



Glen Ellyn School District 41: Ignite Passion. Inspire Excellence. Imagine Possibilities.

**MINUTES
BOARD OF EDUCATION
FINANCE AND FACILITIES COMMITTEE MEETING
JANUARY 13, 2014– 6:00 P.M.
CENTRAL SERVICES OFFICE
793 NORTH MAIN STREET
GLEN ELLYN, IL 60137**

Present: Joe Bochenski, Patrick Escalante, Drew Ellis, Paul Gordon, Bob Ciserella, Erica Nelson, Julie Worthen, Mike Wood, and Carolyn Gust and Kathy Griele and Ken Holub of MB Financial arrived at 6:27 p.m.

The meeting was called to order at 6:02 p.m.

I. Review and approval of minutes from the December 9, 2013, meeting

The minutes were reviewed and approved and will be posted to the district website.

II. 2014 Summer Capital Projects Recommendation

Mr. Ciserella presented the tentative summer project plan which consists of primarily roofing projects. The district received grant funds which it needs to utilize this year or the funds will need to be sent back to the state. These projects will be district-managed. This information will be presented to the Board of Education for discussion at the January 27, 2014, meeting and approval at the February 10, 2014, meetings respectively.

III. 2014 Elementary School Facility Funding

Discussion was held with regard to the funding of the elementary school facilities project. The committee discussed two scenarios around paying for the elementary additions, both of which called for some combination of spending reserve funds and borrowing money:

- Borrow to the maximum that the district can sustain and make up the remainder with reserves. The rationale is that there is a unique opportunity to borrow with historically low interest rates. Borrowing the most that the district can sustain builds the district's credit rating, mitigates the risk of rising interest rates, preserves fund balances against an emergency and maintains flexibility for future boards of education. Should the district mount a referendum in the future, this approach would

allow the district to show the community that it is committed by putting some reserves toward the referendum project.

- Spend cash reserves first and borrow what is still needed next year; the amount of reserves spent down in this scenario could exceed the staff recommendation. The rationale is that this is the most fiscally conservative plan, and shows the community that the district is committed in a different way than the approach above: by spending down reserves before asking for more money via a referendum.

Staff recommendation is to borrow \$7 million upon project approval, using reserves for the remainder (keeping in mind that some soft costs are budgeted for in regular operating funds). Staff believes this is a conservative, cautious approach that protects needed reserve funds and provides the most flexibility for the future.

Mr. Bochenski asked the MB representatives about negotiating for lower costs. Mr. Holub of MB informed the committee that he cannot rule out a reduction but that any reduction would be minor. The district's credit and account balances with MB make the decision to fund the project favorable, but the spread is market-based rather than risk-based. MB will attend the next committee meeting with requested information. The meeting will begin at 6:00 p.m. with MB presenting at 6:30 p.m.

Ms. Nelson requested that Dr. Gordon include in his weekly communication to the board the different rationales behind the committee's approach to funding this project. Dr. Gordon will also look into potential additional committee meeting dates for discussion on this subject.

IV. 21st Century Learning Evaluation – Focus Group

This subject was removed from the agenda.

V. Other

Mr. Escalante requested that Mr. Ciserella present the financials of the hot lunch program to the full board at the January 27, 2014, Board of Education meeting.

VI. Adjourn

The meeting adjourned at 7:25 p.m.