

Dist. 205 Finance & Operation Comm Meeting
July 18, 2016
6:40 pm – 8:15 pm

Blum, Stuefen, McDonough present
Public: 1 Staff: Moyer, Whelton Press: 0
Observer: J. Dorner

Committee Chair Blum called the meeting to order.

Public Comment: None

Finance And Operations Committee Meeting Minutes: The minutes of the 5/23/16 meeting were approved as presented.

Finance and Operations Committee Discussion Topics:

A. End of Year Cash Basis (June) Financial Report – Chris Whelton, Assistant Superintendent of Finance and Operations, reviewed the June financials, which are 100% of the fiscal year.

Revenue:

- June 2016 YTD revenue grew 5.2% over 2015 and was 103.7% of the budget. The two factors contributing to this was the additional quarterly payment from the State Board of Education (only 3 were budgeted and 4 were received) and the June property tax collection. The property tax collection was almost \$2.7 million above the budgeted amount and 4.2% increase above last year.
- CPPRT (Corporate Personal Property Replacement Taxes) collected in the Ed fund and IMRF (IL Municipal Retirement Fund) decreased by almost 8% over last year. The Illinois Department of Revenue found an error in Personal Property Replacement Tax (PPRT) allocation and D205 received slightly over \$250,000 in overpayment. It is assumed that the State has started recoupment of the CPPRT slowly, over time.
- Investment income continues to be small due to low interest rates.
- Over \$213,000 in impact fees was received this year. Fees are collected after occupancy and are now in the Capital Projects Fund.

Expenditures:

- Total operating expenditures increased by 1.2% over last year. They were budgeted to increase over 3%.
- Salaries paid were over \$71 million compared to about \$69.5 million last year. This is a 2.2% increase. 2.7% increase was budgeted.
- Benefits in operating funds were 7.4% higher than last year. Benefits were budgeted to increase by 8.2%.
- An increase in supplies was due to purchase of Chromebooks.

Fund Balances:

- Fund balances increased to 45.8% of expenditures compared to 41.2% last year. Reserves are higher because state finances are so uncertain. There is concern about potential pension cost shifts, a redistribution of General State Aid and Categorical funding to create equity in funding for school districts. There is also concern about the state passing a property tax freeze. This would have a compounding negative impact on local funding for D205.

B. Bond Refunding in fall:

Elizabeth Hennessy from William Blair & Co. presented the possibilities of refunding 2007B series bonds. D205 has been refunding bonds since May 2012 for savings over \$12.6 million to the D205 taxpayers. The 2007B series bonds can be refunded on Oct 1st at the earliest. Two options were offered; one for an accelerated repayment schedule and the other to have a level overall debt

structure. Both will generate over \$2.3 million in savings over the next 5 years for the taxpayers. It was the Committee's agreement to continue with the accelerated option, since this is the plan that has been used since 2012. This will come before the whole Board at the Aug. 9th meeting, with possible Board approval of a parameter resolution at the Aug. 23rd meeting.

C. Updates:

- State Budget Deal: D205 will receive an additional \$231,000 in General State Aid.
- Stormwater: The final plans for Madison were just delivered to Dr. Moyer today. It appears that the project will not be started until the fall. There was concern about street disruption in the fall and noise that could distract students at that time. Dr. Moyer will discuss with Mr. Schuh, Director of Building and Grounds, before talking with City Manager Grabowski.
- Facilities usage: Mr. Blum will be discussing this issue with the entire Board at tomorrow night's meeting. There seems to be a concern among all users that they are not being treated fairly. The Park District was late in requesting their usage dates due to misunderstanding an email.
- TIF 5: Dr. Moyer and Mr. McDonough stated, "We voted yes on TIF 5 on the belief that the City will address the impact it will have on D205."