

# FINANCE COMMITTEE MEETING

**MEETING DATE: TUESDAY, SEPTEMBER 15, 2015 AT 4:30 P.M.**

## Members:

Ms. Annette Johnson, Chair  
Mr. Alex Arroyo  
Mr. Ken Darby  
Ms. Christi Tyler  
Dr. Michael Popp

## Attendance

Yes  
Yes  
Yes  
Yes  
Yes

## *Agenda*

1. Roll Call
2. Public Comments/Questions
3. Bonds
4. Property assessments
5. Stationary bid
6. Executive Session, if needed

## *Consent Agenda*

1. Motion to approve the monthly financial report(s):
  - a. List of Bills
  - b. August 2015 Financials
  - c. Fund Balance Report
  - d. Investments Report
  - e. Payroll Report
2. Motion to accept the following donation:
  - a. \$1,000.<sup>00</sup> from Cliff Pensyl for the East Aurora High School Cross Country program for cross country shoes
  - b. \$500.<sup>00</sup> from Dolan and Murphy for the East Aurora High School Dance Team
  - c. \$750.<sup>00</sup> from an anonymous donor for the East Aurora High School Dance Team
3. Motion to accept the following grants:
  - a. "Reflex Math" grant in the amount of \$1,625.<sup>00</sup> from the Explore Learning for Bardwell School's 3<sup>rd</sup> grade sheltered classrooms
  - b. "Kane County Grand Victoria Riverboat" grant in the amount of \$19,512.<sup>00</sup> from Kane County Grand Victoria Riverboat for the East Aurora High School to purchase of band instruments
  - c. "FY2016 21<sup>st</sup> Century Community Learning Centers (CCLC)" grant from the Illinois State Board of Education in the amount of \$405,000.<sup>00</sup> for East High School, Simmons and Waldo Middle Schools for the 21<sup>st</sup> Century Grants-Cohorts 13-Grant 1
  - d. "FY2016 21<sup>st</sup> Century Community Learning Centers (CCLC)" grant from the Illinois State Board of Education in the amount of \$540,000.<sup>00</sup> for Hermes, Allen, Oak Park Elementary Schools and Cowherd Middle School for the 21<sup>st</sup> Century Grants-Cohorts 13-Grant 1
  - e. "FY2016 21<sup>st</sup> Century Community Learning Centers (CCLC)" grant from the Illinois State Board of Education in the amount of \$405,000.<sup>00</sup> for Johnson, Gates, Brady, O'Donnell and Krug Elementary Schools for the 21<sup>st</sup> Century Grants-Cohorts 13-Grant 1
  - f. "6<sup>th</sup> Grade Science Ecology Field Trip-Morton Arboretum" from the Morton Arboretum in the amount of \$3,140.<sup>00</sup> for Cowherd Middle School's 6<sup>th</sup> grade class
  - g. "NFL Hometown" grant in the amount of \$10,000.<sup>00</sup> from the NFL/Fuel Up to Play 60/Midwest Dairy Council for Johnson, Oak Park, Dieterich Elementary Schools to support health and wellness initiatives with the Fuel up to Play 60 program

### ***Action Items***

4. Motion to award the stationary bid to the following vendors:
  - a. BFC
  - b. Capital Printing
  - c. Flags USA
5. Motion to approve refunding of bonds
6. Motion to approve restructuring of bonds

### ***Discussion items for full board***

7. Bonds

### ***Informational Items***

8. Property assessments

### ***Consent Agenda***

9. Next meeting—October 13, 2015 at 4:30 pm at the School Service Center
10. Motion to approve the monthly financial report(s):
  - a. List of Bills
  - b. August 2015 Financials
  - c. Fund Balance Report
  - d. Investments Report
  - e. Payroll Report
11. Motion to accept the following donation:
  - a. \$1,000.<sup>00</sup> from Cliff Pensyl for the East Aurora High School Cross Country program for cross country shoes
  - b. \$500.<sup>00</sup> from Dolan and Murphy for the East Aurora High School Dance Team
  - c. \$750.<sup>00</sup> from an anonymous donor for the East Aurora High School Dance Team
12. Motion to accept the following grants:
  - a. “Reflex Math” grant in the amount of \$1,625.<sup>00</sup> from the Explore Learning for Bardwell School’s 3<sup>rd</sup> grade sheltered classrooms
  - b. “Kane County Grand Victoria Riverboat” grant in the amount of \$19,512.<sup>00</sup> from Kane County Grand Victoria Riverboat for the East Aurora High School to purchase of band instruments
  - c. “FY2016 21<sup>st</sup> Century Community Learning Centers (CCLC)” grant from the Illinois State Board of Education in the amount of \$405,000.<sup>00</sup> for East High School, Simmons and Waldo Middle Schools for the 21<sup>st</sup> Century Grants-Cohorts 13-Grant 1
  - d. “FY2016 21<sup>st</sup> Century Community Learning Centers (CCLC)” grant from the Illinois State Board of Education in the amount of \$540,000.<sup>00</sup> for Hermes, Allen, Oak Park Elementary Schools and Cowherd Middle School for the 21<sup>st</sup> Century Grants-Cohorts 13-Grant 1
  - e. “FY2016 21<sup>st</sup> Century Community Learning Centers (CCLC)” grant from the Illinois State Board of Education in the amount of \$405,000.<sup>00</sup> for Johnson, Gates, Brady, O’Donnell and Krug Elementary Schools for the 21<sup>st</sup> Century Grants-Cohorts 13-Grant 1
  - f. “6<sup>th</sup> Grade Science Ecology Field Trip-Morton Arboretum” from the Morton Arboretum in the amount of \$3,140.<sup>00</sup> for Cowherd Middle School’s 6<sup>th</sup> grade class
  - g. “NFL Hometown” grant in the amount of \$10,000.<sup>00</sup> from the NFL/Fuel Up to Play 60/Midwest Dairy Council for Johnson, Oak Park, Dieterich Elementary Schools to support health and wellness initiatives with the Fuel up to Play 60 program

### ***Action Items***

13. Motion to award the stationary bid to the following vendors:
  - a. BFC

- b. Capital Printing
  - c. Flags USA
14. Motion to approve refunding of bonds
  15. Motion to approve restructuring of bonds

***Discussion items for full board***

16. Bonds

***Informational Items***

17. Property assessments

***Public comments/questions***

Mr. Bob Paolicchi of 1271 York Court, Aurora, Illinois addressed the committee. He wanted to compliment the board in selecting wise counsel. He encouraged the board to make a selection regarding the financing and the possibility of extending out the payment so that extra dollars can go back into the community.

Mr. Gary Dudlicek of 1149 Drury Lane, Aurora, Illinois addressed the committee. He noted there have been four presentations from PMA: March 9, July 6, August 11, and September 8, 2015. He mentioned there was a comment that more information was needed before the board could make a decision. He would like to know what more information is needed in order to make a decision. Is it an issue with PMA or the board? He asked if no other homes were built in District 131, does that mean our taxes will go up again. The tax problem is shared between the City of Aurora and the school board and all other taxing bodies. He expressed his concerns over interest rates, payment times, and building density problems.

***Minutes***

Bonds. Mr. Bob Lewis from PMA presented different scenarios on bonds. These scenarios included a review of scenario 1, 2, 3 along with new variations. Mr. Lewis informed the committee that the board has expressed two goals to him; one is to lower the taxes as much as possible and at the same time try not to increase the payment too much. These two goals are at tension with each other. The more you push down today, the more it pushes out down the road. The only way to satisfy both goals is to put cash into the situation, this helps to reduce the tension between the two goals. Different scenarios were reviewed, including scenarios where cash contributions are used to bring down the initial years.

Ms. Christi Tyler asked if any of these scenarios illustrate refunding for savings. Mr. Lewis replied, "Yes, we estimate savings to be about \$450,000 over the life of the bond issued or \$390,000 at present value." Mr. Lewis informed the committee that non referendum bonds payment cycle is restricted to debt services extension basis. Mr. Alex Arroyo asked if we were earning interest with the money sitting in the bank, Ms. Tyler replied yes. Mr. Arroyo also asked if the interest monies could be applied toward the bond payment, "It's not like a mortgage where you put in \$20.00 extra a month, you want to do it during certain periods." Mr. Ken Darby added it has to be callable. Ms. Annette Johnson added that it appears to her, the best scenario is still to put \$2 million down and extending and flattening the payment for three years.

A community member spoke from the audience; he felt that the straight line going out to 2030 was the best option. Mr. Darby asked if in scenario 1, when 2018 comes along and we pay another two million down would we maintain the level we started with. Mr. Lewis responded if more cash is contributed in 2018 the lower payment can be continued. Ms. Johnson said there is a problem with going out 2030; yes there will be a \$120 savings on a \$300,000 house, but it will cost 12 million, locking us into a bad scenario.

Mr. Lewis informed the committee that West Aurora #129 was trying to have the State of Illinois release the Qualifying School Construction Bond funds. The Governor's Office is aware of the program but is too busy working on the budget.

This grant was a program that was developed in 2009, 2010 as a part of ARRA that allows the district to sell the bonds as taxable and the federal government will pay a refund equal/up to the full interest payment. Essentially you're borrowing interest free. The State of Illinois has 500 million dollars of authority to provide to local school districts. What would need to take place is the Governor's Office of Management and Budget has to return that authority to ISBE (the highest education authority in the state) to provide the allocation to the school districts. Ms. Johnson asked Ms. Tyler where the State was in paying construction money from way back when. Ms. Tyler responded it has not been done yet.

A member of the community spoke from the audience and asked if scenario 1 could be shown with two payments of two million, one in 2018 and one in 2020, and if possible going out to 2027. He said the taxpayers are looking for savings now. A second member of the community added that last year the board "blew it" by not making a decision regarding the bonds; you can't play with this money like a mortgage, there's a lot more calculation to it. If you miss it you pay the price.

Mr. Arroyo asked if the absolute drop dead date was December 1, Mr. Lewis responded that with bonds they could be altered up to March 1 of the subsequent year. Ms. Tyler asked what about the refunding. Mr. Lewis answered the refunding for savings was a separate topic but they were callable December 1.

The committee asked Mr. Lewis to provide one more scenario; he agreed to provide this for the next board meeting. It was decided the bond discussion should continue with the board as a whole on Monday, September 21, 2015.

Property assessments. Ms. Tyler contacted Whitt Law and they will look into the property values on the east side. Ms. Johnson reported there are some issues and these issues will be studied. Mr. Arroyo asked if the Assessor's Office and the Township Office were investigating and in charge of assessments. Ms. Johnson responded yes. Ms. Johnson also said she wanted to identify the properties assessed to low and challenge those assessments. She felt that there should be a focus on multi-family housing properties. She has also noticed the homeowners exemption had rental properties listed. She would like the City of Aurora to provide a list of inspection properties, because they are true rental properties and do not qualify for the homeowners exemption. Ms. Johnson also said the properties between Church Road and the Stonegate Community are "getting hammered." Anything beyond Church Road and Ohio Street are getting some kind of decrease. Ms. Johnson felt that the best way to go is to address the rental properties. This would benefit the City of Aurora and other governmental taxing bodies. Ms. Johnson will forward the spreadsheet obtained from the Assessor's Office to Ms. Tyler. Mr. Darby would also like to contact the City of Aurora for property standards and density requirements.

Stationary bid. The stationary bid was awarded to the following vendors:

- BFC
- Capital Printing
- Flags USA

The meeting adjourned at 5:30 pm.