

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

September 6, 2019

The Financial Advisory Committee met on Friday, September 6, 2019 at 7:00 a.m. at the Administrative Service Center.

Call to Order

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

Present

Chair Darren Hughes, Steve Olczyk, Allen Altic, Chris Collins, Todd Drafall, Matt Durbala, Katie Hannigan, Randy Hoppe, Katie Maffei, Geoff Neustadt, Jeff Riemer, Kevin Russell, Andrew Schmidt.

Absent

Cynthia Pietrucha, Brian Riegler, Jason Suchy, Jim Swider.

Approval of Minutes

Jeff Riemer moved and Allen Altic seconded the motion to approve the minutes from the August 9, 2019 meeting. The committee discussed the possibility of putting FAC meeting agendas, minutes, and other materials on BoardDocs to increase timeliness and transparency. Todd Drafall noted that the Year-to-Date report cannot go out until District accounts are balanced, and frequently the interval between the availability of those reports and the FAC meeting date is extremely short. District staff are investigating the functionality of BoardDocs and any additional costs that may be required to post Board committee meetings. Motion carried.

Review of Year-to-Date Reports

Todd Drafall noted that next month's report will include a much larger expense list now that the school year has begun. In comparing FY20 to the previous four years, revenues look higher because the District received some revenues earlier this year.

Health and Wellness Update

The Medical Reserve Fund (MRF) is in a better position due to decreased claims and the \$1.6M transfer approved last year. The premium increase implemented July 1 took effect for 12-month employees in July, but not until the second payroll in August for certified staff. The Health and Wellness Committee will recommend that future rate adjustments happen in January to align with open enrollment, and will recommend another rate increase at that time. A 14% increase in premiums was budgeted for FY20, but it is expected that the total July and January increases will end up being less than 14% based on the lower claims thus far.

Cash Management and Investment Options

The majority of the MRF funds have been moved to a money market account to gain interest, with a smaller amount remaining in a checking account. Current interest rates do not warrant investing funds for a longer period at this time. At the last FAC meeting, PFM presented

investment options that offered higher interest rates than those from PMA (current investment firm). Rates for money market accounts are higher at PFM than at PMA. The District's interest income projection of \$343,000 was built when the market was doing better by 20-30 basis points. The committee discussed how to transition investments to higher yielding accounts. Todd Drafall recommended an incremental approach.

Budget Review

The Board is expected to adopt the budget at its September meeting. The budget is extremely tight for FY20. Several positions have been added to meet staffing needs in the classroom, nursing, and psychology. The budget also includes "on behalf payments," which are payments that the state makes to TRS on behalf of the District, as well as \$1.7M in revenue and expenditure that is earmarked for playgrounds from the state's Capital Fund. The District has not yet received information about when and how those funds will be disbursed.

ESSA Report

The District is required by federal ESSA law to report expenses by building, and this information will be included on the District Report Card. There will be differences among buildings in per pupil expenditure, which can be explained by variations in staff credentials (tenure), building operational costs, specialized programming, and enrollment.

Reception of Visitors

No visitors attended the meeting.

Adjournment

Allen Altic moved and Katie Maffei seconded the motion to adjourn the meeting. Motion carried.