

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
Tuesday, March 10, 2026
6:30 P.M.

I. Call to Order

The Business Services Committee Meeting was called to order by Chair Judy Hutchinson at 6:30 P.M.

II. Roll Call

Roll call was conducted by the Secretary.

Members Present: Mrs. Hutchinson, Mr. O'Donnell, Mrs. Schilling, Dr. Cascio, Dr. Mullikin, Elaine Ahrens, Mr. Eckmann, Mrs. Walsh, Cindy Kastning, Brad Crull, William Randall

Members Absent: Randy Steen, Holly Houk, Rob Wessel

III. PTMA Presentation Regarding Bonds- Mr. Bob Lewis

Mr. Bob Lewis gave a presentation on the following:

Review of outstanding debt

- Debt Service Abatement
 - The District received a CDB grant and dedicated the funds received and investment earnings on the funds received to abate debt service
 - District has abated over \$15 million of debt service since levy year 2014
 - Abating debt service is advantageous since it is not part of the tax cap computation
- Summary of 2017 Bonds
 - Excluding January 1, 2017 principal payment, the remaining balance is \$5,195,000
 - The average interest rate on the remaining 2017 Bonds is 3.18% which is currently lower than most investment rates
- Exercising the call option
 - The 2017 Bonds are callable at any time meaning they may be paid off or refinanced
 - Refinancing the 2017 Bonds would not generate any savings at this time due to low interest rate
 - Redeem 2017 Bonds with cash
 - Current investment rate is above the rate on the 2017 bonds

School Debt Finance Review

- School Borrowing Options
 - The IL School Code has very specific methods for school districts to issue municipal bonds which are as follows:

- Types of General Obligation (GO) School Bonds
 - GO School Building Bonds - Authorized by referendum
 - Non-Referendum GO Bonds-working cash bonds limited by tax cap and life safety bonds which are not limited by tax cap
- Other borrowing option mechanisms
 - Alternate revenue bonds
 - Debt or lease certificates
 - Capital leases
 - These three obligations are payable from operating dollars or school sales tax and not from a separate tax levy like a GO bond.
- Except for alternate revenue bonds, all are limited to a maximum term of 30 years
- Life Safety Bonds
 - For a tax capped school, non-referendum Life Safety bonds are not subject to a tax cap constraint but do count against the debt limit
 - Do not require a 30 -day petition process
 - Do require a bond (BINA) hearing
 - Issued in evidence of Life Safety approvals provided by ISBE
- Typical Life Safety Improvements were presented

IV. Financial Update

Primary Changes from January to February

- Medicaid Funding: \$141,000 through Q2 for FY26 (\$46,000 through Q2 in FY25) = Increase of \$95,000 in revenue
- CSFT – Two County Sales Facility Tax payments cleared in February (22.66%+)
 - \$100,435.95 for January
 - \$93,566.81 for February
- Interest- \$82,893.69 (\$675,019.24 FY to date) 81.19% of the budgeted interest revenue
- Univent Work – All Univent work is completed and has been expended

General Updates

- Springfield Update and Review
- Utilities Reminder
- Amended FY26 Budget and FY27 Budget Updates
- Medical Review: Initial reports are that insurance renewals could exceed 15% and more- Current average renewals for IL school districts is over 20%
- Prairie State Insurance Cooperative (PSIC) – We're in the process of working through our liability and workers compensation renewals. We anticipate increases and have planned for these.

- TRS Penalty- We had an unexpected retirement in the 2024-25 school year. In one year of their last 4 they exceeded the 6% cap, which caused us to pay a penalty of \$6,618.20.

A. Audit Update

- Audit Process
 - We use an independent auditor to audit both our financial statements and our practices/ internal controls (105 ILCS 5/3-7)
- Auditor
 - Sikich, LLC- Lindsey Fish, CPA
- Overall Experience
 - The work with Sikich was excellent and they were exceptionally supportive and thorough in their work
- Next Steps
 - Sikich will be at the March Board of Education meeting
 - The FY26 Audit Process will begin in 4-6 weeks
- General Takeaways
 - Financial Profile Score- 3.9 Recognition
 - No significant difficulties during the audit process, as reported by the auditor, though we had some internal issues with organization
 - No material weaknesses identified
 - Sikich is a great partner as our auditor and we anticipate a far smoother FY26 audit
- Recommendations and Steps Moving Forward
 - Internal Controls- For the second year it was indicated that there is a lack of strong internal processes. We have made strong progress this year but continue to work to improve these
 - Segregation of Duties- Too many responsibilities were in one person's hands. We've created stronger check and balances through this year, and will continue to improve these.
 - Capital Asset Tracking- There simply aren't records that have been maintained to allow us to know what our true inventory of capital assets is.
- Asset Management
 - Why this is important- Capital assets depreciate each year and without a strong process for monitoring these, we lose out on this depreciation.
 - What needs to be done - We've worked to do our best to do this internally, but it's recommended to explore an outside group
 - Why is now the perfect time? – With the implementation of the new work order system, we can track and tie all of these assets in, allowing for seamless tracking and maintenance of records.

B. Tyler Technology Update

- Training
 - We have continued training with Tyler for launch and are working through glitches and issues to ensure a smooth transition
- Connections and Collaboration
 - Oregon CUSD 200 visit overview and plans moving forward
- Implementation Timeline
 - We remain on track for a July 1, 2026 launch and rollover

V. Transportation Update

A. Inventory List

- Current Fleet
 - 21 Yellow Buses (IC)
 - 6 Wheelchair Buses (3 IC and 2 Chevy)
 - 2 White Buses
 - 3 Minivans (All Chrysler Pacifica)
- Current Reality
 - We have an aging bus fleet that is largely depreciated. There have been large mechanical issues this year. We do have a good fleet of minivans and white buses.
- Work that was done
 - We bid out the purchase and lease of new buses, along with request for used bus pricing and extended warranties.

B. Bus Purchasing Update

- Options for FY27
 - New bus purchases
 - Lease of new buses
 - Used bus purchase
 - No purchases, but extend the warranties
- Option 1: New Bus Purchase – Bid Tabulations are as follows:
 - Midwest Transit Equipment, Inc
 - Chassis – IC
 - Engine Cummins/250HP
 - Trade-in - \$135,000
 - Base Bid- \$163,574 per bus
 - Central States Bus Sales, Inc
 - Chassis – Blue Bird
 - Engine Cummins/250HP
 - Trade-in - \$194,000

- Base Bid- \$162,500 per bus
 - Midwest Bus Sales, Inc
 - Chassis – Freightliner/Thomas
 - Engine Cummins/250HP
 - Trade-in - \$62,000
 - Base Bid- \$178,295 per bus
- Option 2: Bus Lease- Bid tabulations as follows:
 - Midwest Transit Equipment, Inc
 - Chassis – IC
 - Engine Cummins/250HP
 - Trade-in - \$135,000
 - Lease Mileage -15,000
 - Base Bid:
 - One year \$49,377 per bus per year
 - Two year \$34,234 per bus per year
 - Three year \$29,836 per bus per year
 - Five year \$29,417 per bus per year
 - Central States Bus Sales, Inc
 - Chassis – Blue Bird
 - Engine Cummins/250HP
 - Trade-in - \$194,000
 - Lease Mileage - 15,000
 - Base Bid:
 - One year -No bid
 - Two year -No bid
 - Three year \$32,828.73 per bus per year
 - Five year \$27,160.94 per bus per year
 - Midwest Bus Sales, Inc
 - Chassis – Freightliner/Thomas
 - Engine Cummins/250HP
 - Trade-in - \$62,000
 - Lease Mileage - 18,000
 - Base Bid:
 - One year -No bid
 - Two year – No bid
 - Three year \$35,368.48 per bus per year
 - Five year \$31,622.37 per bus per year
- Option 3: Used Bus Purchase
 - Midwest Transit Equipment, Inc
 - Year – No Inventory
 - Model – No Inventory

- Mileage – No Inventory
 - Base bid- No Inventory
 - Central States Bus Sales, Inc
 - Year – 2024
 - Model – Blue Bird
 - Mileage – 40,000-50,000 Miles
 - Base bid- \$122,930 per bus
 - Midwest Bus Sales, Inc
 - Year – 2024 Newer
 - Model – Thomas
 - Mileage – Unknown
 - Base bid- \$98,000-\$103,000 per bus
- Overall Summary for Next Steps and Long Term
 - New Bus Purchase
 - Next Steps – Central States would make the most sense, as they are low bid AND would give us the most on trade-ins.
 - Cost - \$812,500 for 5 buses, less the \$194,000 for the trade-ins
 - Budget Impact – This is a net cost of \$618,500. Given the current projected FY27 budget, we would deficit spend by at least \$450,000-\$500,000
 - Leasing Buses
 - Next Steps- Midwest Transit Equipment would be the best fit here. It makes the most sense to do a 3-year lease, as that puts us at a place where we have the least maintenance and larger expenditures
 - Cost - \$149,180 annually for 3 years if we lease 5 buses. We would also get the \$135,000 back in year one for trade-ins, nearly covering the full cost of the first-year lease.
 - Budget Impact- Given the trade-ins, we would see a net cost of \$14,180 in year one of lease agreement. This would then incur 2 more years of \$149,180, which we believe we can budget without causing deficit spending on its own. This has the potential to decrease annual maintenance costs, as well. We would have to make a decision in 3 years if we would begin a new lease or purchase 5 new buses. There is no “kick the can” option once we go into a lease.
 - Used Bus Purchase- None of the steps make sense given the costs of the used bus in comparison to the new buses. Dr. Mullikin does not advise the purchase of used buses given other options.
 - Next Steps – Does not advise
 - Cost- Does not advise
 - Budget Impact - Does not advise
 - Alternative Option
 - Next Steps- Purchase extended warranties for current bus fleet and kick the can down another year

- Cost- Between \$10,000 -\$20,000 per bus to extend warranties on the chassis and other mechanical parts. This does not include transmissions.
- Budget Impact- This would have a low impact on the budget and allow us to look long-term, BUT, it simply “Kicks the can” down another year and puts us in a place where we increase the likelihood of potential mechanical issues that wouldn’t be covered, increased future costs (Buses aren’t getting cheaper), and continued assumed maintenance costs. The positive is that it gives us time to really look at things long-term if we so chose to pause.

Discussion was centered on options of purchasing vs. leasing. Mixed Strategy (some buses leased, some purchased) was favored for flexibility and cash flow management. Dr. Mullikin will follow up to determine if we have the ability to lease 2 and buy 2 or if we lease 3 and buy 1.

VI. Group II E-Rate Funding

- Project
 - Purchase 2 updated firewalls, along with all supporting software and licenses
- Cost: Approximately \$139,000
 - E-Rate will only cover one firewall which will cover approximately \$64,000
 - It is approximately \$40,000 in additional funding to have the second firewall installed
- A recommendation to be expected next month.

çII. Lunch Fees 2026-2027

çIII. Historical timing for fee setting March-April; current USDA targets pending

IE. Current revenue collection approximately 98.4% of charges; budgeted revenue collection at 94.8%

E. Dr. Mullikin recommended to delay fee adjustments until Community eligibility provision percentages confirmed.

VIII. Adjournment

The committee adjourned at 7:55 P.M. by unanimous consent.

Judy Hutchinson, Chair

Russell O’Donnell, Vice-Chair

APPROVED: _____