

The Board of Education, Downers Grove Grade School District 58, DuPage County, Illinois met in special session for a financial workshop on Monday, December 7, 2020, at Longfellow Center. Due to the COVID-19 emergency, in-person attendance was limited to 10 people and the meeting was live streamed to the public on the District 58 YouTube channel.

**1. CALL TO ORDER/ROLL CALL**

The President called the meeting to order at 7:01 p.m. and announced that it was a special meeting and financial workshop of the District 58 Board of Education. Members present: President Darren Hughes; Vice President Gregory Harris; and Members Kirat Doshi, Emily Hanus, Steve Olczyk and Tracy Weiner. Members absent: Jill Samonte. Also in attendance were Kevin Russell, Superintendent; Todd Drafall, Assistant Superintendent for Business/CSBO; James Eichmiller, Assistant Superintendent for Technology and Learning; and Melissa Jerves, Board Secretary. Attending via video conference were Jayne Yudzentis, Assistant Superintendent for Personnel; Justin Sisul, Assistant Superintendent for Curriculum and Instruction; Jessica Stewart, Assistant Superintendent for Special Services; Catherine Hannigan, Manager of Business Services; Kevin Barto, Director of Buildings and Grounds; and Megan Hewitt, Coordinator of Community Relations.

**2. FLAG SALUTE**

President Hughes led the flag salute.

**3. FINANCIAL WORKSHOP**

Assistant Superintendent for Business/CSBO Todd Drafall gave a presentation on financial planning and projections for fiscal years 2022 to 2026. He reviewed the FY21 budget of \$72.8 million in expenditures and \$71.0 million in revenues. The deficit is due to revenue losses associated with the COVID-19 pandemic. Mr. Drafall noted that the budget must include a fund balance that is sufficient to cover expenses during the lowest cash point during the year, as well as some capital or long-term expenses. A multi-year financial plan would focus the District's resources to ensure adequate funding of programs over the long term, account for replacement of capitalized and non-capitalized facilities and equipment, and provide sufficient funds on hand to cover annual expenditures. The plan would include consideration of multi-year plans for curriculum updates, technology replacement cycles, capital improvements, and fund balance needs. Each annual budget in this format would ensure a fund balance at the end of the year that does not require short-term borrowing and would grow to save for classroom and capital long-term needs.

The initial projection relies on the following assumptions for revenue:

- the downtown Downers Grove TIF is expiring; that property will result in a \$95

- million increase in new property on the tax rolls in 2021;
- CPI is assumed to be 1% for 2021 and 1.7% thereafter;
- level state funding;
- no additional federal or state funds are expected for COVID impact; and
- a slow return on interest income over the next three fiscal years.

Expenditure assumptions include:

- OKEEP is not included (it is a cost neutral program that can be added and staffed later);
- current staffing levels are maintained;
- salaries increase based on previous average increases;
- CPI is increased in purchased service and supply budgets;
- average 5% increase in health insurance costs;
- return to full-time transportation costs with 3% annual increases;
- continued increase in operations and maintenance costs based on current cleaning protocols.

The initial five-year projection forecasts that in years four and five, there will be insufficient funds to meet payroll at the low cash point of the year in late May/early June. In the past year, the District adopted a fund balance policy with a 31% target; forecasts require that the fund balance target increase to 35% of budgeted expenditure.

Mr. Drafall then presented updated five-year forecasts and projections that include technology updates and expenditure reductions, and reviewed possible options to meet fund balance targets and capital updates. The initial Master Facility Plan created in 2019 anticipated passing a bond referendum for capital improvements and issuing bonds under DSEB for any work not covered. Due to the pandemic, that plan must be revised. He presented a possible timeline that begins with restructuring current debt to issue \$3 million in new funds for roof and other priority capital work, selling the Longfellow property to fund the next set of priority projects, and then pursuing a bond referendum. The presentation concluded with a proposed timeline of next steps in financial planning and creating the 2022 budget. In February, the administration will present to the Board a draft financial plan for review. The District will also conduct a new demographic study, initiate planning for new and restructured bonds, and complete an updated budget for future curriculum and technology needs.

#### **4. PUBLIC COMMENT**

There were no recorded comments from the public.

#### **5. ANNOUNCEMENTS**

President Hughes announced the following dates:

Monday, December 14, 7 p.m.

Regular Board Meeting

**6. CLOSED SESSION**

Member Doshi moved and Member Weiner seconded the motion to move to closed session for the purpose of discussing matters relating to

- the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the District; 5 ILCS 120/2(c)(1);

ROLL CALL VOTE: AYES: Members Doshi, Hanus, Harris, Hughes, Olczyk,  
and Weiner  
NAYS: None Motion carried

The Board convened to closed session at 8:59 p.m.

**7. ADJOURNMENT**

Member Harris moved and Member Weiner seconded the motion to adjourn the meeting.

ROLL CALL VOTE: AYES: Members Doshi, Harris, Hanus, Hughes, Olczyk,  
and Weiner  
NAYS: None Motion carried

The meeting was adjourned at 9:53 p.m.

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Darren Hughes, President

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Melissa Jerves, Secretary