

North Boone Community Unit School District No. 200
Minutes of the Business Services Committee Meeting
District Office
6248 North Boone School Road
Poplar Grove, Illinois 61065
Wednesday, July 11, 2018
6:30 p.m.

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Ed Mulholland at 6:30 p.m. The following Committee members were present: Melissa Geyman, Dr. Mike Greenlee, Kelly Holsker, Tom Kinser, Ed Mulholland and Jamie Pearce. Absent: Kelly Hanaman and Mary Piskie.

AUDIENCE TO VISITORS

(none)

2018-2019 BUDGET

Ms. Geyman provided a detailed presentation on the draft budget and explained the changes in state aid, discussed potential revenue by fund, and described how ESSA now requires all school districts to report expenditures at the school level. She also noted that General State Aid is now Evidence Based Funding. Ms. Geyman has adjusted all the budget codes to accommodate the new reporting requirements. Potential initiatives, professional development and curriculum and technology were also discussed.

Ms. Geyman also presented a chart on spending by site. The expenses per pupil were higher at Poplar Grove Elementary than the other buildings, therefore Mr. Mulholland requested that expenses for Poplar Grove Elementary be separated by regular education and special education to help determine the purpose of the higher cost per pupil. He asked if there could be an effort to level the school costs out equitably and identify any large discrepancies.

BUS PURCHASING VS. LEASING

Ms. Geyman shared our current transportation situation in which we typically purchase 2-3 buses per year. We have a current fleet of 29, and have 23 in the daily rotation. The average miles put on a bus per year were 8,800, with the highest bus at 15,605. She shared the benefits of purchasing included owning the bus, no mileage restrictions and collateral on the bus. The negatives were the large upfront capital cost, and the higher maintenance costs as the buses get older. Leasing benefits include newer buses, less money on maintenance, level payments and stability of cash flow. The drawbacks are it is difficult to switch back to purchasing, we can only claim principal cost on the transportation claim, and mileage is capped at roughly 17,000 miles per year.

Currently, on our transportation reimbursement, we can claim a bus for 5 years, and out of our fleet of 29, about 11 buses can be claimed for reimbursement. The state typically refunds at 80%.

The anticipated 2018-2019 reimbursement is projected at \$174,166, the 2017-2018 reimbursement was \$119,986 and the 2016-2017 reimbursement was \$71,753. We can expect about a \$11,200 reimbursement per bus purchase and potentially realize an \$8,000 reimbursement under a lease. Ms. Geyman gathered lease and purchase quotes from three different bus companies. She summarized by stating there are better stock purchasing options in the fall for summer delivery, reimbursement potential may decrease with leasing, however the reimbursement would be consistent with leasing.

Mr. Mulholland noted that many of the large repairs would be covered under warranties, which would be the responsibility of the leasing agent. Ms. Geyman noted with a budget of about \$200,000, we could lease about 18 buses, but not an entire fleet. Mr. Mulholland asked if we could lease for 3 years, then purchase and start a new depreciation schedule. Ms. Geyman will investigate. Mr. Kinser mentioned leasing can really play with numbers, and he is skeptical about the leasing option. Ms. Geyman stated we currently have 16 buses that are 2013 or older. Mr. Mulholland suggested using a combination of leasing and purchasing. Mr. Kinser would like to see a sustainable plan, and asked if we still had the Alton bond money that we could use to finance our bus purchases. Ms. Geyman said she would call PMA to get an update on that past investment.

AUDITOR

Ms. Geyman shared that Mr. Hildebrandt from Siepert sent a communication on June 20, 2018 stating they would no longer be performing the financial audit, as single audit clients did not benefit their company. Ms. Geyman contacted three other auditors, one of which could not perform the audit this year. The Committee recommended Gorenz and Associates, Ltd. From Peoria, IL. This company is booked until mid-October, but North Boone can file an extension until December 15, 2018 with the ROE. The Committee was in agreement to file an extension, and recommend Gorenz and Associates for approval at the July Board meeting.

SUBSTITUTE RATES FOR SUPPORT STAFF

Ms. Geyman presented the current substitute rates and an overview of paraprofessional and custodial filled and unfilled absences. She also provided substitute paraprofessional wage information from 18 other surrounding districts with ranges from \$8.85-\$13.62 per hour. North Boone's current rate is \$10.00 per hour. Ms. Geyman's substitute custodial graph showed wage information from 5 other area districts, ranging from \$10.56-\$13.69 per hour. North Boone's current sub custodial rate is \$11.26 per hour. The Committee felt with the 49.4% non-filled sub para position rate, we should look to increase the wage. The fill rate for custodians was considered to be 100%, as custodians only needed a sub 29.1% of the time. Since most custodians took their vacations when school was not in session, a substitute was not required the remaining 70.9%. The Committee did not feel the sub custodial rate was the main reason for lack of substitutes.

OTHER ITEMS FOR DISCUSSION

(none)

ANNOUNCEMENTS

(none)

ADJOURNMENT

The meeting adjourned at 7:50 p.m.

Submitted by:

Ed Mulholland / S /
Ed Mulholland, Chair