

Finance Committee Meeting  
November 7, 2017 | 4:00 PM  
Keil Building – Third Floor Conference Room

**Members Present:** Brian Hodges; Paul Fregeau; Michael Dugan; and Todd Covault

**Members Absent:** Beth Nolan and Bobbi Williams

**Others Present:** Paula Busboom; Anne Noble; Kay Geskey; and Rhonda Thornton

The meeting was called to order at 4:00 PM. There was no public participation and the minutes from the October 3, 2017 meeting were approved by acclamation.

### **Bond Issuance**

- Anne Noble, Underwriter Representative, was present
- Calendar
  - Bids out with banks
    - Submitted bid packet to approximately 70 banks across the state
    - Approximately 60 banks were sent packages
    - Bid packets were provided to local banks (within the District)
  - Bids due back tomorrow (November 8<sup>th</sup>)
  - Board Agenda item to approve resolution - November 14<sup>th</sup>
    - Business Office will need assistance from Anne Noble for board report
  - Board not wanting to increase levy
    - Address levy rate as necessary through other funds
  - Tax Exempt Status of Bond
    - Sell as taxable: Investors owes taxes on the earned interest. District has free pass how to spend and how fast to spend the funds.
    - Issue tax exempt – IRS and Federal Government not fond of tax exempt bonds
      - Estimated difference, approximately 30 basis points.
      - Money has to be used for capital projects
      - Spend within three years of when funds are received
    - \$2.2 million new bond payment
  - Tax Levy
    - Covault expressed that the Board has made it clear that they want to hold the levy rate to have a zero increase
    - Estimated Assessed Value for 2017 taxes will be less than 2016
    - IMRF and FICA/Medicare – levying for \$4 million
      - Expenses next year = \$4.3 million
      - Spending down fund balance
      - If PTELL is implemented, District’s future extension authority will be based upon extension in place
  - Park District Abatement Agreement
    - Park District has their respective Board adopt resolution. Treasurer is provide authority to abate the extension as necessary to hold the levy rate at a specific level.

### **Property Tax Abatement**

- Annual Abatement – 2011A and 2011B
- Covault is concerned about paragraph three, holding 1.25 times principal and interest payable in the respective year
  - Working with Bond Counsel for guidance on language in the resolution

### **Sales Tax Refinancing**

- Taxes paid on internet do not come back to County
- Average annual decline is \$115,000 in taxes collected
- Projecting sales tax collections will be \$5.046 million in FY17

### **Capital Projects Fund Balance**

- \$433,000 in capital projects (committed)
  - Closing out summer projects (Parson's drive, Oak Grove and Harris heating/cooling, EHS bleachers and press box).
- Have to maintain some level of fund balance
  - Humidity issues at high schools – value added benefit to District (estimated \$130,000)
- 2011 – high school projects – sold two sets of bonds
  - QZAB Bonds
    - Heavily subsidized bond from Federal Government
  - Standard Alternate Revenue Bond
    - Vast Majority of High School Project
    - \$66 million outstanding
    - Callable in 2021 (January)
      - Date of which you could pay off and roll into a new bond issue

### **Discussion of Alternative Revenue Funding – Renewable Energy Projects**

- Have to get allocation from federal government to issue
- Typically projects less than \$10 million
- Still have to find a way within debt authority to structure repayment
  - Can pay out of operations fund

### **Lead Expenses – Transfer Tort Funds**

- Specific language authorizes moving revenue from Tort to O&M to cover cost of testing
- Counsel has clarified that District can use Tort funds to pay for mitigation as well
- Counsel and Administration working out details
  - Resolution would have to be taken to the Board for approval

### **Procurement Card Handbook**

- Page 5 – Added gift cards to Prohibited Purchases list
- Page 12 – Added - Employees are discouraged from obtaining personal benefits from the use of a p-Card including earning personal travel credits or personal travel points from the use of the p-Card
  - Language is not prohibitive but discouraged
- Two pages need to be fixed to say Decatur Public School District #61
- Received Superintendent's p-Card this week
- Need to go through a month cycle to finalize language (20<sup>th</sup> day is billing date; 28<sup>th</sup> the payment due date, etc.)

### **Delta Dental Renewal**

- Proposed increase of 0%
- Negotiating with broker trying to obtain a reduction in the rate
- Significant savings with dental program

Committee moved into Closed Session.

Meeting adjourned at 5:07 PM