



**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 6:30 p.m. on Tuesday, June 14, 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 6:30 p.m. by Bill Wilson.

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

Staff present: Dr. Andy Barrett, Assistant Superintendent Teaching & Learning; Donna Oberg, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Leslie Juby, Mary Stith, Mike McCormick, Mark Grosso.

2. PUBLIC COMMENT (Bylaw 0167.3)

None.

3. APPROVAL OF MINUTES (Bylaw 0168.1)

3.1 May 9, 2016

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

4. DISCUSSION/CONSIDERATION (Bylaw 0155)

4.1 Preliminary Education Budget

The Assistant Superintendent for Business Services presented to the committee an updated draft of the preliminary education budget for 2016-2017. The revenue assumptions for this budget include the property tax increase based on CPI of 0.8%, General State Aid at same funding level as FY 2016, reduction of Corporate Personal Property Replacement Tax, technology service fee, State funding at same level as FY 2016, Federal funding per allocation, and the Project Lead the Way donation. The expenditure assumptions include salary increases per agreements, insurance adjustments, staffing changes per staffing plan, level building budgets, Technology Plan as presented and approved, Project Lead the Way – 3rd year, professional development and grants as projected. There is a 1.63% increase in revenue over last year, and a 1.9% increase in expenditures over last year. We are looking at a projected revenue of \$63,338,456 and projected expenses of \$61,478,645 leaving a possible surplus of \$1,859,811. There is a projected beginning fund balance of \$17,257,112 and a projected ending fund balance of \$19,116,923. The surplus serves as contingency to protect the District from the uncertainties of our State government. This budget is an estimate to provide us with a game plan.

Comments, questions, concerns: Was the donation for Project Lead the Way just to get it started? (There was a 10-year commitment to the high school and a 3-year commitment for the middle schools.) Are there any abatements to come out yet this

year? (No. We have already abated \$5.9 million this year.) Are we looking at a \$15 million balance or \$14 million? (We can look at \$14 million, but it will depend on what the State does.) When does that decision need to be made? Did we talk about January 17th? (Yes.) Would it be when the bonds are called for that we can refinance which is in January? (It's December or January. We would need to look at it before then.) Does it have to be done in January, or can it be done in February or March? (The bonds have a call date, so we have to act on them to secure a low interest rate. They are continuously callable so we can do it any time.) If we wanted to do something with refinancing, did Elizabeth say we'd have to look three months out? (Yes, so we are looking at probably September. This is a continuous process though. We will have Elizabeth come back out to talk with us. We have been talking with her about how to best restructure the debt, so that it's the least costly for the district.) Do we have an idea of how many retirees there will be for next year? (We don't know exact numbers, but we've had a lot that have opted to retire in two years. We continually look into this.) If the State continues to have budget issues, we may not have any money left in our funds. (This is a good point. This group often talks about what cuts can be made, and one we look at continuously is retirements.) It's going to be interesting to see how the governor and legislature work together to come up with a solution. We have Dr. Jacoby and the folks at IASB trying to get the evidence based funding package passed which is truly more equitable for all districts in the State of Illinois. (If we are freezing the 2014 CPI for the 2017 budget, then we would already know those figures, so there is no ability to increase the CPI for 2018.) Will you be wrapping this up at the next meeting? (We will bring the tentative budget forward in July. We can amend it if we have to.) Can you add a slide to this presentation for July that talks about the amounts of the three big possible contingencies that are out there? (Sure.)

5. FUTURE AGENDA ITEMS

Hoping to have some information from the State to share.

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

It is being recommended that the 2016/17 Preliminary Education Budget be moved forward to the full Board at their next meeting.

Motion by Nowak, second by Lamb, to move the above item forward to the full Board. Ayes, four (4) Anderson, Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Late, none (0). Abstained, none (0). Motion carried unanimously.

7. INFORMATION

7.1 Legislative Update

There has been no movement in Springfield. The governor is now looking for a temporary budget. Everyone has been watching the Attorney General to see if she does file in St. Claire, where the ruling happened regarding paying State employees. State employees would stop being paid, and then there would really need to be a budget. She could have filed for this in March.

8. ADJOURNMENT

At 6:50 p.m., motion by Lamb, second by Nowak, and with unanimous consent, the meeting was adjourned.

APPROVED _____
(Date)

William R. Wilson

CHAIRPERSON

SECRETARY _____
Dr. Kent Mutchler

Bonnie J. Johnson

RECORDING
SECRETARY