

**MINUTES
BOARD OF EDUCATION
COMMITTEE OF THE WHOLE MEETING
COMMUNITY UNIT SCHOOL DISTRICT 200
November 1, 2016**

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 Tuesday, November 1, 2016, at 5:00 PM.

ROLL CALL

Upon the roll being called, the following were present:

Board Members: Jim Vroman
 Brad Paulsen
 Chris Crabtree
 Joann Coghill (arrived at 5:23 PM and left at 6:23 PM)
 Jim Gambaiani
 Barbara Intihar
 Jim Mathieson

Also in Attendance: Dr. Jeff Schuler
 Mrs. Faith Dahlquist
 Mr. Bill Farley
 Mrs. Erica Loiacono
 Mr. Rodney Mack
 Dr. Robert Rammer

PLEDGE OF ALLEGIANCE

Mrs. Faith Dahlquist led the Board and community in the Pledge of Allegiance.

MOTION

Member Crabtree moved, Member Intihar 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

Potential Tax Abatement Agreement

Dr. Schuler introduced Susan Bergdoll of Duke Realty. The district has had discussion with Duke for a while regarding an intergovernmental agreement which includes the cities of Aurora and Warrenville and is based on an identified infrastructure improvement that is needed and the property falls within the District 200 boundaries. Background on this potential agreement include the following:

- Duke Realty is a publicly traded real estate investment trust that is a developer of warehouse buildings in Chicago and across the country.
- Duke is looking to develop a site on 47 acres for a tenant who is a large e-commerce retailer. They have asked to construct a 954K square foot building which will employ over 1,200 full-time employees with an annual payroll of \$35M.

- A new intersection will need to be constructed on Route 59 in order for the project to be viable. Route 59 is an IDOT road.
- The lot currently generates \$717 to the district.
- It is estimated that the taxes generated by the development of this property would generate \$770,000 in additional tax dollars to the school district.
- Duke is partnering with the Cities of Aurora and Warrenville, as well as IDOT and District 200 to assist in the construction of the intersection.
- The district portion of the tax abatement being requested is \$650,000 to be paid over a two year period.

Additional comments included:

- This abatement has a defined purpose and as an economic development tool has a defined amount and window of time.
- Senior leadership has verified the projected tax revenue from this and believes figures to be accurate.
- There is a return in excess of \$7M in revenue over a ten year period of time.

There was discussion on the following:

- The interchange will benefit other parcels that do not currently have access to Route 59.
- This potential abatement agreement was discussed in the finance committee and has been reviewed by district attorneys.
- We do not have to pay half of the \$650K unless we reach the \$770K.
- This e-commerce business does not have a retail outlet and will not affect local retailers.
- Although there is a 15 year lease, the revenue does not stop after 15 years.
- The location of the land which is targeted for development.
- The development itself is in Aurora, the intersection is in Warrenville.
- Warrenville is not receiving any direct property tax revenue off of the development, but is getting large infrastructure improvement that will have an economic development impact.
- This will benefit the district, cities of Aurora and Warrenville, and businesses along Route 59.

This agreement will be brought to the November 9 meeting of the Board of Education for approval.

Business Services

Facility Master Plan Discussion

At the October Board meeting, Dr. Schuler indicated there were three upcoming Board Committees which were meeting in the last few weeks in anticipation of the Committee of the Whole meeting tonight. The Facilities Committee, Community Engagement Committee, and Finance Committee have all met and Mr. Farley will provide a recap of those committee discussions as well as the options for future consideration of the Board.

The recap included the following:

- The Facilities Committee – reviewed the project scope, phasing/implementation plan, reviewed the project updates and plans, and discussed revised cost estimates.
- The Community Engagement Committee – reviewed the community input and next steps, reviewed the community engagement plan and timeline, as well as the capital fundraising campaign option.

- The Finance Committee – reviewed potential referendum funding, funding levels, other potential funding sources and future funding plan for capital work.
- The options for consideration by the board include:
 - Option A – authorize a referendum question that generates \$150M to complete all identified work with the impact on the median home of \$200. This option completes all identified projects.
 - Option B – authorize a referendum question that generates \$130M and commit to funding the difference through other sources to complete all identified work. The impact on the median home is \$175. Additional funding sources include a commitment of fund balance in excess of 25% (approximately \$7M), operating funds and pursuing a capital fundraising campaign.
 - Option C – authorize a referendum question that generates \$130M and reduce the scope of the identified work to match the proceeds raised. The impact on the median home is \$175 and includes a reduction in the scope of the work.

There was discussion on the following:

- It was noted that staff had asked for an updated design on Franklin, Washington and Sandburg projects. The revised Franklin plan is more feasible and accomplishes the same goals. The scope of Washington and Sandburg projects matches the other elementary schools.
- One phasing and implementation plan presented by Perkins+Will and reviewed at the Facilities Committee was a very aggressive plan and is getting another review.
- Questions were asked on the revised project designs of the 3 buildings and the Facilities Committee should have revised cost estimates and additional information at their next meeting on November 10th.
- According to Nicholas and Associates, labor costs are on the rise.
- To date, none of the projects that were identified in the Facility Master Plan have been removed.
- Whether a capital campaign would be tied to specific project(s)?
- The Finance Committee is confident in the work that PMA Securities has done, the figures, timing and conservative estimates were provided.
- Confirmation that the district is paying off and retiring some existing bonds in the projections.
- The possibility of completing a feasibility study in order to determine the support for a capital campaign. The cost of this study is approximately \$30,000 and the district has received 3 bids. Staff is working to obtain funding for the study and is a third of the way there. The Board would need to underwrite some of this cost.
- If there is a reduction in operating costs, will that impact our students?
- The need to show fiscal responsibility to the community, while not sacrificing the education we provide to our students.
- Can the \$130M number be revised? Changed to \$140M based on other funding?
- The need to set aside the dollars for capital improvements regardless of referendum.
- Cutting \$20M worth of need for \$50 a year to average taxpayer.
- If the Board believes all 16 projects need to be done, finding a way to do that.
- Utilizing the Sherman-Dergis model as a means to address future capital needs of the district.
- The question of an operating tax increase.
- There are unknown issues that we cannot determine with State of Illinois.

- The physical needs in the O & M budget would be addressed with this master facility plan.
- The community asked us to investigate getting private funding/donors as part of the community engagement process.

Dr. Schuler summarized the discussion:

- Option B needs additional detail on the impact of money set aside from future budgets (cuts, revenue stream, O & M budget). Where does the gap come from?
- Capital campaign – there is a path in the future for dollars to be raised, value in investigating a feasibility study.
- Sherman-Dergis formula – there is a benefit of having a program that looks at the need to fund moving forward in a discipline way. There is a need to pull this information together to fill the gap in Option B, but also as a long-term solution.
- Timetable – recommending to the Board Committees to fine tune details and believe we need the November 30 Committee of the Whole which we had talked about as a possibility to pull all of the information together.
- We should have a final project deliverable document for that meeting.

Calendar invites to the Board for the November 30 Committee of the Whole and the upcoming facility plan open houses will be sent tomorrow.

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, 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.

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| Speaker | Bill Voller |
| Topic | Budget for Proposed Projects |

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| Speaker | Harold Lonks |
| Topic | Budget for Proposed Projects |

ADJOURNMENT

MOTION

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

The meeting was adjourned at 6:33 PM.

Chris Crabtree, Secretary

Jim Vroman, President