

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING NOVEMBER 8, 2019

The Financial Advisory Committee met on Friday, November 8, 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, Todd Drafall, Kevin Russell, Geoff Neustadt, Katie Hannigan, Andrew Schmidt, Katie Maffei, Chris Egan, Tammy DeStefano, Becky Lankheet, Jeff Riemer, Randy Hoppe, Mark Thomas, and Bonnie Osborne. There were no visitors.

Absent

Matt Durbala, Christine Collins, Jason Suchy, Laura Hill, Cynthia Pietrucha, Brian Riegler, and Jim Swider

Approval of Minutes

Jeff Riemer moved and Allen Altic seconded the motion to approve the minutes from the September 6, 2019 meeting. Motion carried.

Review of Monthly Financial Reports

Committee documents are now available in BoardDocs. Expenses are coming in under budget. Transportation bills, as usual, are significantly delayed; the District is currently paying for August/September.

Medical Reserve Fund Balance Update

The Medical Reserve Fund is a sub-fund of the Education Fund. Money in the MRF is contributed by the District and employees and is tracked separately. A more comprehensive update will be provided to the Board next month after the open enrollment period is complete.

Tax Levy Review

The Certificate of Levy will be before the Board for approval at the November meeting. It must be filed with the County Clerk by the last Tuesday of December. 78% of the District's total revenue comes from property taxes. Because the budget is split between two levies, we always have to make predictions for the second tax payments. Taxes are allowed to increase by CPI and new property added to the tax rolls. CPI was 1.9% last year and is predicted to be about 2% this year. The estimate for new property in Downers Grove Township is expected to be about \$23M. The total proposed levy has increased by about 2.64% over last year.

Fund Balance Policy Discussion

The administration recommends that the Board adopt a fund balance policy to ensure that the District continues to present budgets that allow for the growth of fund balances. Currently, our fund balance is insufficient to cover May bills without using the Sinking Fund, which is intended for capital needs. If the District tries to grow the fund balance by \$200,000 each year, then after five years a sufficient fund balance would cover the low balance period of the fiscal year. Such a policy would provide for a minimum percentage required in the fund balance. The central administrative team will need to do a thorough review to find cuts that would allow for \$150,000-\$200,000 to add to fund balances. A draft policy will be presented at the next FAC meeting.

Reception of Visitors

No comments were made at this time.

Adjournment

Steve Olczyk moved and Jeff Riemer seconded the motion to adjourn.

Meeting adjourned at 8:10 a.m.