

MEETING NOTES
FINANCE COMMITTEE
COMMUNITY UNIT SCHOOL DISTRICT 200
July 26, 2023

A meeting of the Finance Committee of the Board of Education of Community Unit School District 200, DuPage County, Illinois, was called to order at 4:30 PM on Wednesday, July 26, 2023, at the School Service Center, 130 W Park Ave, Wheaton, IL.

PRESENT

Board Members: Mr. Dave Long
 Mr. Erik Hjerpe

Staff: Dr. Jeff Schuler, Superintendent
 Dr. Brian O’Keeffe, Asst. Superintendent for Business Operations
 Ms. Erica Loiacono, Director of Community Engagement and Communications

At the July Board meeting, it was noted the committee structure is intended to ensure some of the detailed work at the Board level should happen at the committee level. The agenda for the committee meeting reflects the interest addressed by the Board.

Discussion of FY 24 Tentative Budget

There was discussion on the following:

- The preliminary actuals for FY23 are not finalized and books are not closed. It will be helpful to have that for comparison purposes.
- Cash basis vs. accrual basis look.
- FY24 budget.
- Operating expense per pupil – would like to see the trend on this.
- Request to see a list of fixed vs. variable costs – helpful when looking at enrollment and determining when any adjustments need to be made.
- All funds summary – explanation going from the operating balance to the adjusted operating surplus (backing out non-operating expenditures).
- Capital summer projects bridging two years and how we budget for that.
- Creating a cash-to-accrual bridge document to help people understand.
- What other districts do – cash vs. accrual basis.
- Staffing – did not budget fewer positions due to the 6% salary increases, but based on end-of-school-year numbers.
- Need a clearer understanding of the breakdown of staff numbers – certified/non-certified staff.
- The salary cost in the budget – is not necessarily tied to a projection of a specific headcount. Also noted, the things that will change tied to the salary number from July through early September – individual teacher placement, added registration in early August, and the potential of adding sections.
- The September HR report to the Board – number of certified, classified staff and the look back to previous history.
- Types of certified teachers – not just classroom teachers, but multilingual, reading and math intervention certified staff.
- Middle School (MS) construction – any costs built into the FY 24 budget to prepare for the future?

- Retiring debt service and strategic options related to surplus – currently not reflected in the budget. Is there a timeline regarding a specific option that needs to align with the overall budget? Abatement?
- The process to inform and drive to any decision point and potential timeline – committee level, board level introduction, and decision.
- We have done the work the community approved, allow you to cushion the impact of the upcoming levy, and an opportunity to elevate the conversation in the community as to what is happening with debt service.
- Related to how you approach the MS projects.
- Opportunities for communication – market and message it and make sure it gets to the people that need to hear it the most.
- MS Community Engagement Committee – message to the community about the good work the District is doing. Pull pieces off of the finance overview profile to feature at each board meeting – small oral reports – having Finance 101 sessions.
- How to handle the transfers and paying for the capital projects – a follow-up to the July Board meeting discussion. Originally was in fund 60, the auditor believes it is easier in fund 20. A resolution will be required if transfer it to fund 60. The decision to keep it where it was originally booked (fund 60).

Discussion of Sherman Dergis Policy and Future Planning

Dr. Schuler provided a copy of Board Policy 4:152 Capital Renewal Funding – Sherman Dergis Methodology. This included information on the following:

- General comment – policies included in the policy manual that end with a “2” are a local policy.
- The policy related to the Sherman Dergis Methodology is a local policy.
- The history of policy 4:152 developed in 2017 and it was the Board’s effort to put some accountability in future funding of capital projects.
- The annual spend number targeted for capital improvements was \$7.2 million. There was no escalator built into this. The ramp plan was built in to get to the 7.2 million.
- A good time to revisit this.

There was discussion on the following:

- Escalator – the age of the buildings and inflation need to be considered.
- The middle school projects are the last major catch-up.
- Other major projects going forward – HVAC systems and those things tied to mechanical.
- Enhancements outside of maintenance – not the intent of Sherman Dergis.
- The exercise of looking at a reset – we made the pledge to this and have stayed true to it.
- The idea to link it to a percentage of the budget or to CPI (the Business office would advocate for the latter).
- Sherman Dergis (SD) considerations on where we land:
 - We have done what we said we would; getting schools up to date
 - SD cannot be the sole funding for the middle school projects
 - SD is not for anything other than maintenance
 - Recognizing we have not reset the level in 6-7 years; might need to tie it to some indicator moving forward
- Board fund balance level.
- The District has naturally ramped up SD already (based on what has been done over the last years exceeding \$7.2 million).
- The need to look at other funding mechanisms.
- Reviewing this with the Board Facilities Committee.

Review of Finance One-Page Communication

Dr. Schuler and Dr. O’Keeffe asked the Board members to review the Finance Overview one-page communication document before the next committee meeting to do the following:

- Identify if there is any information currently on the document they believe is not relevant to the community.
- Identify if there are any aspects of the budget or financial picture that are not represented on the document that should be included.

There was discussion on the following:

- There is some overlap between the Finance Overview document and the Facilities Overview document.
- There is room to move some of the information around and add some additional information to the document.

Discussion of FY 25 Budget Planning

- The timeline for the FY 25 budget planning process will be discussed at the next committee meeting.
- Typically, the budget planning process begins in January (based on the five-year projections). Will discuss accelerating this process.
- Provide insight to the committee as to the input pieces that go into the planning tool for the five-year projections.

Other/Future Agenda Topics

- Request for a future agenda topic – top twenty expenditures that are on contract (excluding personnel) – what are they, dollar value, when up for renewal, which of them are tied to CPI, and timing for anything going out to bid. Noted food service and transportation.
- Will look for an August Finance Committee date.

Public Comment

None

The meeting adjourned at 5:47 PM.