

BARRINGTON COMMUNITY UNIT SCHOOL DISTRICT 220**Minutes of a Finance Committee Meeting****March 2, 2021****Members Present**

Gavin Newman, Leah Collister-Lazzari

Location

Barrington Middle School - Station Campus, 215 Eastern Avenue, Barrington, Illinois

1. MARCH 2, 2021 FINANCE COMMITTEE MEETING - AGENDA**2. OPEN SESSION****2.01 Roll Call****2.02 Call Meeting to Order at 4:02 p.m.****2.03 Public Comment**

No public comment.

3. AGENDA ITEMS**3.01 Approval of Finance Committee Minutes from February 2, 2021**

The Finance Committee members approved the minutes from the February 2, 2021 Finance Committee meeting.

3.02 TRS Supplemental Savings Plan

At the beginning of February 2021, the Teachers' Retirement System of Illinois (TRS) shared with all Illinois superintendents that the retirement system is implementing a new TRS 457(b) Deferred Compensation Supplemental Savings Plan (SSP) pursuant to 40 ILCS 5/16-204. That portion of the pension code was amended in 2018 and requires TRS to offer an optional defined contribution plan to all eligible members of TRS. Dave stated that our employees already have access to this. TRS stated that school boards were required to adopt a resolution approving the plan and return a signed agreement before March 31, 2021. TRS has since softened its position on the timing for returning agreements. The District's legal counsel, Franczek P.C., stated that it would be premature for boards of education to approve the plan and agreement in the current form from TRS by the end of March 2021. TRS is working with legal counsel to redraft the agreement. Dave stated that the board will eventually be required to approve something based upon the way the law is written. It will not cost the district anything but oversight.

3.03 Custodial Contract Bid

Dave recapped the Facilities Committee's previous conversation regarding the district's custodial contract for Barrington High School and whether to renew with ABM, go out to bid for a new contract, or bring the high school custodial services in-house. ABM offered a one-year renewal of the contract with a 14.83% increase including a staffing reduction of one full time position. Dave stated that the overall costs for the ABM contract at BHS are very low. The district's salary structure is higher and bringing the BHS custodial services in-house would be more expensive. The options remaining are should the district go out to bid for this contract or renew with ABM? Dave feels that the district should go out to bid in order to get the best possible costs that are out there. He also stated that if ABM were to bid, they may come in a little higher than the proposed renewal because they will most likely need new equipment. There is also the possibility that some other company could come in with a better price than ABM. Dave feels there are more upsides to bidding than downsides. He does believe that ABM would like to keep Barrington 220 as a customer and will come in with a competitive bid. After some discussion, the consensus was that the district should go out to bid for the Barrington High School custodial contract.

3.04 Referendum Bond Issue

Bob Lewis, PMA SVP and Managing Director, was present and discussed a document entitled "Referendum Bond Financing Update". The document discussed the referendum bond issue status as a result of the \$147M that was authorized by referendum in 2020, main methods of debt issuance, and bond issuance key timing factors. The debt should be issued so that it is available when needed and balanced against managing interest rate risk. The scenarios discussed were as follows: Scenario 1 - Issue remaining debt in two approximate equal tranches - one in 2021 and one in 2022; or Scenario 2 - Issue all remaining debt in 2021. The Finance Committee stated that they wanted to make the right decision for the district and its taxpayers. Based on recent sales and market conditions, PMA recommends a competitive sale for the 2021 bonds. At the time of issuance, the district needs to have a reasonable expectation to spend 85% of the proceeds within three years. Dave reported that all referendum projects should be almost completed by the end of four years. If interest rates go up by more than 0.25% between now and June 2022, the District will be better off with Scenario 2. Dave stated that he would examine the options further along with any

other possible options and send the committee a follow-up communication that would eventually go to the full Board. Dr. Harris stated that there may be another option that would look like a blend of the two scenarios discussed this evening. This item will be brought to the full Board at their March 16, 2021 meeting.

3.05 Budget Amendment

Dave stated that this is an informational item. Based on anticipated material changes in revenues and/or expenses compared to budget (such as the issuance of additional referendum bonds and receipt and expense of ESSER II funds), the district will need to amend its FY21 budget. Dave reported that budgets are amended through the same process as the initial adoption. The administration wants to make sure to include all big revenue and expenses incurred this year. ISBE has confirmed that Barrington 220 will receive \$2.65M in ESSER II funds. The rules are the same as the first round of funds received except for a few additional things that the money can be spent on. There is FEMA money that is outstanding as well. The plan is to have the amended budget approved by the Board at their June 15, 2021 meeting.

3.06 Resolution Authorizing PTAB Intervention

Dave reported that the current Resolution Authorizing Intervention in Proceedings before the State of Illinois Tax Appeal Board that authorizes Ares Dalianis of Franczek to intervene in proceedings before the State of Illinois Property Tax Appeal Board (PTAB) is good through the 2019 assessment year. The district is now seeing appeals for the 2020 assessment year and a new resolution needs to be approved by the Board. Brian Harris and David Bein agree that Ares Dalianis is a leader in this area of law and highly recommend the resolution go to the full Board for approval. The Finance Committee was in agreement.

3.07 Collection of Fees

David Bein stated that the district is experiencing a slower payment of fees this year than in prior years. This is not unique to Barrington 220. Many districts are having the same issues due to the pandemic and remote learning. Because of the unusual times we are in, many parents do not want to pay their fees. The administration decided to ask the Finance Committee how these unpaid fees should be handled. Staff is not clear on what the next steps should be once a parent refuses to pay the fees. Sarah Lager, Director of Fiscal Services, stated that many families have received letters and collections are starting to come in. The outstanding balance for 2021 was \$809,382 when first looking into this topic. That amount has gone down since the collection letters went out. The majority of the unpaid fees are from families that are still in the district. Dave clarified that this is about people refusing to pay and not because they cannot afford to pay. He stated that there are some things that are withheld at the high school until fees are paid, but is there a possibility the district could use a collection agency? Once a family is no longer in the district, then they can be sent to a collection agency. After further discussion, the committee and the administration decided to make this a full board discussion towards the end of the school year.

3.08 YTD Expenses vs. Budget

Sarah Lager stated that this month's "Spending & Revenue to Date" memo is basically the same as last month. Things are looking good.

4. CLOSED SESSION

Information: 4.01 Closed Session - For the purpose of discussing: Employment matters, performance of a specific employee, collective negotiating matters, legal matters, security procedures, student disciplinary matters, and the purchase, lease or sale price of real property.

No closed session was needed.

5. ADJOURN

5.01 Adjourn

The committee decided not to have a meeting on May 4, 2021.

The meeting was adjourned at 5:34 p.m.