

**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 23, 2012, at Coultrap, 1113 Peyton, Geneva, Illinois.

**1. CALL TO ORDER**

The meeting was called to order at 6:00 p.m. by Chairman Wilson.

Committee members present: Mike McCormick, Kelly Nowak, Bill Wilson

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

Others presents: Robert Thompson (First Vice President, MB Financial), Mitch Belon (Senior Vice President, MB Financial and Geneva resident), Michael Stuart (Vice President, MB Financial), Sarah & Alberto Principe, Sandra Ellis, Mary Stith, Marie Durkin, Bob McQuillan

**2. PUBLIC COMMENT**

None.

**3. APPROVAL OF MINUTES – February 27, 2012**

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

**4. DISCUSSION/CONSIDERATION**

**4.1 Committee Guidelines Revision**

The Chairman requested feedback on the revisions to the guidelines. There were none.

Motion by McCormick, second by Nowak, to approve the revisions, as presented. On roll call, Ayes, three, McCormick, Nowak, Wilson. Nays, none (0). Motion carried unanimously.

**4.2 MB Financial Presentation: Asset Management**

The Assistant Superintendent Business Services introduced the representatives from MB Financial who had prepared an asset management plan for the district several months ago and were invited to make a presentation to the Finance Committee. The District has a AA+ financial rating and they looked for ways to make a little more income on investments and they wouldn't be replacing PMA Financial. They reviewed option scenarios for 2.5 to 5 years with investments in government agencies and taxable municipals bonds, portfolio weight, credit rating, years to maturity (which would be staggered to take advantage of future higher interest rates), coupon, yield to worst, effective duration, and estimated annual income. The intent would be to take the income out of the portfolio and transfer it to the PMA accounts in order to get more income and yield in a safe/structured portfolio. They stressed that they were offering these options to complement what the District is currently doing.

Board discussion, comments, questions: difference between 2.5 and 5 year interest rates (are most comfortable recommending 2.5 years—put out 5 year only as a comparison); fee rates; clarification of coupon vs. yield; opportunities for new bonds vs. holding some to maturity; concept is to increase cash flow which is one of the greatest challenges for school districts; the goal is to strive for cash flow, liquidity and flexibility based on the needs of the school district; fee schedule (22 basis points) based upon tiered investment management, minimum \$5,000 annually.

The MB representatives thanked the Committee for the opportunity to present their assessment management plan. The Chairman thanked them for attending the meeting.

4.3 Updated Levy Amounts

The Assistant Superintendent Business Services provided an update on the projected vs. the actual levy amounts received. The levy was filed in December; total amount actually received was \$76,157,197.00, which is about \$1.5 million less than levied for. Total EAV was about \$40 million lower than projected. New construction projected \$15,000,000– actual \$9,086,307 – lower but still new growth. Reassessment projected \$1,354,201,033 – actual \$34,992,787. Education projected 3.49% / \$47,270,000 - actual 3.55% / \$47,171,193. O&M projected 0.7458% / \$10,100,000 - actual 0.0026% / \$9,941,395. Transportation projected 0.1399% / \$1,895,000 – actual 0.1423% / \$1891,053. Bond/Interest projected \$16,047,395 – actual was \$14,878,320 – 6-cents lower due to the abatement approved by the Board. Overall levy projected at 5.72% - actual was 5.73% - projections were very level with actual amounts.

5. FUTURE AGENDA ITEMS

5.1. RFP: Banking

The Assistant Superintendent provided a status update. The RFP (request for proposal) was published on April 10, 2012 and a pre bid meeting was held on April 11<sup>th</sup> to answer questions. It has been more than five years since we have looked at proposals from banks for our checking and monthly business services. Hope to bring a recommendation to the second May board meeting.

The Committee Chair requested that the administration look at issuing an RFP to try to achieve a higher return on our asset funds. (That can be done and it is always good to diversify.)

6. ITEMS FOR RECOMMENDATION TO FULL BOARD

None.

7. ADJOURNMENT

At 6:32 p.m., motion by McCormick, second by Nowak, and with unanimous consent, the meeting was adjourned.

APPROVED \_\_\_\_\_  
(Date)

COMMITTEE  
CHAIRPERSON  
\_\_\_\_\_  
(William R. Wilson)

RECORDING  
SECRETARY \_\_\_\_\_  
(Dr. Kent Mutchler)