

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

APRIL 9, 2021

The Financial Advisory Committee met on Friday, April 9, 2021 at 7:00 a.m. via Zoom video conference.

Call to Order

The meeting was called to order at 7:00 a.m.

Present

Chair Darren Hughes, Steve Olczyk, Nicole Bernard, Scott Cimo, Tammy DeStefano, Todd Drafall, Matt Durbala, Katie Hannigan, Katie Maffei, Jessica Miley, Geoff Neustadt, Ron O'Connor, Jeff Riemer, Kevin Russell, Chris Sagan, Jason Sparks, Jason Suchy, and Leland Wagner. Also present was Kevin Barto, Director of Buildings and Grounds.

Absent

Allen Altic, Laura Hill, Becky Lankheet, Cynthia Pietrucha, Brian Riegler, Angela Rybarczyk, and Andrew Schmidt.

Approval of Minutes

Nicole Bernard moved and Steve Olczyk seconded the motion to approve the minutes of March 5, 2021. Motion carried.

Financial Plan Review

The receipt of federal funds has been incredibly helpful in the District's COVID response; the additional costs for supplies, cleaning and lunchroom supervisors would have created large deficits in the budget. The Board will vote on the updated fund balance policy requiring a ratio of 35% of expenses to fund balances. The bond companies have suggested that our current fund balances are not as high as they would recommend, which negatively impacts the District's credit rating. The committee recommended that the financial plan include an explanation of the low cash point to explain the need for an increased fund balance. There remains the concern that the state may move pension liabilities to the local level, which would drastically affect the District's fund balance.

Potential Longfellow Sale and ASC Replacement Proposal

As a short-term solution for the administrative team, leasing office space seems to be the best choice. Over 20-40 years, owning is a better option, but leasing provides flexibility in the short term. In 5-7 years, there will likely be more options with a restructured DSEB, potential referendum finds, and potential movement on the Village facility plans. The process for selling property was reviewed.

The Longfellow study group met three times. Community participants included three former Board members. While not everyone agrees with the best course of action, rich dialogues were held and details were expanded upon.

Year-to-Date Report

Expenses are in good shape. Without the sale of bonds, the District's cash position would be \$1.5M better than last year. The low cash point should not be a problem this year, and tax anticipation warrants do not need to be considered.

Public Comment

No comments were made at this time.

Adjournment

Jeff Reimer moved and Chris Sagan seconded the motion to adjourn.

Meeting adjourned at 8:05 a.m.