

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

July 11, 2016

The Financial Advisory Committee met on Monday, July 11, 2016 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

David Bein, Kari Cremascoli, Brian Dietrich, Marty Lyons, Geoff Neustadt, Doug Purcell, and Jim Swider.

Absent

John Cooper, Matt Durbala, Jim Harkness, Todd McDaniel, Cynthia Pietrucha, Brian Riegler, Angie Rybarczyk, Andrew Schmidt,

Review of Open Meetings Act

It was noted that this is a Board of Education committee and as such must comply with the Open Meetings Act (OMA). A summary of important features contained in the Open Meetings Act was distributed and reviewed.

Approval of Minutes

Marty Lyons moved and Geoff Neustadt seconded the motion to approve the minutes from the April 4, 2016 meeting. Motion carried.

May CPI

Historical charts were distributed. The role of CPI in relation to school finance and PTELL was reviewed. CPI is expected to be low again this year.

Annual Review of Medical Reserve Fund

The Medical Reserve Fund ending balance as of June 30, 2016 was \$1,916,394. Projected claims are flat with last year's projection at \$6 million. Per Administrative Regulation #3125 the Medical Reserve Fund balance should be \$2.25 - \$3.75 million. Due to stabilizing claims after the transition to Aetna as well as the 5.5% rate increase, no transfer is being recommended at this time. The Committee concurred. A calendar year end review of the loss ratio report would be useful.

2015-2016 Budget Year in Review

FY16 ended on target. The budget status report includes four State categorical payments, one of which was a late 2014-2015 payment. The State is currently behind \$778,395, approximately the same as last year.

2016-2017 Budget

Two slides from the budget workshop were distributed. There will be some changes, but no significant changes are anticipated.

State Budget Update/Review

The State has approved an education budget. The GSA projection for 2016-2017 is up \$76,081 for District 58. This is much better than other proposals that would have resulted in a decline in State aid. The possibility of a change in the GSA formula in the future still exists. Legislative leaders are also supportive of a shift of the normal cost for TRS to school districts. It is unlikely that this proposal would come with any additional revenue, and could add significant cost to the District's budget. It may be that a comprehensive education funding reform package at some point in the future would include these items.

Looking to the Future

There was a discussion of where the Committee has been and where it wants to go. Attention will continue to be focused on facilities; roofs, for example, will be an upcoming topic. The Committee can be used well for long term planning, even over a 10 – 20 year horizon. The Committee will be kept current on TRS status.

Reception of Visitors

No comments were made at this time.

Adjournment

Marty Lyons moved and Geoff Neustdt seconded the motion to adjourn the meeting.
Motion carried

Adjourn

Meeting adjourned at 7:37 a.m.