

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

JUNE 12, 2020

The Financial Advisory Committee met on Friday, June 12, 2020 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, Todd Drafall, Matt Durbala, Katie Hannigan, Laura Hill, Becky Lankheet, Katie Maffei, Cynthia Pietrucha, Kevin Russell, Jeff Riemer, Jason Suchy, and Mark Thomas.

Absent

Tammy DeStefano, Randy Hoppe, Rachel Mayer, Geoff Neustadt, Bonnie Osborne, Brian Riegler, and Andrew Schmidt.

Review of Monthly Financial Reports

Expenses are down due to COVID-19 and school closures, for transportation in particular. The Medical Reserve Fund is currently carrying a surplus.

Health and Wellness Update

Healthcare costs have been down, likely due to COVID-19 resulting in fewer doctor visits for non-critical care. The District is planning further education regarding open enrollment for next year. The HSA has enough participants now that the data can be taken into account for renewal rates.

Our prescription benefits manager has made cost-saving recommendations: 1) using coupons we have not been able to use in the past; 2) increase review of prescriptions offered for off-label purposes; and 3) increase review of high-dollar prescriptions.

Some changes to the wellness plan are recommended, including increasing monetary incentives for wellness screening participants with the goal of increasing the participation rate. Wellness screenings can result in a long term cost reduction by monitoring members' health more closely.

Future Forecast of District Finances

Property taxes are the District's largest revenue source and are determined by CPI, which was set at 2.3% this year. However, for next year, we will not meet the projection for state revenue, interest income will decrease, and receipts from the corporate personal property replacement tax (CPPRT) are likely to drop considerably due to work stoppage this spring. CPI is trending negative, which will significantly decrease FY22 and FY23 revenues, creating a \$1.2-\$1.6

million shortfall. A revenue increase due to the expiration of the downtown Downers Grove TIF will help alleviate the shortfall, but will not be available to catch up in other areas.

The master facility plan and work toward a possible fall referendum has been put on hold, so the District is now working on alternatives to fund critical items. Without operating funds to cover these capital needs, the District can borrow money or cut expenses.

Public Comment

No comments were made at this time.

Adjournment

Jeff Riemer moved and Jason Suchy seconded the motion to adjourn.

Meeting adjourned at 8:14 a.m.