

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

The Board of Education of Community Unit School District Number 304 met in a special session on Monday, February 6, 2012, at 4:30 p.m. at Coultrap, 1113 Peyton, Geneva, Illinois.

1. CALL TO ORDER

The meeting was called to order at 4:33 p.m. by Vice President/President Pro Tem Grosso. He announced that due to a work conflict, absent Board member Matt Henry wanted to participate in the meeting via telephone, per Policy 0162.1. At 4:34 p.m. a call was placed to Member Henry's telephone and Henry requested permission to participate in the special meeting via telephone conference.

Motion by McCormick, second by Stith, to allow Member Henry to participate in the meeting via telephone. On roll call, Ayes, six (6), McCormick, Moran, Nowak, Stith, Wilson, Grosso. Nays, none (0). Motion carried unanimously.

1.1 Roll Call

1.2 Welcome

1.3 Reminder to sign attendance sheet

The President pro tem, requested that roll be called, led everyone in the Pledge and reminded audience members to sign the attendance record.

Board members present: Vice President/President Pro Tem Mark Grosso, Matt Henry, Mike McCormick, Tim Moran, Kelly Nowak, Policy Committee Chair Mary Stith, Bill Wilson. Absent: None.

District administrators present: Craig Collins, Assistant Superintendent Personnel Services; Donna Oberg, Assistant Superintendent Business Services; and Dr. Kent Mutchler, Superintendent.

Others present: Fred Cregier, Bill Clancy, Sandra Ellis, Russell Lefevre, Susan & Ron Stevenson, G. Ryan, Chris Bourdage, Jay & Lori Moffat

2. BOARD OF EDUCATION REORGANIZATION - ELECTION OF OFFICERS

The President pro tem reported that due to Moran stepping down as president, the Board needed to elect a new president and vice president.

The President pro tem requested nominations for the position of president. Moran nominated Grosso for president. There were no other nominations. On roll call, Ayes, seven (7), Henry, McCormick, Moran, Nowak, Stith, Wilson, Grosso. Nays, none (0). Grosso was unanimously elected to the position of president.

The President requested nominations for the position of vice president. Moran nominated Nowak for vice president. There were no other nominations. On roll call, Ayes, seven (7), McCormick, Moran, Nowak, Stith, Wilson, Henry, Grosso. Nays, none (0). Nowak was unanimously elected to the position of vice president.

3. PENDING ACTION CONSIDERATIONS

3.1 Resolution for Transfer of Funds

3.2 Resolution for Abatement of Funds

The Assistant Superintendent Business Services reported that in December 2011, she presented five options for abatement for the Board's review as they considered ways to provide some tax relief to residents of the school district.

She reviewed each of the five options and their impact on taxes. She reiterated that all options equal an increase in taxes but the District is trying, with abatement, to lower the impact to the taxpayer. If we are under budget on June 30th in any given year, the Board would have the option to pass a resolution to abate back to the taxpayers any amount over \$15 million in the Education Fund balance.

Option 1: Levy full CPI and no refunding - This option is no longer viable as we completed two refunding issues for a savings of over \$1 million for this levy year.

Option 2: Levy full CPI, 2011/2012 refunding, Abatement of \$10 million from existing bond issue - We did levy full CPI but this option would place the \$10 million on the back year, extend the debt, and add \$6.9 million in additional interest to the existing debt. The option was not recommended.

Option 3: Levy with no CPI, 2011/2012 refunding - This option is no longer viable because we did levy the full CPI.

Option 4: Levy full CPI, 2011/2012 refunding, Education Fund abatement, Abatement of \$10 million from existing bond issue - This option would place the \$10 million of refunding on the back year, extend the debt, and add \$6.9 million in additional interest to the existing debt. It would reduce the Education Fund to \$15 million which will cause the reserve fund to dip to 17% which is less than the 30% required by Board policy. It would also jeopardize the District's current S&P rating. This option was not recommended.

Option 5: Levy full CPI, 2011/2012 refunding, Education Fund abatement to \$15 million steady balance - This option will abate any amount over \$15 million in the Education Fund balance to level off the debt payments until EAV and new growth return to a positive status. The Board would need to pass a resolution each year to abate. This option would be reviewed each year at which time the abatement option would be voted upon. Option 5 is recommended.

Board member discussion, comments, questions: Option 5 leaves us with working cash without having to borrow to meet our obligations, which is important because we never know what funding may or may not come from Springfield; we especially do not want to add any additional debt; the Board requested input from the community, and it was clear that they did not want additional debt; the Financial Task Force did consider the feedback received and tried to incorporate it into the recommendation (a resolution to abate would need to be acted on by the Board every year); appreciate the Assistant Superintendent Business Services comments and would like to see more public forums or town meetings with opportunities for Q&A - that may result in more ideas moving forward - also like to see the Financial Task Force become a committee; the Board has at least two public forums every year; the Board has tried to close communication gaps and to correct any incorrect information within the community, but everyone needs to understand the financial constraints imposed on the District and the Board of Education, that is the reason that the "Understanding School Financing" forum was held Saturday, October 1, 2011, with speakers Dr. James Fritts, author of *Essentials of Illinois School Finance*, and Dr. Howard Bultinck, chair of the Educational Leadership Program at Northeastern Illinois University; the Financial Task Force is looking at having more forums on school finance; does the District have more callable bonds (yes); when would the next ones be callable (don't have that information available with me but William Blair is always monitoring that for the District); it will probably be three or four years before we start to see EAV amount coming back up; the Board will need to vote each year to abate (correct); thanks to the Assistant Superintendent Business Services and members Nowak and Wilson for their work.

3.1 Resolution for Transfer of Funds

Following the reading of the resolution by the President, motion by Nowak, second by Moran, to adopt the resolution for the transfer of \$3,224,829 from the Education Fund to the Debt Service Fund pursuant to 23 ILL. Adm Code 100.50, as presented. On roll call, Ayes, seven (7), Moran, Nowak, Stith, Wilson, Henry, McCormick, Grosso. Nays, none (0). Motion carried unanimously.

3.2 Resolution for Abatement of Funds

Following the reading of the resolution by the President, motion by Wilson, second by Nowak, to adopt the resolution providing for the partial abatement of taxes heretofore levied for the years 2011 and 2012 for the payment of principal and interest on the General Obligation School Bonds, Series 2007A, of Community Unit School District Number 304, Kane County, Illinois, as presented. On roll call, Ayes, seven (7), Nowak, Stith, Wilson, Henry, McCormick, Moran, Grosso. Nays, none (0). Motion carried unanimously.

The President noted that he had failed to mention during Item 2, Board reorganization/Election of Officers, that the Board's secretary and treasurer would remain the same.

At 5:22 p.m., Member Henry left the meeting via telephone conference.

4. PUBLIC COMMENTS

The President reminded audience members wishing to address the Board that they should not discuss individual students or personnel matters. He requested that comments be germane to the agenda items and action of the Board at this meeting and that their comments needed to be five minutes or less.

Comments from the public included: aware of how thankless it can be to be a Board member, have served on many community boards and committees, would like to ask that the Board take the reserves even lower than 30%, any relief for taxpayers would be good for the community and all seniors living here, understand the debt and that your back is to the wall but ask the Board to look for even more ways to give relief to taxpayers; you don't know what you are doing, you are only robbing Peter to pay Paul - just putting off the problem, stop spending, this isn't a solution, even a little increase in my taxes to too much, cut spending and payroll like they have to do in the private sector; believe that the Board is doing business outside of their meetings and that the Board president and vice president were known prior to this meeting, the State only recommends a 20% reserve including working cash, how can the Board pick and choose what rules it wants to follow - ask the Board to look at other districts to see what they keep in reserves - according to CAFR as of June 30, 2011, there was \$47 million in reserves, each of the five funds should only have a hard amount in them and the Board should rebate anything over that amount - regarding the comment about inaccurate information in the community - all our information is accurate - the reserve funds are out of whack - this Board doesn't listen to or see the audience (the \$47 million reported as of June 30, 2011 was the amount available on that date - all funds, including working cash are in that amount - also the state recommends that District's have 27% reserves not 20%); was told that the Board would review forming a Finance Committee including community members at their March board retreat, would like to hear an answer on this - there needs to be sharp people who know finances on the committee - citizens do understand the process but the Board doesn't provide opportunity for input prior to voting - need to consider changing your process, make it more like the City's.

5. BOARD MEMBER COMMENTS

Board members reported they attended the recent Joint PTO Council meeting where speakers were from the Patch and Sodexo food service; would like the Board table to be configured so that members can see each other; been on the Board for nine years and have never conducted Board business outside of the meetings; not being patronizing or insulting, believe with a Finance Committee we'd get more input.

6. EXECUTIVE SESSION TO CONSIDER MATTERS PERTAINING TO COLLECTIVE NEGOTIATING MATTERS BETWEEN THE PUBLIC BODY AND ITS EMPLOYEES OR THEIR REPRESENTATIVES [5 ILCS 120/2(c)(2)]

At 5:35 p.m., motion by McCormick, second by Stith, to go into executive session to consider matters pertaining to collective negotiating matters between the public body and its employees or their representatives. On roll call, Ayes, six (6), Stith, Wilson, McCormick, Moran, Nowak, Grosso. Nays, none (0). Motion carried unanimously.

At 5:36 p.m., Member Wilson left the meeting.

At 5:44 p.m., following a break to respond to questions and for the room to clear, the Board moved into executive session.

At 6:17 p.m., motion by Stith, second by McCormick, and with unanimous consent, the Board return to open session.

7. ADJOURNMENT

At 6:18 p.m., motion by Moran, second by McCormick, and with unanimous consent, the meeting was adjourned.

APPROVED _____

PRESIDENT

SECRETARY _____

RECORDING
SECRETARY