

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

AUGUST 9, 2019

The Financial Advisory Committee met on Friday, August 9, 2019 at 7:00 a.m. at the Administrative Service Center.

Call to Order

The meeting was called to order at 7:02 a.m.

Present

Chair Darren Hughes, Steve Olczyk, Allen Altic, Christine Collins, Todd Drafall, Matt Durbala, Chris Egan, Katie Hannigan, Geoff Neustadt, Jeff Riemer, Kevin Russell, Angela Rybarczyk, Jason Suchy. Attending this meeting were two guests: Spiro Hountalas and Matt Hanigan.

Absent

Randy Hoppe, Greg Frer, Katie Maffei, Cynthia Pietrucha, Brian Riegler, Andrew Schmidt, and Jim Swider.

Approval of Minutes

Todd Drafall moved and Jeff Riemer seconded the motion to approve the minutes from the April 4, 2019 meeting. Motion carried. Steve Olczyk moved and Jeff Riemer seconded the motion to approve the minutes from the May 10, 2019 meeting. Motion carried.

Review of Monthly Financial Reports

The June 30, 2019 Year-to-Date cash basis ended up positive. FY2019 was an unusual year because of the early tax release during FY2018, which will affect the District's accruals. Additionally, the state received more revenue than anticipated and so accelerated some reimbursements to school districts. The state revenue for FY2020 is still unknown. Future Year-to-Date reports will contain a four-year look back.

Medical Costs

In August 2019, the District transferred \$1.6M into the Medical Reserve Fund. Steady premium rate increases have been necessary: FY19 – 5%, FY20 – 9.9%, and an additional increase in January 2020. According to current claim data, this increase will likely be between 4.5-6%. Future rate increases will occur in January to align with the open enrollment period. Rather than transferring funds in and out of the MRF, it is preferred to adjust balances by changes in premium rates based on actual costs/expenditures. The District's insurance consultant recommends that the thresholds for the account balance can be decreased. Medical claims are currently significantly less than they were one year ago. The \$200 ER copay implemented in January appears to already have made an impact.

PFM Investment Options

Spiro Hountalas of PFM provided background information regarding rate trends over the past decade. He also presented some specific investment options for the District to consider. The committee will discuss the options again at its September 6th meeting to determine if one of them should be recommended to the Board for approval at the September 9 Board meeting.

Budget Update

The draft display budget was approved by the Board in July. The Evidence Based Funding amount will be a little higher than projected. While the current budget is essentially at \$0, moving forward it will be very important to build fund balances to cover increases in expenses.

Draft Master Facility Plan Update

The update to the draft master facility plan from Wight & Co. provides further detail of costs. The update also includes potential costs for various options for an administrative services facility, all of which assume the liquidation of Longfellow.

Reception of Visitors

No comments were made at this time.

Adjournment

Angela Rybarczyk moved and Allen Altic seconded the motion to adjourn the meeting. Motion carried. Meeting adjourned at 8:43 a.m.