



**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, February 8, 2016, 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 6:00 p.m. by Bill Wilson.

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

Staff present: Doug Drexler, GHS Associate Principal; Mike Wilkes, Director of Technology; Scott Ney, Director Facility Operations; Dr. Andy Barrett, Assistant Superintendent of Learning & Teaching; Donna Oberg, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Leslie Juby, Mark Grosso, Kelly Burns, Laurie Burns, Kelly Torrence, Mary Stith.

2. PUBLIC COMMENT (Bylaw 0167.3)

None.

3. APPROVAL OF MINUTES (Bylaw 0168.1)

3.1 January 11, 2016

Motion by Lamb, second by Nowak, 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 Facility Capital Improvement Plan

Scott Ney presented to the committee revisions that were made with the help of the Facility Task Force to the Facility Capital Improvement Plan. In his initial presentation, improvements were estimated at \$2,661,905 for the 2016-2017 school year. He has decreased the initial estimate to \$1,606,155 by decreasing the number of mobile units at GHS from two to one; installing three of six VFD's and secondary pumps at GHS; cutting back on floor replacement at GHS; and removing all projects from the Security Plan except for access control on new doors at GMSS. There are priority projects that will need to be completed in the 2016-2017 school year.

Comments, questions, discussion: Is this a "purchase" of mobile unit classrooms? (Yes, it is a purchase.) Was the mobile unit included in your initial year one cost? (Yes it was. We did look at projects that could be delayed due to funding. We are also looking into the Health Life Safety issues, and possibly levying for Health Life Safety next December.) Are you comfortable with these reductions? (Yes, but delaying projects will cost the district more in the long term by at least 3%. The priority items will get us by. The heating at GHS is our number one concern.) We have an EAV issue that hasn't come back and we can't really levy what we need to. (That's correct. The last five years we have taken less in the operations and

maintenance fund.) Looking at O&M, we will be negative by 2018 correct? (That is correct.) What do we do, move money from another fund? (Possibly, or we may need to look into funding projects through low interest loans.) Do we levy just what we need for Health Life Safety? (Yes, and it can only be used for Health Life Safety projects.) One mobile unit is six classrooms correct? (Correct, plus two bathrooms.) Who is the vendor for the mobile unit? (Innovative Modular Solutions.) Do we have to bid this project or do we just go buy the unit? (There's a wait list for used units, so we will be asking for a letter of intent that may lead to a purchase. If it were a new unit, then we would have to let bid. The letter of intent would be contingent on a final walk through.) How much do we save by buying used instead of new? (At least \$200,000.) Based on the presentations, there is definitely a need for a mobile unit and not just a want. Do we need to worry about a future need in 5-10 years? (Any kind of referendum is at least 10 years out.) Remodeling at this time would cost us well over \$1 million and may not make sense with the final build out of the High School.

4.2 Technology Capital Plan

Mike Wilkes presented to the committee the District's Technology Plan. The plan outlines the projected cost over the next 10 years with devices being the major focus. In 2016-2017, it is estimated that it would cost the district \$1,090,730 to purchase and lease devices for students in 1st, 4th, 6th, 9th and 10th. Over the course of the next 10 years, it is estimated to cost the district, on average, \$930,000 per year. We are looking at adding a technology fee based on grade level to help offset the cost of the 1:1 initiative. It costs the district roughly \$160 per student, per year to maintain one device. The Fabyan Foundation has helped support this initiative by adding 220 devices at the high school. We will also receive E-Rate Category 1 and 2 reimbursements. Other major initiatives are internet service enhancement, new/upgraded firewall/ filter, network improvements/equipment replacements, and phone system upgrades estimated at \$194,000. There will be ongoing planning for the 2017-2018 and 2018-2019 school years.

Comments, questions, discussion: When we purchase 550 devices, what do we do with them when they are no longer usable? (We can recycle them back to the vendor.)

4.3 2nd Quarter Review

Donna Oberg reported that revenues and expenses should be at 50% of budgeted amounts. Revenue received is at 48%. Local funds are slightly under at 47%. General State Aid funding is currently paid on time with other State funding being disbursed for the first quarter. Second quarter payments have not been received. Federal funding is just under the 50% with funds received for Title grants and IDEA flow-through as well as Medicaid Outreach and Fee for Service.

As of December 31st, the State has made the first quarter payments for categorical and general State Aid payments. The second quarter payments have not been made which is a shortfall in revenue of \$1,048,451. Operating expenditures are at 47.9% trending under the 50 %. Salaries are trending low because contracted amounts begin with the new school year in August. June and July payrolls are accrued to the prior fiscal year. Capital Outlay is currently at 19.9% due to the bus purchase occurring in June. Other is over 50% because of bond payments being paid in December. The remainder of the expenditures are close to target.

5. FUTURE AGENDA ITEMS

5.1 March

- 16/17 Budget Presentation
- 16/17 Fee Proposals

- 16.17 Staffing Plan

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

At this time it is being recommended that we move the Capital Improvement Plan and the Technology Plan forward to the full Board.

Motion by Nowak, second by Lamb, to move the Capital Improvement and Technology Plans 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

Donna Oberg reported that she attended the LUDA Conference Thursday and Friday in Springfield. A majority of the conference talked about a lot of the legislature that's going on, some of the Senate and House Bills that are being brought forward, as well as, Vision 20/20 and the way they are proposing we do our general State aid funding proposal for districts. She will put together a synopsis and report back to the committee at the next meeting. They are talking that legislators will be back on February 16th to start talking about some of the funding. They didn't really say much about TRS pension shifts, but they don't think this will go forward for next year. There will be some kind of reform of the way the funding formula is going forward.

Comments, questions, discussion: It's been said that with this being an election year we may not see the reform bill happen until sometime after elections in November? (No one really had any answers.)

8. ADJOURNMENT

At 6:36 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