



**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 6:15 p.m. on Monday, May 11, 2020, via remote video stream.

1. CALL TO ORDER (Policy 2:220)

The meeting was called to order at 6:15 p.m. by Dave Lamb.

Committee members present: Taylor Egan, Dave Lamb, Mike McCormick, John Thomas.

Staff present: Dr. Dean Romano, Assistant Superintendent Business Services; Dr. Kent Mutchler, Superintendent.

2. PUBLIC COMMENT (Policy 2:230)

None.

3. APPROVAL OF MINUTES (Policy 2:220)

3.1 March 9, 2020

Motion by McCormick, second by Egan, to approve the minutes as presented. Ayes, three (3) Egan, McCormick, Thomas. Nays, none (0). Absent, none (0). Abstained, one (1), Lamb. Motion carried unanimously.

4. DISCUSSION/CONSIDERATION

4.1 Review of Projected Cash Flow (Policy 4:10)

Dr. Romano shared possible impact that COVID-19 may have on the cashflow. The Kane County Board has waived all penalties for late payment of tax payments due June 1st for 30 days. The Kane County Treasurer has indicated that approximately 51% of all annual tax receipts for the entire county are held in escrow by mortgage companies and will be paid on time. The remaining 49% could potentially be delayed by the 30-day grace period or longer for those individuals unable to make these payments due to financial hardship caused by the pandemic. Due to strong fiscal management by the Board, it was confirmed that no short-term borrowing would be required assuming 51% of tax collections were received in accordance with the information shared by the Kane County Treasurer.

Comments, questions, concerns: The referendum that was passed many years ago to hold back cash was meant for a time like this. We do not want to be dipping into the reserves to much. It protects us from cash and tax anticipation warrants. We are thankful for the public in our school district for approving this referendum and this is a great example of why that is so important.

4.2 Budget Timeline Update (Policy 4:10)

Dr. Romano shared that due to regular operations caused by the COVID-19 pandemic we have amended our timeline. At this point, we would have already talked to the Finance Committee about the Education Fund and preliminary budgets,

however they have been postponed until June. This was done because of the need for more time to gather more finalized data. Our new adjusted timeline adjustments are:

- 2020-2021 Education Fund and O&M Fund Preliminary Budgets postponed until June
- 2020-2021 Draft Budget postponed until July
- 2020-2021 Tentative Budget postponed until August
- 2020-2021 Budget Adoption in September as planned
- Meritorious Budget Application Submittal moved to May
- Review of Interfund Transfer Opportunity: O&M Fund to Capital Projects Fund moved to the fall

Comments, questions, concerns: Do you think you will be able to keep these timelines? (Yes.)

4.3 COVID-19 Financial Impact Discussion

Dr. Romano shared that there are many things affected by COVID-19, and the financial implications are both immediate and more long term in nature. The local revenue areas that have been impacted are property taxes, student fees, rental fees, food services and interest revenues. The State and federal revenue areas affected are State funding, County Personal Property Replacement Taxes (CPPRT), Medicaid and Title funds. Expenses that have been affected are health insurance, substitute teachers, energy costs, capital projects and transportation. All these things will play a part in the current budget, as well as, the planning of the 2020-2021 budget.

Comments, questions, concerns: Like you said, there are a lot of moving parts, and it seems like this year, in terms of revenue, we are in an okay place, but looking ahead there are future CPI possibilities and this year the delay in the 49% of property taxes. It's lending itself to say that we really need to be conservative as a Board until we have all the information. Until we can see what these numbers look like, it seems very up in the air across the board. (Many people are anxious for specifics, but they just are not available now. No one has ever experienced this.) Was the reduction in CPI -1%? (We were at 1.9% for the 2019 tax year.) Then we went to 2.3%? (Yes, and then the following year is unknown.) You made a projection based on the last economic crisis, which was the recession? (Yes. It's never gone negative.) This lends itself to say that when we are planning, we really need to look several years out. This was great organization and helps us to wrap our heads around all of this. There is a COVID Task Force that is looking at this beyond the Finance Committee.

5. FUTURE AGENDA ITEMS

5.1 June

- Preliminary 2020-2021 O&M and Ed Funds Preliminary Budgets

6. ITEMS FOR RECOMMENDATION TO FULL BOARD (Policy 2:150)

7. INFORMATION

7.1 Legislative Update

Senator Dewitt pulled together a meeting with educators today about school finance. There are several different committees working behind the scenes in the legislature that are targeting specific issues, but they are not releasing anything publicly at this time. This allowed a two-way exchange. He talked more about process and listened to us about concerns that we have regarding public education, and not just pre-K through 12, but also the community college was represented. It's a matter of trying

to figure out what's going to happen with the governors "Reopen Illinois Plan" and how that may impact society in general. This includes the commercial sector, as well as, education. There was a good discussion that was primarily focused on finance; however, we still do not have enough information. In working with the task force, we gather as much information from the local level and then bring it to the committee when we have information.

8. ADJOURNMENT

At 6:51 p.m., motion by Egan, second by McCormick, and with unanimous consent, the meeting was adjourned.

APPROVED _____ CHAIRPERSON
Date David Lamb

SECRETARY _____ RECORDING
Dr. Kent Mutchler Bonnie J. Johnson SECRETARY