

**MEETING NOTES**  
**FINANCE COMMITTEE**  
**COMMUNITY UNIT SCHOOL DISTRICT 200**  
**November 30, 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 4:02 PM on Thursday, November 30, 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  
                          Mr. Jordan Thorse, Comptroller/Treasurer

**Review of the Final FY23 Levy**

Dr. O’Keeffe reviewed the two outstanding items needed to approach the final levy - new construction (getting information back from the three townships - Milton, Winfield, and Naperville) and anticipated EAV increases.

This included information on the following:

- Information received from Milton Township (the largest part of where the district resides) on projected new construction for 2023 - estimating just more than \$29 million, and looking at a factor of 5.5% increase in EAV.
- Information from Winfield Township - looking at more than \$5 million in new construction (directly tied to Lexington Trace and Everton Townhomes and are within TIF #4 in Warrenville, so the district does not see any of that).
- Information from Naperville Township - projected new construction of \$4.675 million (Arden Apts - because this is considered a multi-family facility, it qualifies as commercial).
- This totals \$34 million in new construction which is estimated, so to ensure all is captured the number has been bumped to \$45 million.
- The placeholder used in the tentative levy was \$30 million and now has been increased to \$45 million.
- TIF #4 (Warrenville) expires in 2040.
- Increase in EAV - left at 6%.
- 2023 is the four-year property recycle - every single property is revalued in DuPage County.
- Have not changed our projection on CPI as a whole.
- EAV Analysis - due to the increase in new construction, looking at a 7% increase in EAV. This also changes the “How the Extension is Calculated?” number in line item #4.
- Changes to the projected 2023 tax rate extension - 4.7580% (this number does not include a reduction in terms of any potential abatement).
- With the additional \$15 million, looking at an overall increase in the levy of 4.07% (assuming everything else came in as is).
- Should there be a \$2 million abatement, looking at an increase in the levy of 2.94%.

- December board agenda action items related to this: open and close the truth-in-taxation public hearing, and two separate action items: approve the levy as presented, and approve the resolution to abate \$2 million.

There was information and/or discussion on the following:

- What is the process for knowing developments are included in a TIF? And what happens when property comes off of a TIF?
- What is the driver of the Milton Township number? Waiting on return call from the assessor on this.
- EAV factors - do not factor into calculations, but gives a perspective on what the assessors think EAV is going to grow by.
- Abatement concern as it relates to borrowing money in the future for middle school projects.
- Legal opinion on Interest Earnings: ISBE procedure - have to declare interest earnings prior to the end of the fiscal year to have them be declared as interest for that fiscal year. Anything prior to FY 24 is off the books and considered principal from ISBE perspective.
- EAV percent spike this year from subsequent years.

### **FY23 Audit Update**

Dr. O'Keeffe and Mr. Thorse provided the draft audit documents received from BakerTilly, including:

- Memorandum highlight of the financial audit
- AFR (Annual Financial Report)
- Reporting and Insights from 2023 Audit document from the auditors to the CUSD 200 Board of Education
- Audited Financial Statements using the accrual method
- Single Audit
- Supplemental Information (what goes into the single audit) - related to federal grants; auditors affirming federal dollars in each of the grant categories

There was information and/or discussion on the following:

- The audit was clean.
- Nick Cavaliere, Partner for Baker Tilley, will be providing a high-level recap of the audit at the December 13, 2023 meeting.
- Clarification on memo information - increase of deferred inflows pension. This is required to identify what the board's portion of pension liability is specific to TRS and IMRF.
- Electronic copies of the documents will be sent to the Board ahead of the board packet due to the amount of reading.
- What the district puts together for the audit vs. Baker Tilley.

### **Review of Assumptions for 5-Year Projections**

#### **a. FY25 Student Fees**

Dr. O'Keeffe reviewed information related to the assumptions information that will be used for the 5-year financial projections. This included the 5-year projection output summary from FY23 through FY28, the ADK financial considerations summary for FY24, and the D200 fee schedules for 2020-21 through 2023-24. There was information and/or discussion on the following:

- Fund balance information as of June 30, 2023
- The difference in operation fund balance totals from Spring 2023 to June 2023 (\$8 million) - the increase is due to:

- We collect everything on a cash basis on the budgeting side of things. There is \$4.7 million in tax payments beyond a 50% threshold that were paid prior to the end of the fiscal year.
- We received more than \$1 million in CPPRT than was budgeted.
- Last minute state reimbursements related to grants that did not anticipate would come in.
- The amount does not include TIF disbursement or anything for adjudications related to June.
- Minimal Fund Balance by policy - 25%.
- Receiving excess payments in advance of the fiscal year - three years in a row.
- Headcount adjustments made coming into this year and this is reflected in the budget carried forward.
- EBF enrollment numbers - flattened this year, as opposed to going down the last number of years.
- Headcount needs and the impact on the 5-year projections.
- Positions/roles added using the ESSER funds - not reflected in the cost side coming out; we built the set of projections to model out what it would look like if we kept the supports, but backed out the corresponding grant revenues.
- The transition into FY 26 will potentially show some work to do to close the gap; Sherman Dergis and Fund Balance Policies; and playground replacement projects.
- What we are targeting as to where we think the levy is going to be is higher than was put into the projections (by 50 basis points each year). That could be additional revenue going into the model which will carry forward and compound each year.
- We can run as many models as we want and review them side by side.
- CPI for December will be known the second week of January and that will drive the conversation for the budget for next year.
- Other expenditures (300's - services, 400's - supplies) should follow the trend of tying that to CPI for forecasting purposes. Biggest items - transportation, food, custodial.
- The timeline going forward - the Finance Committee will meet again before the January Committee of the Whole meeting to review various 5-year projections.
- Dr. O'Keeffe hopes to have an initial draft of the 5-year projections before winter break.
- Cost containment conversations and evaluating resources - easier when we know it is coming.

#### Registration/Student Fees

- The history of registration over the last four years from 2020-21 through 2023-24.
- Adjusting fees (based on the 10-day enrollment numbers) back to where they were in 2020-21 would mean additional revenue of over \$900,000.
- The revenue impact of ADK fee reduction.
- From a fee perspective, would like to view the five-year projections without any increase in registration fees.
- D200 Fees compared to comparable unit districts in the area.
- Timeline for any fee increases: 24-25 vs. 25-26.
- Review of fees - last time there was an increase in registration fees.
- Student parking fees; spaces on buses for high school students.
- Other fees - pass-throughs going back to buildings vs. flowing into the district.

Request to see in a model - clean up starting balance, reflect ADK fee impact when required by statute, and adjust the other expenses to be tied to CPI.

#### Public Comment

None

The meeting adjourned at 5:07 PM.