



Oswego Community Unit School District 308

SERVING ALL OR PARTS OF THE COMMUNITIES OF
AURORA, JOLIET, MONTGOMERY, OSWEGO, PLAINFIELD AND YORKVILLE

Finance and Facilities Advisory Committee Minutes

District Administration Center

4175 Route 71, Oswego

(Enter through door #2)

Room# 61

Monday, November 8, 2021

6:00 p.m. – 7:30 p.m.

I. Roll call

The sign in sheet was used in place of an official roll call. Meeting called to order at 6:02 pm.

Members in Attendance: Rob Allison, Michael Campagnolo, Jamie Diaz, Marcus Lewis, Brent Lightfoot, Bill Mueller, Kaila Mugford, Erika Sieh, Dr. John Petzke, Chief Financial Officer, Lauri Doyle Board Member Co-Chair *–(arrived at 6:14p.m.)* and Eugene Gatewood Board Member Co-Chair

Members Absent: Kenneth Blue, Robert Eberhardt

Guests: Robert Lewis –Senior Vice President, Managing Director of PMA Securities, LLC

Recording Secretary: Terry Gotchie

II. Welcome and Introductions

Dr. Petzke introduced Robert Lewis from PMA Securities. Robert will be presenting the Market Update, District Debt Overview, Non-Referendum Scenarios and Refunding Analysis.

III. Approval of Minutes from Finance and Facilities meeting on October 18, 2021

A motion was made by Mr. Eugene Gatewood, second by Ms. Erika Sieh, to approve the Finance and Facility minutes from October 18, 2021. All members in attendance were in favor.

IV. Debt Overview

In the [Debt Overview](#), Robert Lewis will review our debt history and discuss what restructuring options are available for the district to consider. Robert Lewis did a recap on the law that applies to non-referendum bonds for school districts. First, you look at the school code, which allows them to do 4 different non-referendum bonds: Working Cash Bonds and Life Safety Bonds (everything you pay for has to be life safety improvement and certified by the state) are the ones most used. In 1997, the district levied 2 ½ million dollars to pay the payment on non-referendum bond which became the District's Debt Service Extension Base (DSEB). The current DSEB for the levy year 2021:\$3,160,275. Erika Sieh asked if the CPI was going to go up significantly due to inflation. Robert Lewis stated that it could not go up more than 5% due to the tax cap law.

Brent Lightfoot asked if we could use the 4 million that is in the original budget to pay for some of the outstanding project. Per Dr. Petzke, that is our fund balance (reserves) and we do not want to use to pay capital. It is being accumulated so we don't have to issue a tax anticipation warrant. Per Lauri Doyle, monies were not set aside for the Deferred Maintenance Plan. Robert Lewis stated that the end of last year's Board of Education (BOE) meeting, the resolution was presented for restructuring, and the BOE tabled the resolution because they wanted to see what it would look like with the DSEB bond in the picture. The next BOE meeting, 4 different scenarios of DSEB bonds were presented and Christi Tyler presented 20 million dollars worth of projects.

Robert Lewis presented a scenario of six-year DSEB borrowing @ current market rate plus 0.5% Estimated Proceeds: \$17,500,000 to be presented at the BOE November 15th to potentially be used for capital improvement projects.

Timeline of Key Events for DSEB Bonds sale is as follows for the BOE:

December 6 – BOE Adopts Notice of Intent Resolution and President Signs Order calling for Bond Issue Notification Act (BINA) hearing.

January 10 – BINA Hearing (During the waiting period, if 10% of the voters sign a petition not allowing the sale of DSEB bonds, the sale will be prevented unless the BOE asks for referendum).

January 24 – BOE approves parameter resolution authorizing the sale and set maximum terms.

Kaila Mugford asked if we do not get our 17 million from a DSEB bond sale, what are our options? Dr. Petzke stated we are limited to our operational levy and operation/maintenance budget, which is not enough money to take care of facility needs.

Bill Mueller stated that we need the community on our side and the best way to do that is to be transparent and go back to the 2014 Deferred Maintenance Plan and show what has been completed and what still outstanding.

Brent Lightfoot asked if there is a possibility of issuing debt in smaller amounts. Do a 3-year DSEB sale now and 3-year DSEB sale in another 3 years if needed. Eugene Gatewood stated that this is something we could consider but when you look at some of the equipment that is in critical failure (about 20 million) we can't wait an additional 5 years to get the lump sum.

Per Rob Allison, we need to take into consideration that our cost for equipment has skyrocketed due to Covid. The next 2 years, costs most likely will be going up.

V. Levy Update

Dr. Petzke provided the updated [Levy](#) presentation that will be presented to the BOE on November 15, 2021. Eugene Gatewood asked if the average home price in the example is actually \$300,000? Dr. Petzke stated, the past 2 years of district presentations referenced home prices between \$250,000 and \$300,000. Per Lauri Doyle, during the last referendum, Dr. Sparlin put a calculator on the website so homeowners could calculate their individual home value impact.

Eugene Gatewood stated, the district has paid off 50% of the debt to date and feels this information needs to be shared with the district.

Kaila Mugford asked if Dr. Sparlin could put this information in his updates and include what we have been spending our money on before we ask for more. This will show we are using the money wisely and paying down the debt.

VI. Envision Master Facility Plan Update

Dr. Petzke presented a [spreadsheet](#) with SD308 schools listed, total dollar by priorities 1-3, how much DSEB dollars spent and how much was unfunded. Then he presented a [spreadsheet](#) by project title (Plumbing, Electrical etc.). Eugene Gatewood asked how close are we to getting the updated priority 1 list? If we were to get the 17 million now would we be able to know today where that money will be going? Rob Allison stated that he has a good idea as to what should be priority 1 projects.

VII. Public Comment (3 minutes each)

There was nobody present for public comment

VIII. Adjournment *A motion was made by Mr. Eugene Gatewood to adjourn, second by Mrs. Lauri Doyle; all present were in favor to adjourn. Meeting was adjourned at 7:24 p.m.*