President Gates called the meeting to order at 6:30 p.m.

Present: Gates, O’Connor, Spatz, Spurlock (by phone), Felton, Brisben, and Datta
Absent: None
Also Present: Superintendent Dr. Carol Kelley, Assistant Superintendent for Finance and Operations Dr. Alicia Evans, Assistant Superintendent of HR Laurie Campbell, Chief Academic and Accountability Officer Dr. Amy Warke, Senior Director of Policy, Procedures and Communication Chris Jasculca, Sr. Director of Administrative Services Dr. Felicia Starks Turner, Senior Director of Technology Michael Arensdorff and Board Secretary Sheryl Marinier

PUBLIC COMMENT
None

REFERENDUM DISCUSSION
Brisben update the Board on the new materials in the referendum PowerPoint, noting that the goal of this evening’s meeting is to determine how many referendum questions will be needed on the April ballot so that action can be taken tomorrow evening. He suggested that if a decision is not made this evening, another special meeting might be necessary prior to the January 17, 2016 deadline.

Highlighted changes included;

Page 15 - shows what happened with expenses since 2011. It was noted that on both a total cost and per-student basis, District 97 consistently maintained expenditures below projections.

Page 16 - shows actual revenue versus 2011 referendum projections.

Page 17 - notes that the District has a negative fund balance for 2018 and is currently running a deficit. It was noted that the enrollment is up over 1,000 students, which is a 40 year high in fall enrollment. Additionally, the Ehlers data indicates that this enrollment level will continue until at least 2025.

Frequently Asked Questions and peer districts were discussed.

Slide 47 - indicates what would need to happen in the event of referenda failure.

Slide 26-28 - shares the three scenarios with pros and cons for each, noting that a 25 percent fund balance must be maintained.

**Scenario A** - $10,000,000 is the lowest increase that might provide for five years of funding without another referendum. It is not projected to allow the Board to stay in compliance with its finance policy 4:12. It is very high risk if not combined with a successful capital referendum because DSEB would not be available as a contingency. There is no flexibility for the Board to add staff, including staff for continued enrollment increases.

**Scenario C** – 45 percent to fund balance. It provides a margin of error so that the Board could stay compliant with policy 4:12 even if state or federal funding falls short of projections. It provides a margin of error so that staff can be added if enrollment is above current projections. It provides a “margin of error” of available funds in the event of unforeseen circumstances or opportunities. It is the biggest “ask” and has the highest risk of voter rejection.

**Scenario B** - is at 30 percent to fund balance, which is the minimum needed that allows the Board to regain compliance with policy 4:12 (as projected). It provides some flexibility to cover state or federal funding short falls from projections and/or enrollment increases. It is very high risk if not combined with the successful capital referendum because DSEB would not
be available as a contingency. There is minimal flexibility for the Board to add staff, including staff for continued enrollment increase.

It was noted that the state would drop the District’s score if it did not maintain the 25 percent fund balance, which would put the District under financial watch.

Board comments included interest in knowing the return on homeowner equity over the past five years.

Slide 30 - shared the CapEx options and it was explained that this question would be getting permission from the community to sell bonds to be used for building additions and maintenance. This might include roofs, ADA upgrades and heating and cooling upgrades, besides needed additions due to the increased enrollment.

Slide 31 – shared the anticipated maintenance to support core functionality of buildings at $37,588,500 through 2021. Including enhanced learning spaces, capacity expansions, and climate control would cost $57,552,202 through 2021.

Slide 32 – identified the options presented to the Board.
1) Run 2017 Facilities CapEx bond referendum (concurrent with Operating Limiting Rate)
2) Add facilities CapEx funding needs to the operating limiting rate referendum
3) Delay; run facilities CapEx bond referendum in April 2019
4) Rely on DSEB only to facilities CapEx funding

The Board took a five minute break at 8:39 p.m. and reconvened at 8:44 p.m.

The Board was surveyed on which operating option they prefer, the timing of the CapEx question and the amount of the CapEx.

The Board agreed to option C for the operating expense question and agreed to run a CapEx referendum as well. Dr. Kelley and Dr. Evans were asked which options they would support and they both indicated that they would recommend running option B for the operating fund and $60,000,000 for the CapEx.

Member Spatz explained that the Board policy could be changes to read 50 percent instead of 75 percent, suggesting that it may give people assurance that the amount would need to be limited. He explained that the Board was very careful in 2011 to report regularly. He suggested a projection of revenues and noted that if the state comes in higher than estimated; the Board could abate the taxes.

Administration was asked to work with the District’s attorneys to prepare the wording for approval during the meeting scheduled tomorrow evening.

Board comments included noting that choosing the two questions shows the intelligents of the community. Members Brisben and Spatz, and the referendum team were acknowledged for their devotion to this process. Interest was expressed in seeing an eight year span with scenario B with additional cuts.

BOARD RESPONSE TO PUBLIC COMMENT
None

ADJOURNMENT
There being no further business to conduct, President Gates declared the meeting adjourned at 9:30 p.m.