Update

The Assistant Superintendent of Business Services reported that we are \$754,000 short on our funds from the State. The 3rd quarter payments have been prorated down. State aid, special education personnel, special education private facility, special education transportation, and IDEA will do down 2%. Vocational transportation will go down 1%. Are these permanent reductions? (Yes, according to the governor's budget moving forward.) Are transportation numbers included in your amount? (Yes they are.)

7.2 Legislative Update

The Assistant Superintendent of Business Services reported that based on SB16 we would have had a reduction of \$4.8 million in State funding. We would actually get \$1.2 million instead of \$6 million. With SB1, the reduction is down to \$4.3 million, so we would receive \$533,000 more than under SB16.

Board comments, questions, discussion: If this is approved then we would lose about \$4 million? (Yes.) We have been contacting our legislatures with our concerns. The State currently has about 65 unfunded mandates that affect schools. One of the last mandates was that schools modify the ladders in the service pit of every elevator in the State of Illinois. By our doing this, it will cost the district about \$8,500 and I'm not sure how we would make this up. As you know, we want to plan for the long term. Are we having a forum at our high school? (I have not heard anything.) Would this be similar to what was held in St. Charles if we had a forum? (Yes. We have been contacted by Senator McConnaughey to host a forum this spring but nothing is set.) It's important for people to know what's going on. This is hard because we won't have any answers until we have already approved our budget. We may have to turn around and make changes. The whole budget planning process is complicated enough, and possible legislative changes makes it even more difficult and makes less sense when we are trying to formulate the budget for next year and beyond. It's been heard through the pipeline that there is a House bill that is proposing to keep property taxes at the same rate for the next three years. There are just so many unknowns that it's hard to project. If they rule that SB1 is unconstitutional is there something with money collected or not collected? (Not sure.) There is the TRS pension shift too. What's the dollar amount based on our salaries if they phased it in? (Salaries are about \$31 million so around \$300,000 a year.) Last phase was around \$400,000 per year.

8. ADJOURNMENT

At 6:39 p.m., motion by Nowak, second by Lamb, and with unanimous consent, the meeting was adjourned.

APPROVED _____
(Date)

William R. Wilson CHAIRPERSON

SECRETARY _____
Dr. Kent Mutchler

Bonnie J. Johnson RECORDING
SECRETARY