



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 Monday, May 9, 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: Larry Bidlack, Principal GMSS; Mike Wilkes, Director of Technology; 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 April 11, 2016

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). Late, none (0). Abstained, none (0). Motion carried unanimously.

4. DISCUSSION/CONSIDERATION (Bylaw 0155)

4.1 3rd Quarter Review

The Assistant Superintendent of Business Services reported that revenues and expenses should currently be at 75% of budgeted amounts. As of March 31st, the revenue received is at 51% and local funds were at 49%. General State Aid funding is currently paid on time with other State funding being disbursed for the first and second quarter. Currently, State funding is at 76% and Federal funding is just over 75%, coming in at 80% with funds received for IDEA Preschool, Title, and Medicaid Fee for Service. Third quarter payments had not been received as of March 31st which left a shortfall in revenue of \$1,051,389.

Expenditures are at 66%, trending well under 75%. Salaries are trending under and will continue in this pattern until summer payrolls are paid in June. The remaining expenditures are trending lower than 75% with Capital Outlay at 23%. This is due to many of the purchases occurring in June. Overall, we are right in line with last year. We will probably trend under 100% in expenditures.

4.2 2016/17 Preliminary Education Budget

The Assistant Superintendent of Business Services reported that this is the first draft of the Education Budget for 2016-2017. Approximately 75% of the budget is completed, but the remaining 25% cannot be determined at this time, because they are not available. The budget amount for the following items are not yet available:

lane changes for staff obtaining additional education, retirements/resignations, new staff for retirements/resignations, National Board Certification update, insurance elections, new insurance rates from CLIC, salaries for some positions, grant awards, and Special Education funding. Most of these budget amounts will be available at the end of the month. The State funding may still be unknown, so projected amounts will need to be allocated.

The preliminary income projected for the Education Fund is \$60,118,972, which is 3.80% below last year, and the expenses projected are \$60,057,914, which is 1.91% over last year. There are still many unknowns in this budget, so amounts will need to be estimated.

Comments, questions, concerns: Is the number for State and Federal revenue what we have received to date? (Yes.) Will we be closer to the 2016 budget? (It depends on what they do with the State funding reform. If we get reduced, we could lose around \$3 million. The feeling is that Senate Bill 231 is not going to pass.) Will there be hold harmless? (Yes.) We can build the pension shift in. Every bill that is drafted has the bulk of the funds going to Chicago. Shouldn't we build in the pension shift gradually, if we know it's coming? (We could. Some are saying to take it in over 5 years, and some are saying to take it in over 7 years. It really depends on how many years.) To do either of these without a plan is not the best thing to do. Some of the legislators are saying that there is a possibility we might be able to levy for that pension shift like we do for IMRF. We could carve out set asides until we can get it fully adopted. Is there a project high/low? (They are talking 7%, so we could set aside 1% per year which is about \$330,000 for us. It would build each year (1%, 2%, etc.).

4.3 2016/17 Finance Meeting Calendar - Draft

Dr. Mutchler indicated that the July date needed to be changed from the 18th to the 25th. This change will be made. We may also want to consider changing the August 8th meeting, as there is a week-long training the week before that some will be attending.

Comments, questions, concerns: Will the budget be presented at the July 25th meeting? (Yes.)

Motion by Lamb, second by Nowak, to approve the calendar with the recommended change for the July meeting. Ayes, four (4) Anderson, Lamb, Nowak, Wilson. Nays, none (0). Absent, none (0). Late, none (0). Abstained, none (0). Motion carried unanimously.

5. FUTURE AGENDA ITEMS

The full budget will be brought forward at the July 25th Board meeting.

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

The 3rd quarter review and Finance Committee meeting calendar will be brought forward at the next Board meeting as information only.

7. INFORMATION

7.1 Legislative Update

Ms. Oberg reported that at the conference she attended last week, the legislators indicated that the only way they were going to have a balanced budget was to bring in more revenue. The only way they are going to get more revenue is by increasing the State income tax back up to 5% and maybe doing sales tax on services. Rauner

and Madigan's budgets are very close to each other.

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