

MEETING NOTES
FINANCE COMMITTEE
COMMUNITY UNIT SCHOOL DISTRICT 200
February 28, 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 8:30 AM on Tuesday, February 28, 2023, at the School Service Center, 130 W Park Ave, Wheaton, IL.

PRESENT

Board Members: Ms. Susan Booton
Mr. Dave Long

Staff: Dr. Jeff Schuler, Superintendent
Dr. Brian O’Keeffe, Asst. Superintendent of Business Operations
Mr. Jordan Thorse, Comptroller/Treasurer

Discussion of Funding Concepts for Facility Projects

Dr. Schuler provided context for the meeting:

- The Board heard concepts at the Feb 8 meeting.
- The concepts were reviewed with the Citizens Advisory Committee (CAC) on Feb 15, which included the cost for the base/low option (fixing the capital needs that are there and the base cost that is associated with this).
- The Community Engagement Committee met last week to look at an engagement process. This will be brought to the March 8 meeting.
- Today, will bring the funding options/scenarios into the conversation.
- The difference between the tools available now vs. 2017 related to finance options.
 - The Board was not spending on an annual basis what they are now for capital improvements
 - Board fund balance now vs. 2017
 - Had limited flexibility in terms of available tools
 - The Board’s financial picture, current debt service, and what is rolling off
- Presenting the concepts and information in the most presentable transparent way to the Board and community.

Dr. O’Keeffe provided information on the funding options for the Middle School capital facilities plan. This included information on the following:

- Description, amount, and pros/cons for each of the options.
- Options: existing fund balance, pledge O & M dollars from future budgets, utilize debt service extension base (DSEB) to issue bonds, utilize debt certificates payable from operating funds, approve referendum question to authorize sale of bonds.

D200 Debt Overview and Financing Scenarios (provided by PMA Securities) were reviewed and included the following:

- New Money Scenarios
 - 5-Year Non-Referendum Bond (Oct 2024) @ CM Rates Plus 0.5%
Estimated Proceeds: \$18 million (Graph and Detail)
 - 10-Year Non-Referendum Bond (Oct 2024) @ CM Rates Plus 0.5%

- Estimated Proceeds: \$35 million (Graph and Detail)
 - Debt Certificate Matrix
 - Referendum Matrix
- Market Update
 - Interest Rates* Since Jan 2003
 - Interest Rates* Since Jan 2020
 - 10-yr MMD (Municipal Market Data) vs. 10-yr Treasury
 - Disclosure
- Appendix A: Outstanding Debt Service
 - Overall Debt Service
 - Debt Service Extension Base

There was discussion on the following:

- The impact of the options on the Forecast 5 projections.
- State of IL: revenue promises to school districts – the potential impact on fund balance.
- Sherman Dergis policy (\$7.2 million annually to capital projects) – if dedicate some or all to MS projects, other maintenance could be left behind.
- Ensuring the Board knows what maintenance/capital projects are anticipated for the upcoming years. What are you pushing out there if you do anything that locks up the Sherman Dergis allocation for the foreseeable future?
- Two major systems analyses to do going forward – HVAC systems (any to likely come due in the next four years) and roofs.
- Debt Service Extension Base (DSEB) to issue bonds – how the process works.
- Max time for any borrowing structure – 20 years.
- Short-term vs. long-term payback.
- Debt-service obligation.
- The inflationary aspect of projects.
- Question on the timing of payment (should there be a referendum question).
- Debt certificates – how they work.
- Understanding these options can be put in combination; these are options and not recommendations.

Dr. Schuler summarized that the goal on March 8 is for the Board to understand the base costs (low option), mid/high options, funding options, and what a true engagement plan will look like. Additionally, is there any other information the Board needs to move this forward?

Public Comment

- Past referendum debt being backloaded.
- Improvements made at Pleasant Hill (flooring) and Franklin (stairwells/staircases) – good improvements; there is nothing wrong with those kinds of facility needs being upgraded.

The meeting adjourned at 9:36 AM.