



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

Room 61

January 21, 2020

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 6:00 pm.

Members in Attendance: Rob Allison, Kenneth Blue, Robert Eberhardt, Jaime Diaz, Tatyana Gorski, Kaila Mugford, Phil Murray, Richard Powers, Erika Sieh, Jennifer Smith, Christi Tyler Chief Financial Officer, Brent Lightfoot and Ruth Kroner Board Member Co-Chairs

Members Absent: George Kalule, Bill Mueller

Guests: Jason Coyle from Baker Tilly, Ashita Wagh student at OEHS and her parent.

Recording Secretary: Carrie Szambelan

II. Approval of Minutes from Finance and Facilities meeting on November 25, 2019

A motion was made by Mr. Lightfoot to approve the finance and facility minutes from the November 25, 2019 meeting. All members in attendance agreed unanimously to approve the meeting minutes as presented.

III. FY19 Audit Presentation

Mrs. Christi Tyler introduced Mr. Jason Coyle from Baker Tilly to the committee. Mr. Coyle presented the FY19 audit to the committee members. He mentioned a great summary of the financial health of the district is located in the management discussion and analysis (MD&A) letter. The financial highlights along with some charts are located in this section.

Mr. Coyle mentioned the recommendations for improvement are the segregation of duties in the accounts payable and payroll departments. They are still on the list due to a staffing shortage. Mrs. Tyler mentioned with implementation of the new software, the accounts payable on the list will be improved starting January 1st. The accounts payable person will no longer will be entering PO's and printing checks.

Mr. Coyle familiarized the committee with a basic understating of the financial statements and asked if the committee had any further questions. Mrs. Gorski questioned if Baker Tilly audits other school district and how does this district compare to others. Mr. Coyle stated yes they have other districts they audit in the Chicagoland area and that is a tough question to answer. It really depends on the demographics of the area.

However, Oswego having to borrow TAW's is something that other districts are not doing. The other districts have a healthy fund balance to support the expenses until the county tax revenue arrives in late spring. This district does not.

Mr. Eberhardt asked on page 24 if you could explain line item#32- Capital Bond series 2008 showing \$5.7 million. Mrs. Tyler stated she would email the committee after she finds out. He also asked what line item the impact fees were allocated to. Mrs. Tyler mentioned they are allocated to fund 60, capital projects, shown on page 9 (line 17) for \$455,911 and page 10, line 97, for \$1.4 million. There were no further questions or comments by the committee.

IV. Year by Year Expense Comparison

Mrs. Tyler presented a year-by-year comparison of expenses and revenues of the district since FY15. This represents a summary of the operating funds that includes the education, O&M, transportation, IMRF, and working cash funds. This does not include bond & interest or capital project funds. The columns show budget to actual with increase/decrease over prior years. Overall, the board's goal is to maintain a twenty percent fund balance and eliminate the need to issue TAW's in the future.

V. Impact Fee Discussion

Mr. Lightfoot mentioned he thought it would be a good idea to bring this back to the table to present what impact fees should be for the district. A goal would be to establish a document of the district's position on impact fees. By having this in writing, it will give a guideline of what amount we should be asking the surrounding municipalities to help cover the costs of educating new students in future developments. Mrs. Tyler agreed even though the municipalities set these fees, not the district.

She presented five factors that determine the amount of land required from the residential developer. These factors include: types of housing being built, the number of each type, the number of bedrooms in each unit, the maximum number of students and minimum number of acres for each school type. Studies in the past show that apartments do not have as many children as single-family homes. The number of bedrooms in a unit contribute to the land cash amount a developer will pay.

This last presentation done by Whitt Law done was in October 2017. Mrs. Kroner mentioned an updated report with an enrollment grid by school would be great to see and share with the villages. The committee agreed to invite our surrounding municipalities to a meeting so these concerns can be addressed to them. In addition, some questions can be asked as to how their formulas are determined and what communities do they see developing in the future.

The committee decided to place the municipalities into two different groups for two different meetings. The first group to extend an invitation should be Aurora, Joliet and unincorporated Kendall County. The second group can be Oswego, Plainfield and Montgomery. Mrs. Tyler said she would reach out to them and extend an invite for the next two meetings.

Some future topics of discussion are callable bonds, current enrollment of buildings and incoming kindergarteners for 2021. Bob Lewis from PMA will attend a future meeting most likely in April to discuss the district's expiring bonds.

VI. Public Comment (3 minutes each)

Ashita Wagh, OEHS student and her parent, She had three questions for the committee and the Board Chairs responded after each question.

What are impact fees? Impact fees are designed to help offset some, but not all, of the costs of constructing a new residential development. The first year a house only pays land tax and not property tax until the following year. These fees are paid to the park district and library also.

Are impact fees waived?

Each town establishes these fees and the district has no control. It's up to the town where the development is located.

If so, how does this impact the schools?

For the first year of the area being developed, the district would have no funds to help offset the costs to educate a student.

VII. Adjournment

Mr. Lightfoot asked for a motion to adjourn. All present were in favor to adjourn.

Meeting was adjourned at 7:35pm.

Next meeting: February 18, 2020