

Individuals with disabilities should notify the Superintendent at 630-463-3010 if they have a disability which will require special assistance or services and, if so, what services are required. This notification should occur as far as possible before the school-sponsored function, program, or meeting.

**GENEVA COMMUNITY UNIT  
SCHOOL DISTRICT NUMBER 304  
BOARD OF EDUCATION  
227 North Fourth Street, Geneva, IL 60134  
630.463.3000**

## **Agenda**

**Finance Committee Meeting  
Monday, June 8, 2020  
6:15 PM  
Geneva CUSD 304  
227 North 4th Street**

1. **CALL TO ORDER (Policy 2:220)**
2. Roll Call
3. Reminder to Sign Attendance Sheet
4. **PUBLIC COMMENT (Policy 2:230)**  
(PRESS Policy 2:230) Public comments may be submitted to the Finance Committee by completing the online form at this link between 5:45 and 6:15 p.m. Monday, June 8: <https://bit.ly/3ePna7g>. All comments submitted during this time will be read aloud at the meeting, holding to the District's five-minutes-per-comment policy.
5. **APPROVAL OF MINUTES (Policy 2:220)**
6. May 11, 2020
7. **DISCUSSION / CONSIDERATION**
8. Update on State Funding & COVID-19 Related Economic Impacts
9. Preliminary 2020-2021 O&M and Ed Funds Preliminary Budgets
10. **FUTURE AGENDA ITEMS**
11. July
12. **ITEMS FOR RECOMMENDATION TO FULL BOARD (Policy 2:150)**
13. **INFORMATION**
14. Legislative Update
15. **ADJOURNMENT**

**PUBLIC COMMENTS** - The meeting agenda includes an opportunity for comments from the audience. **Visitors wishing to address the Board need to complete the form contained in the *Welcome to Our Meeting* brochure and present it to the Recording Secretary or the Presiding Officer before the meeting is called to order.** It is the prerogative of the Presiding Officer to recognize members of the audience who wish to address the Board during the time reserved for public comment. No discussion of individual students or personnel matters is permitted, as those items are appropriate for closed session pursuant to Section 2 (c) of the Open Meetings Act. If you have a concern regarding an individual student or a personnel issue, you are asked to bring it to the attention of the administration. In the interest of providing all visitors an equal opportunity to address the Board, comments will be limited to five (5) minutes. Those individuals needing more time should submit their thoughts in writing to the Board's Recording Secretary. Visitors addressing the Board need to come to the podium, use the microphone, and state their full name and address because the proceedings are video recorded for later broadcasting to the community. The Board reserves the right to edit the video recordings for the purpose of excluding any public comment regarding an individual student or a personnel issue. **No interviews should be conducted in the meeting room while the Board is in session. If members of the press/audience want to conduct an interview, they should wait until the conclusion of the meeting, or go out in the hallway or to another room.**



**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 1<sup>st</sup> 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.

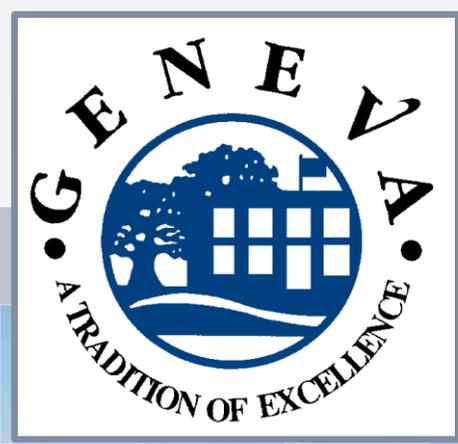
**8. ADJOURNMENT**

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

June 8, 2020



# EDUCATION FUND BUDGET

2020-2021

P R E L I M I N A R Y

# EDUCATION FUND

## OVERVIEW

The Education Fund represents the single largest grouping of revenues and expenditures within the District's annual budget. The fund is also the least restrictive of all of the separate funds within the district budget.

The primary components of this budget represent the following components :

### **REVENUE:**

- Local Tax Revenue
- Local Receipts
- State Funding
- Federal Funding

### **EXPENSES:**

- Salary & Benefits
- Purchased Services
- Support Services
- Supplies & Materials

# BUDGET DEVELOPMENT

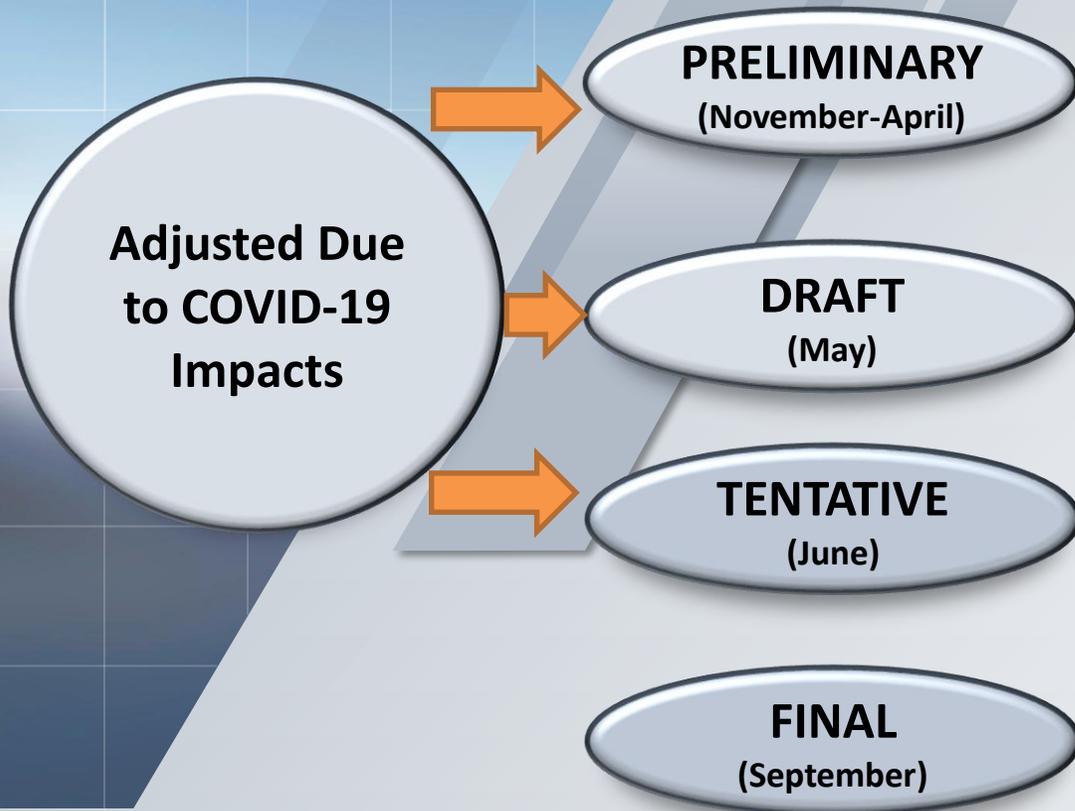
## Annual Development Components



- Estimates are developed for the coming school year based on current enrollment by building, past trends, and housing data.
- Staffing levels are determined for each building using class size targets, program needs, and service level expectations.
- Estimates are generated pertaining to the tax levy, federal and state funding and general receipts.
- Estimated expenditure needs are developed for salaries, benefits, purchased services, supplies and materials, capital outlay and other objects using both known data and assumptions.
- All financial estimates are combined and preliminary, draft, and tentative budgets are developed.
- A final proposed budget is created in accordance with Board of Education policy in support of the Strategic Plan and then approved by the Board of Education.

# BUDGET PHASES

## Annual Development Components



- A “Preliminary” budget is developed for the Technology, Operations & Maintenance, Transportation and Education Fund components of the budget. These budgetary considerations are used as initial assumptions prior to a complete view of the overall budget is completed. – Timeline adjusted to November – June.
- A “Draft” budget combines all assumptions across all components of the proposed budget and represents the first look at an all encompassing District Budget. – Timeline adjusted to July.
- A “Tentative” budget is required by statute and is made available to interested parties as part of the approval process of a final District budget. This version of the budget builds on the “Draft” budget taking into account newly incorporated data or other improvements made to the previous version. – Timeline adjusted to August.
- The “Final” budget is required to be adopted by the Board of Education no later than the month of September within the fiscal year (June-July) it represents. This “Final” budget further improves upon the “Tentative” budget incorporating the most current data available and final enhancements from the previous version.

# REVENUE ASSUMPTIONS

- CPI:
  - CY19: 2.3%
  - CY20: 0.25%
- COLLECTION RATE: 99.0%
- CY20 New Construction: \$10,000,000
- Evidence Based Funding (State): No Change
- Mandated Categorical Payments: 3 of 4
- Special Education Funding (State/Federal): No Change
- Grant Funding: No Change
- Local revenues (fees): 5% Reduction

# EXPENSE ASSUMPTIONS

- Salary costs projected at current contract increases
- Health benefits projected at:
  - PPO: 5.6% increase & HMO: 9.7% increase
  - Dental: 5.2% increase
- Purchased services projected at 2.0% increase
- Supplies & Materials projected at 2.0% increase
- Technology preliminary budget included
- Pension cost shift not included
- P&C Coverage: 19% inc. / WC coverage: 7% Inc.

# EDUCATION FUND

## Preliminary Budget

Revenues Education Fund (10)	2020 Current	2021 Projected
1000 Local Sources	\$61,792,680	\$62,937,626
3000 State Sources	\$2,569,020	\$2,569,020
4000 Federal Sources	\$1,996,728	\$1,951,728
	<u>\$66,358,428</u>	<u>\$67,458,374</u>

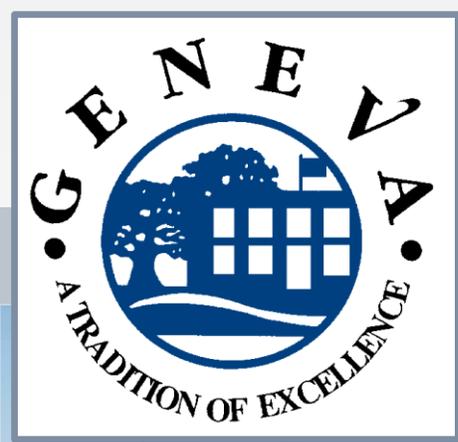
FY19 ED Fund Balance:

\$24,256,599

Expenses Education Fund (10)	2020 Current	2021 Projected
000 Transfer	\$338,000	\$338,000
100 Salaries	\$46,867,870	\$47,686,417
200 Employee Benefits	\$8,044,447	\$8,582,895
300 Purchased Services	\$5,283,494	\$5,755,829
400 Supplies & Materials	\$1,125,038	\$1,093,233
500 Capital Outlay	\$482,100	\$504,980
600 Other Objects	\$4,094,001	\$4,052,605
700 Non-Cap. Equipment	\$123,478	\$117,030
	<u>\$66,358,428</u>	<u>\$68,130,989</u>

Expense  
Increase  
of **2.67%**

June 8, 2020



# O&M FUND BUDGET

2020-2021

P R E L I M I N A R Y

# O&M FUND

## Preliminary Budget

Revenues O&M Fund (20)	2020 Current	2021 Projected
1000 Local Sources	\$11,626,133	\$11,497,823
3000 State Sources	\$2,137,486	\$2,137,486
7000 Other Fin. Sources	\$0	\$0
	<b>\$13,763,619</b>	<b>\$13,635,309</b>

Expenses O&M Fund (20)	2020 Current	2021 Projected
000 Transfer	\$1,800,000	\$1,500,000
100 Salaries	\$4,780,611	\$4,931,997
200 Employee Benefits	\$913,847	\$992,984
300 Purchased Services	\$2,087,730	\$2,024,830
400 Supplies & Materials	\$3,069,500	\$3,069,500
500 Capital Outlay	\$525,214	\$525,214
600 Other Objects	\$216,717	\$216,717
700 Non-Cap. Equipment	\$370,000	\$370,000
	<b>\$13,763,619</b>	<b>\$13,631,242</b>

Expense  
Increase of  
**-0.96%**

# BUDGET DEVELOPMENT

## Next Actions

- Develop 2020-2021 Draft Budget (JULY)
  - Review projections for all funds
  - Analyze impact to ending fund balance across all funds
  - Adjust line item allocations to improve budget design and accuracy
  - Update all budget line items as new data is available
  - Update all grants inclusive of carryover totals
  - Update Interfund Transfer levels for lease payments

# BUDGET DEVELOPMENT

## Next Actions – Continued

- Permanent Fund Transfers to Capital Projects Fund: **Fall**
  - Review FY20 O&M expenses & revenues
  - Identify resources which moved to fund balance
  - Monitor Fund Balance Totals within the O&M related to tax collections
  - Prepare a Board Resolution to permanently transfer funds from the O&M Fund to the Capital Projects Fund