

**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, June 10, 2013, at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

**1. CALL TO ORDER**

The meeting was called to order at 6:07 p.m. by Chairman Wilson.

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

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

Others present: William Alles, Leslie Juby, Mary Stith, Mark Grosso, Maggie Villwock, Susan Sarkauskas (Daily Herald).

**2. PUBLIC COMMENT**

None.

**3. APPROVAL OF MINUTES**

3.1 April 8, 2013

Motion by Nowak, second by Wilson, to approve the minutes as presented. Ayes, two (2). Nays, none (0). Abstained, one (1), Lamb. Motion carried.

**4. DISCUSSION/CONSIDERATION**

4.1 Finance Committee Reorganization

Lamb nominated Wilson for Committee Chair. Second by Nowak. Ayes, three (3). Nays, none (0). Motion carried.

4.2 2013-2014 Finance Committee Meeting Schedule DRAFT 2013-2014

Oberg asked whether the Committee wanted a July 2013 Finance Committee meeting. It was the consensus of the members to wait to see whether a July meeting would be necessary. Nowak requested that Oberg prepare a discussion topic schedule for the Committee so members of the community would know when specific topics would be discussed by the Committee. Oberg will prepare a document based on the budget timelines.

Motion by Nowak, second by Lamb, to adopt the 2013-2014 meeting schedule, as presented. Ayes, three (3). Nays, none (0). Motion carried.

4.3 2013-2014 Preliminary Budget Education Fund

Oberg provided an overview of the preliminary Ed Fund budget and responded to questions from Committee members.

The Ed Fund budget will increase by approximately 2.89% over the FY2013 budget (approximately \$1.6 million).

Salaries: Cost reduction for retirements is approximately \$1.4 million. Replacement staff cost is estimated at \$750,000. Five approved positions are included in the 2013-2014 budget. Salary increases for all employee groups estimated at 2.65% with minimal lane changes for

certified staff for an estimated cost of \$950,000. Salary adjustments were reviewed on a line-by-line basis. Overall salary increase is approximately 1.87% or \$736,818.

Discussion: Have individuals for the five approved positions been interviewed? (Some have been. Two are included in the Consent Agenda for tonight's regular Board meeting.) Salary increases being driven by the teachers' contract? (Yes.)

Benefits: Overall, benefits will increase by 1.83% or \$105,194. However, employees will be paying 5% of their benefits. Retirement benefits were adjusted proportionate to salary increases. Waiting to see what the legislators do about pension reform, so have not included a dollar amount for this possibility.

Building allocation: Building allocations are based on enrollment and the funds are used at the discretion of the principal for their building's needs. The per-pupil allocation is increased by \$5 for FY2014. Building allocations were reduced in 2009, 2010, and 2011. The per-pupil allocation would increase from \$125 to \$130 at the elementary level; from \$145 to \$150 at the middle school level; and from \$233 to \$238 at the high school level.

Discussion: Does this include technology purchases? (No.) How do PTO dollars tie in to this? (Each building has its own PTO Wish List.) Is the PTO amount a stipend? (No.) Are there other funding sources at the building level for these types of purchases? (No. The Fabyan Foundation or Geneva Academic Foundation grants help pay for technology and other building needs not included in the budget.) The high school has course fees, are they included in this allocation? (No.) What about the student fees at the elementary and middle school level? (No.)

Purchased Services: OT and PT services have previously been contracted through Mid-Valley Special Education Cooperative. In FY2014 the services will be contracted through the Northwestern Illinois Association. Legal services will be budgeted in line with the trend from the past several years. Based on claim experience, property/liability and workers compensation insurance has increased by \$73,000. Food service contract is estimated to increase by \$20,000. Overall purchased services will increase by 15% or \$621,515.

Supplies: Dollar amount will remain relatively level.

Capitalized Equipment: The Technology Capital Plan allocates \$924,000 for replacement of equipment and infrastructure. \$148,436 was not expended in FY2013 and these funds will be carried over to 2014. Increase to FY2014 budget is \$1,072,536. Funds are allocated for replacement of one of two driver education vehicles. Overall, capital equipment will increase by 44.8% or \$487,636.

Discussion: Any possibility there will be technology fund carry over in 2014? (It is possible, but the plan is to use the carry over funds to purchase computers.) Was this a planned increase? (Yes.)

Other Expenses: Out-of-district tuition cost has decreased by approximately \$150,000 from the prior year. The allocation for OT/PT has also been deducted and moved to Purchased Services. Overall, other expenses decreased by 9% or \$396,414.

Non-capitalized Equipment: Replacement chairs for GHS computer labs (200) is approximately \$40,000. These chairs are 15+ years old and in need of replacement. The replacement chairs are more durable. Overall, non-capitalized equipment will increase by 28% or \$44,075.

Revenue: FY2014 revenue will decrease slightly due to several factors; i.e., registration received, athletic participation, and food services are all on a downward trend. Due to the

elimination of the county-wide prevention services, the Kane County Riverboat Grant funds are no longer available. General state aid has been reduced to reflect the governor's budget allocation at 82%, down from 89%. General state aid is also decreased by \$67,300 for the Mid-Valley Alternative Learning Opportunities Program grant funding. While the Readiness Emergency Management (REMS) Grant ends June 30, 2013, funds can be expended through August 30, 2013. Any remaining dollars will be carried over to next year's budget. There is about

2013-2014 Total Revenue \$58,259,907  
2013-2014 Total Expenditures \$55,576,015

Discussion: The \$5 per-pupil building allocation increase amounts to about \$30,000. Could this be eliminated to reduce expenses until housing EAVs improve? (It could but the price of everything has increased in the last three years and this allocation would help at the building level.) What about leaving the Technology Plan at the same level? (That adds to the fund balance.)

We are under budget again this year, as we typically are and we will probably be under budget again next year, so the total increase for the 2014 preliminary budget is modest.

Yes, but I'd like to keep the overall number closer to 2%. (We do look at the close out amounts and we will work with our consultants to see how we can continue to pay down our debt.) The State revenue is fixed. (Not necessarily, and the trend for payments from the state is not good.)

I'd like the administration to look for other ways to reduce expenses, including not increasing the per-pupil building allocation by \$5 or including the \$148,000 technology carry-over.

I would rather the administration look at reductions in purchased services and the capital plans instead of the building level allocation because we need to give our buildings some relief. I'd like to cut some bigger ticket items.

I'd like the administration to provide additional information regarding costs for purchased services, professional fees, and testing/assessment as these amounts seem to have increased significantly. And, is the amount budgeted for staffing contingency typical? (It's been increased from \$200,000 to \$250,000 and is for both teachers and classroom assistants.) Were we frugal in this area last year? (Yes.)

Contractually, we are obligated to have committees with stipends beginning next year, are these included in the budget? (Yes.) What are the Board of Education expense amounts in Level III? (Tuition reimbursement.) What about lunchroom supervisor costs? (It is the same budget for all the elementary buildings. They all receive the same rate per day.) These FY2013 amounts are not actual yet, correct? (Correct.) I would like for the Board members not on the Finance Committee to receive a copy of this preliminary budget document prior to the Thursday before the June 24<sup>th</sup> board meeting. (It will be provided to them before the end of this week.)

With about three minutes remaining before the meeting adjourned, the Committee Chair asked if audience members had any questions or comments. There were none.

The Committee Chair noted that the next Finance Committee meeting is scheduled for July 22, 2013, at 6:00 p.m.

## **5. FUTURE AGENDA ITEMS**

None noted.

**6. ITEMS FOR RECOMMENDATION TO FULL BOARD**

6.1 2013-2014 Preliminary Budget Education Fund

**7. INFORMATION**

None.

**8. ADJOURNMENT**

At 6:57 p.m., motion by Nowak, second by Lamb, and with unanimous consent, the meeting was adjourned.

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

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

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