

MEETING NOTES
FINANCE COMMITTEE
COMMUNITY UNIT SCHOOL DISTRICT 200
January 19, 2022

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 1:31 PM on Wednesday, January 19, 2022, at the School Service Center, 130 W Park Ave, Wheaton, IL.

PRESENT

Board Members: Ms. Susan Booton
Mr. Dave Long (participated remotely)

Staff: Dr. Jeff Schuler, Superintendent
Dr. Brian O’Keeffe, Asst. Superintendent of Business Operations
Ms. Kim Funkhouser, Comptroller/Treasurer (participated remotely)
Ms. Erica Loiacono, Director of Communications and Community Engagement

Discussion of 5-Year Projections and Assumptions

Dr. Brian O’Keeffe reviewed the forecast model assumptions used for the five-year financial projections. Historically this has gone through the finance committee, before presenting to the full board (scheduled for January 26). This included information on the following:

- Suggested Revenue Assumptions
 - Consumer Price Index (CPI)
 - New Growth
 - Investment Income
 - EBF Funding
 - Categorical Funding
 - Federal Funding
 - All Other Revenue
- Suggested Expenditure Assumptions
 - Salaries/Staffing
 - Medical/Dental
 - Contracted Services
- Suggested Other Sources and Uses

There was information presented and/or discussion on the following:

- Levy 2021 (1.4%) and Levy 2022 (7.0% with school districts limited to a PTELL - tax cap- rate of 5.0%).
- TIF 2 from the City of Wheaton will be coming off the books. Estimated at \$1.8 Million shifting from the City of Wheaton to CUSD 200. The final amount is to be determined from the City of Wheaton and final numbers are anticipated in May 2022.
- Incremental EAV (Equalized Assessed Value) and how this is calculated.
- New growth estimate – Naper Commons will not fall into this until Levy 2023, but Lexington Trace, Everton, and other smaller pockets of new growth in the district will be included in Levy 2022 (estimated at \$1.5 million).

- Levy placeholder for 2023 – discussion on 4.0% vs. 3.0%. Historical perspective of CPI, the potential for inflation to come down quickly, impact on the revenue side. 3% will be used in the model for levy 2023.
- Truth in taxation hearing.
- Consideration of potential abatement in 2023, timing, and requirements.
- Communication and education process- explanation of the tax levy, what is funded, etc. to the community.
- Federal funding – reduction after FY 24 of ESSER dollars.
- There is no anticipated change in the fee schedule for 2022-23. Fees were reduced last year and the recommendation is they stay flat.
- On the expenditures side, salaries are based on WWEA and CEA contracts. Staffing level projections are flat.
- The ARP ESSER positions funding is only through FY 24. A funding source for these positions will be needed for FY 25. These positions will be built into the model and strategic planning.
- Insurance (medical and dental) projected annual increases of 5.0%.
- Food Service and Custodial Service outsourcing projected increases are from 5-10% (based on the impact of the minimum wage increases and the wage pressures in FY 22 and FY 23). On the transportation side, the projected increase is from 10-15% for the same issues.
- It is uncertain if the free lunch/meals for all students enacted by ISBE will continue beyond the 2021-22 school year.
- Capital projects budget (\$7.2 million) will continue to fund capital project/facilities work.
- The five-year projections using the 5 Cast forecasting tool will be presented at the January 26 meeting to the full board.
- Discussions on the master facility plan based on the five-year projections will begin in the Facilities Committee and the strategic plan.

Discussion of Fund Balance Policy and Capital Projects Funding

Dr. Schuler noted the current Board fund balance policy specifies a target fund balance range of 25-40%. Utilization of fund balance for facilities work can be a discussion point by the Facilities Committee when reviewing summer capital projects. As the business office ran the updated model on cash flow throughout the year when looking at summer 2022 projects, the uncertainty of the timing of revenue as it relates to drawing down fund balance was noted. The administration is recommending the Finance Committee look at the fund balance policy to ensure the 25-40% target fund balance range is sufficient.

There were comments and/or questions on the following:

- Revisit the policy so the Board understands what the point is when looking at fund balance that we can use some of that fund for project work.
- This will be important over the upcoming years as the District looks at work that needs to be done.
- Looking at the fund balance policy and if it is appropriately anchored; when can you draw resources from the fund balance? Important to know and understand this.
- Both the Finance and Facilities Committees will have conversations happening simultaneously.
- History on how the 25-40% target range was chosen.

Public Comment

None

The meeting adjourned at 2:55 PM.