

**MINUTES
BOARD OF EDUCATION
COMMITTEE OF THE WHOLE MEETING
COMMUNITY UNIT SCHOOL DISTRICT 200
January 31, 2018**

The Committee of the Whole meeting of the Board of Education of Community Unit School District 200, DuPage County, Illinois, was called to order at the School Service Center, 130 W. Park Avenue, Wheaton, IL, by Board President Jim Vroman, on Wednesday, January 31, 2018, at 7:00 PM.

ROLL CALL

Upon the roll being called, the following were present:

Board Members: Jim Vroman
 Brad Paulsen
 Chris Crabtree
 Ginna Ericksen
 Jim Gambaiani
 Rob Hanlon

Absent: Jim Mathieson

Also in Attendance: Dr. Jeff Schuler, Superintendent
 Mr. Bill Farley
 Mrs. Erica Loiacono
 Mr. Rod Mack
 Dr. Joanne Panopoulos
 Dr. Robert Rammer

PLEDGE OF ALLEGIANCE

Board Member Chris Crabtree led the Board and community in the Pledge of Allegiance.

MOTION

Member Crabtree moved, Member Hanlon seconded to suspend the rules and adjourn to workshop setting. Upon a roll call vote being taken the vote was: AYE 6, NAY 0. **The motion carried 6-0.**

Business Services

Financial Forecast

Dr. Schuler prefaced the presentation by reminding the Board that the purpose tonight is intended to give the Board information as the District is launching into the FY 19 budget process. As with any projections, the further out projected, the more variables that are present. The Board finance committee did review the draft of this presentation. Lastly, there would be no decisions made at this meeting.

Mr. Bill Farley, Assistant Superintendent for Business Operations, reviewed the five-year financial forecast for the District. This planning tool has been used by District 200 for a number of years. The presentation included the following:

- 5 Cast Financial Planning Tool Uses
- Data Elements
- Revenue Budget (FY 2018)
- Local Revenue: Tax Base Assumptions – CPI
- Local Revenue: Tax Base Assumptions – New EAV Growth
- Key Revenue Assumptions
 - Other Local Revenue
 - State Funding
 - Federal Revenue
 - Revenue – Sensitivity
 - Tax Levy
 - Categorical Payments
- Expense Budget (FY 2018)
- Key Expenditure Assumptions
 - Salaries & Staffing FY 19-23
 - Health & Dental Benefits
 - Purchased Services, Supplies, Capital Outlay, Tuition
- Additional Assumptions
 - Capital Spending
 - No legislative changes in school funding
 - No change to PTELL (tax cap)
 - Does not include potential TRS pension shift
 - Includes known & projected retirements in future years with potential replacements @ \$50K
 - Current FY18 budget is accurate basis for projections
- Aggregate Revenue & Expenditure Projections
- Aggregate View Projection Summary

Mr. Farley added information on the following:

- The model did have to be upgraded this year with the new evidence based funding model.
- The base year for the entire model is FY18.
- The revenue and expenditure budget charts do not include the IMRF budget.
- CPI is constantly being monitored by the District.
- The green bars on the local revenue charts represent known numbers, while the yellow bars are estimates.
- New growth – the new Amazon building took possession in August 2017; waiting on final number to determine if it will be fully assessed.
- TIF 2 expires in 2022 which is reason for spike in EAV in that year.
- The District continues to work with all local municipalities to monitor the TIF's.
- CPPRT is projected to stay flat going forward.
- The new evidence based funding model will change the way Districts receive money from the state.
- Transportation funding – received more than budgeted.
- Continue to monitor the federal revenue levels.
- Tax collection – distribution from the county to school districts.

- Categorical money – conversations have indicated there will be payments received from the state to school districts in the next few weeks.
- Status of SB444.
- ISBE is working through calculations on new funding model. D200 is on the cusp of tiers 2 and 3.
- Salaries and staffing assumptions are based on past levels/increases.
- Will continue to monitor staffing level projections as the year progresses.
- NIHIP insurance coop is very proactive in looking for ways to reduce costs and save money.
- The O&M Capital Renewal Budget will increase from \$3.2M in FY19 to \$7.3M in FY20, and increase by an additional \$300K every year from FY21-23 based on the Sherman Dergis calculation.
- Capital spending assumptions are based on the approval of the lease agreement by the Board in February 2018.
- Fund balance assumptions.
- There has not been any new information on possibility of TRS pension shift.
- Hiring of replacement staff for retirees - starting salary projected (\$50K) is an average of new teachers salary and specialists hired with masters.
- FY20 projected deficit is directly related to the Sherman Dergis impact which is projected in the numbers.

There were additional comments and/or questions on the following:

- CPI number and impact, if any, on the average home in the District.
- Clarification on “tuition” – majority is for outplaced students.
- The number and cost of outplaced students - the number of students has stayed level, but the cost varies based on the placement of the students.
- Does the District continue to look for ways to bring outplaced students back into D200 to reduce costs?
- The acuity of needs for students has increased significantly - this is known for D200 and surrounding benchmark districts.
- Transportation contract is up next year.
- District administration will keep the Board apprised of progress as it moves through the budgeting process on both revenue and expenditure side - this includes working with schools and departments next month, posting the budget in July, holding the public hearing in August, and approval of budget targeted in September.

Business Services

Review of Board Facilities Goal

Dr. Schuler and staff updated the Board on the progress of the Work Plan for the Facilities Goal, and reviewed the Capital Plan document. Both documents were attached to the Board report.

An overview of the facilities goal work plan for 2017-18, including timeline and status, was referenced. Dr. Schuler complimented the Board noting all are on target for this year. Several of the steps with regard to an Early Learning Center solution are ongoing, secure entries work is planned for this summer, and the one additional item to be addressed is the review of a long-range plan to address capital improvement needs.

- The District Wide Capital Improvement Plan Summary was reviewed and compared to the budget projection document. It was noted that Sherman Dergis is a financial

forecasting tool and intended to serve as a complement to the budget planning process and as a guide the District moves through the process. It is proposed to take care of condition 1, year 1 improvements representing \$8.3M through a combination of ELC improvements and the other \$3.2M that was prioritized which the Board has started to approve for summer 2018 work.

There were questions and/or discussion on the following:

- Sherman Dergis numbers and relationship to category/condition ranking chart.
- Condition 1, years 3-8 – assumption is as it nears closer, the District will have to do some reprioritizing of need.
- Challenge is to look at the financial forecast vs. financial need.
- A number of the buildings with significantly higher numbers relate to roof and electrical need.
- Condition 1, year 3 – represents \$27M work of work. This may require additional revenue, expenditure reduction, reprioritization, or a combination of all of the above.
- Is \$27M worth of work feasible in one summer?
- It is fair to say that the District is constantly reassessing roofs, etc. to determine if timeline/condition ranking can be adjusted.

Dr. Schuler noted the addressing of the capital project work has been discussed with the Citizens Advisory Committee (CAC).

There was additional discussion on the following:

- Integrating the 5 year forecast, CAC study, facility plans and finance committee work (with regard to debt structure) into a plan and sharing this with the community. How can this be done?
- Timeline for CAC feedback regarding the capital project work being shared with the Board.

PUBLIC COMMENTS – Non-Agenda Items

The opportunity to speak to the Board is provided for members of the public who have a question or comment on an agenda item. The Board appreciates hearing from stakeholders, and values your thoughts and questions. The Board strives to make the best decisions for the District, and public input in a variety of venues is very helpful.

The Board must protect the civility and decorum of this meeting. Please be respectful for the duties of the Board and the democratic process in your comments tonight:

- ⇒ Please use the microphone, state your name, and address your comments to the Board
- ⇒ Please limit your comments to 3 minutes.
- ⇒ Please be factual and courteous, and do not include statements that are personally disrespectful or condescending to members of the Board or staff.

If you feel your matter needs to be discussed in more detail, please attend the Board’s “Chance to Chat” or present your comments to us in writing.

Speaker	Harold Lonks
Topic	Budgeting and Forecasting

ADJOURNMENT

MOTION

There being no further business to come before the Board in Open Session, Member Paulsen moved, Member Ericksen seconded to adjourn the meeting. Upon a voice call being taken, all were in favor and **the motion carried 6-0.**

The meeting was adjourned at 8:08 PM.

Chris Crabtree, Secretary

Jim Vroman, President