



**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 6:15 p.m. on Monday, February 13, 2017, 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 6:15 p.m. by Bill Wilson.

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

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 January 9, 2017

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

4. DISCUSSION/CONSIDERATION (Bylaw 0155)

4.1 17/18 Pre-Preliminary Budget Discussion

The Assistant Superintendent of Business Services presented to the committee a pre-preliminary budget for 2017/2018. This year's revenue assumptions are based on property taxes, State, Federal and local funds, general state aid, student technology fees, preschool program and the bus buy-back program. The expenditure assumptions include salaries with contract increases, benefits (6% increase), purchased services, supplies, O&M, Security and Technology Capital Plans, bus purchase, pension shift. Retirements are not included. Based on these assumptions, the projected revenue for 2017/2018 is \$99,035,894 and the projected expenditures are \$105,368,929. The beginning fund balance is projected at \$54,314,168, with a projected ending fund balance of \$47,981,133. If there were a property tax freeze there would be an estimated \$1,728,171 decrease in revenues.

Comments, questions, concerns: How do we report? (We report on a cash basis.) In the Education Fund, why is there an 8.70% increase for benefits when it should be 6%? (There was approximately \$30,000 in benefits that was added due to the staffing plan for next year. This is a high number until we know for sure who takes insurance. The pension shift is also included and falls into benefits, which is \$200,000. This is what raises the percentage for benefits.)

4.2 2nd Quarter Review

The Assistant Superintendent of Business Services reported that revenue received is at 47%. As of December 31, the State has made only General State Aid payments for this fiscal year. This is a shortfall in revenue of \$1,943,923. The State has processed 4th quarter payments for FY 2016 in the amount of \$784,714, that will not be received and recorded until January.

Expenditures are at 57% trending over 50%. Salaries and benefits are trending under and will continue in this pattern until summer payrolls are paid in June. Purchased services and supplies are slightly under target. Capital Outlay is at 90%. This is due to the completion of Capital projects and the bus purchase.

Comments, questions, concerns: Do we have two months to accrue back? (We have 60 days.)

5. FUTURE AGENDA ITEMS

5.1 March

- 17/18 Preliminary Budget Presentation – O&M/Transportation

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

The committee agreed that items 4.1 and 4.2 should be moved forward to the full Board.

Motion by Lamb, second by Nowak, to move items 4.1 and 4.2 forward to the full Board as presented. Ayes, four (4) Anderson, Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Abstained, none (0). Motion carried unanimously.

7. INFORMATION

7.1 Legislative Update

There are two house bills that there were questions on. They are HB 353 and HB 459. House Bill 353 prohibits educator bonuses. We do currently offer post retirement bonuses. Our current contract would be grandfathered in, but once the contract is expired then bonuses would no longer be allowed to our certified staff. Would we have to go back to the way we were doing things, where we carried information for years and years? (I think they would go away completely.) We don't call those bonuses in the contract do we? (No. We call it health benefits, and it goes into a 403B account.) The other bill is HB 459, which provides a disclosure so that you may not refinance debt past the repayment period of the debt when issued. We did contact Elizabeth Hennessey on this bill, and it would affect our refunding because we would not be able to pull out more years like we recently did. They don't think this bill will go anywhere because it would result in higher taxes. It was suggested that we still call our legislators to oppose this Bill. Who is sponsoring this bill? (Ives from Wheaton.)

There are three other bills that we need to watch. House Bill 2808 is gaining bi-partisan support. Goes on the evidence-based funding model which is a good thing, but we will not benefit, because we will still have to pay money from our property taxes. The questionable thing is the elimination of special education personnel reimbursement. Senate Bill 13 issues mandate relief for driver's education and physical education. House Bill 213 failed in committee but may be recalled to be heard again as early as Thursday. The Senate will be back on the 15th and the Governor will give his address on the 15th.

8. ADJOURNMENT

At 6:45 p.m., motion by Nowak, second by Anderson, and with unanimous consent, the meeting was adjourned.

APPROVED _____
(Date)

William R. Wilson

CHAIRPERSON

SECRETARY _____
Dr. Kent Mutchler

Bonnie J. Johnson

RECORDING
SECRETARY