

FINANCE COMMITTEE MEETING

MEETING DATE: TUESDAY, NOVEMBER 10, 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 (*arrived approximately at 5:00 pm*)

Agenda

1. Roll Call
2. Public Comments/Questions
3. Levy
4. Risk Management Insurance Update
5. Communities in Schools
6. Bids
 - a. Conference Room Furniture
 - b. Future Bids
7. Closed Session, if needed

Consent Agenda

1. Next meeting—December 15, 2015 at 4:30 pm, School Service Center
2. Motion to approve the monthly financial report(s):
 - a. List of Bills
 - b. October 2015 Financials
 - c. Fund Balance Report
 - d. Investments Report
 - e. Payroll Report
3. Motion to accept the following donation(s):
 - a. 18 children's winter coats from St. John United Church of Christ to the Benavides Kindergarten Center
 - b. One (1) Skutt KS Series Kiln valued at \$1,485 from The Dunham Fund to Dieterich Elementary School
 - c. 170 books valued at \$2,000 from Monarch Landing to Dieterich Elementary School
 - d. \$1,000 to be used for supplies, special programs, or student needs from New Hope Southern Missionary Baptist Church to Dieterich Elementary School
 - e. Gym shoes valued at \$400 and \$502.88 to support mini-grants from New England Congregational Church to Dieterich Elementary School
 - f. 20 children's winter coats from Kiwanis/CIS/City of Aurora to the Benavides Kindergarten Center
 - g. Winter coats valued at \$500 from Kiwanis Club to Dieterich Elementary School
 - h. Winter coats valued at \$2,000 from City of Aurora and Kiwanis Club to Fred Rodgers Magnet Academy
 - i. \$2,000 to East Aurora High School band programs from Mr. David Schmitz
 - j. Winter coats valued at \$2,275 from Kiwanis/CIS/City of Aurora to Johnson Elementary School
 - k. Folders, binders, card stock paper, and mailing labels from Trust Company to the Benavides Kindergarten Center
 - l. \$750 from Toyota Motor Sales to Allen School for the purchase of school supplies for students in need

Action Items

8. Motion to Approve Adoption Resolution Authorizing and Directing Tax Levy
9. Motion to award Conference Room furniture bid to Kentwood Office Furniture

Informational Items

10. Levy
11. Risk Management Insurance Update
12. Communities in Schools
13. Future Bids

Minutes

The Finance Committee began promptly at 4:30 pm. There were no public comments or questions.

Levy: Ms. Christi Tyler presented the tentative 2015 tax levy. Ms. Tyler stated the board has to approve the tentative levy 30 days before the final levy is adopted, which must be filed with the County by the last Tuesday in December. We are in a tax cap county under the PTELL (Property Tax Extension Limitation Law) this limits the increase in the tax extension to the lesser of CPI or 5%. Ms. Tyler stated that the CPI has never reached 5% since PTELL was enacted in 1991.

To calculate the extension you take last years' extension (the amount received without bond and interest) multiply by CPI (in this case .8%) and this calculation will give you the 2015 extension. Then we divide the extension by the EAV minus new property this calculation becomes the tax rate without the bond and interest. Mr. Ken Darby indicated this number was a little lower from last year, Ms. Tyler agreed. Ms. Annette Johnson asked if PMA was able to run a report indicating where the taxes were coming from and what zones were running high, Ms. Tyler answered she did not have current data, but PMA will contact the county for this information.

Ms. Tyler mentioned the Board's action in the fall with bond refunding and the \$2 million payment helped to reduce the tax rate. A Truth-in-Taxation hearing is not required since the levy request increase is less than 5%. The levy is the best guess of what can be captured in local property tax revenue. The county will only extend what the District asks for, no more-probably less.

Ms. Tyler stated that District 131 continues to lose general state aid over the last five years it is \$38.2 million. We have received some lower the limit funds, but we are not receiving everything due to District 131. The budget stalemate in Springfield might mean that categorical payments such as special education and transportation might not be paid (roughly \$9 million). Ms. Johnson asked if the state was paying on time, Ms. Tyler responded the state is only paying general state aid on time.

Ms. Johnson asked what the impact would be if this levy year, the District only increased the extension by new property not taking CPI. Ms. Tyler replied, with CPI we could expect to receive about \$240,000. Mr. Darby asked why the Municipal Retirement rate was higher this year than last year. Ms. Tyler answered last year District 131 purposefully drew that fund down due to a surplus, this money can only be used for IMRF and Social Security in fiscal year 15.

Ms. Johnson asked what would happen if the District levied less than our funds, for example \$2 million less in the education fund. How would this affect District 131? Ms. Tyler answered it would create an unbalanced budget. Ms. Johnson stated that in the past if the Distract would have a surplus, the District could take that surplus for the buildings, and we can technically levy for less but it would create a deficit in the budget.

Risk Management Insurance Update: Mr. Darby had some questions in regards to the insurance audit and limits.

- The insurance audit that was done recommended the equipment breakdown limit be increased, they have been increased from \$3,000,000 to \$309,432,831
- The earthquake hazard limit was increased from \$1,000,000 to \$25,000,000 (which is their standard policy)
- Deductibles were reviewed, an increase to the current deductible would be looked at for the next renewal
- Property insurance premiums are set by multiplying the value of your building and its contents by a rate determined by the insurance carrier.
- Cyber coverage is for network security. Mr. Darby asked if we were currently covered for this, Ms. Tyler replied unless this rider is added we would not be covered. Mr. Darby asked what other districts have done; Ms. Tyler responded District 129 did have this protection. Ms. Tyler will ask the technology department what safeguards are currently in place, and if they feel this is a need for the District.

Communities in Schools: Dr. Popp indicated there was a request from this organization to work on a grant with them. They made a request for pre-payment on invoices, since their payment cycle differs from our billing cycle. Ms. Beatrice Reyes-Childress checked with the State to see if this would be allowable, the State confirmed this is not allowable due to the parameters of the grant.

Ms. Johnson would like Family Focus and Communities in School grants to operate equally. Dr. Popp agreed, he checked into this and discovered that we are the primary on the Communities in Schools grant and Family Focus is the primary on theirs. This causes a different focus on control. Ms. Johnson asked Dr. Popp if we were going to continue and let Family Focus be a direct grant recipient. Dr. Popp indicated that ultimately District 131 would like to be the primary on the grant. Mr. Darby asked when does the grant expire/renew, can it be changed, does it expire in July? Ms. Tyler indicated it cannot be changed mid-year.

Ms. Reyes-Childress stated there have been regular meetings with Family Focus in order to level out the services. Mr. Darby asked what oversight we have on this program now; Ms. Reyes-Childress replied reports have been provided indicating number of students in program; principals meet with Family Focus as well as with administrator. She also said the goal would be to have the same model with Family Focus as we have with Communities in Schools. Currently there is no third party monitoring this grant, Family Focus monitors their own grant.

Ms. Johnson would like to refocus our position in the grants department; we need to bring in some dollars. West Aurora recently was awarded an energy efficiency grant, why didn't we apply for it? Ms. Reyes-Childress said she would investigate.

Bids:

Conference Room Furniture: The conference room furniture bid was opened on October 28, 2015. Three companies submitted bids: Bee Liner, Kentwood Office Furniture and, American Business Interiors. Kentwood Office Furniture came in as the lowest bidder. The IDEA grant will be paying for this, since this is for IEP conference rooms.

Future Bids: Ms. Tyler stated that the registration packet bid is scheduled to be opened on November 12, 2015. Two big bids coming up will be the food service and transportation. Ms. Tyler would like to start the transportation bid process in January. The food service bid will also be up; this one does not have to be bid this year, since we are locked into 5-year CPI increase. (A different CPI than the levy, it is the Food Away From Home.) Ms. Johnson would like to see a food service bid put out, to include cleaning up the cafeteria and pre-plated meals for the elementary schools. Ms. Johnson feels it would be cleaner. Ms. Tyler mentioned that our current food service provider does pass all health inspections. Ms. Tyler mentioned that this is the only bid that needs to be approved by ISBE first before it goes out to the

vendors. Dr. Popp asked if there was a chance that putting out a bid would cost the District more money. Ms. Tyler responded there is always that chance.

New Business: There was no new business.

The meeting adjourned at 5:22 pm.