

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

March 8, 2019

The Financial Advisory Committee met on Friday, March 8, 2019 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

John Miller, Chair; Darren Hughes, Allen Altic, Kari Cremascoli, Todd Drafall, Matt Durbala, Randy Hoppe, Todd McDaniel, Geoff Neustadt, Jason Suchy, Andrew Schmidt, Jim Swider. Also in attendance was Melissa Jerves, Board Secretary.

Absent

Brian Dietrich, Katie Hannigan, Rachel Mayer, Katie Maffei, Steve Olczyk, Dan Pekofske, Cynthia Pietrucha, Brian Riegler, Jeff Riemer.

Approval of Minutes

Melissa Jerves noted that the January 11, 2019 minutes should be amended to include Randy Hoppe as present at the meeting. Geoff Neustadt moved and Todd Drafall seconded the motion to approve the minutes, as amended, from the January 11, 2019 meeting. Motion carried.

Review of Monthly Financial Reports

Todd Drafall reported that expenses to budget is within parameters. Revenue is coming in typically (comparison to last year is atypical because there was an advance payment of taxes that boosted revenue). Interest income exceeds projected revenue this year. The District is looking at other investment opportunities with the bank. At this point in the fiscal year, expenses exceed revenue until tax receipts come in, which necessitates a transfer from the Working Cash Fund to the Education Fund.

A new report showing state revenue will be presented to the Board. 47% of state revenue has been received to date. General state aid has come in a timely manner, but reimbursement in other areas has not arrived on time. Though five payments are owed, the District budgets on the expectation of receiving only four payments in a given year.

Quarterly Health Care Expense Reporting

A \$200 emergency room copay went into effect January 1. Twenty employees took advantage of the high deductible/HSA insurance plan. The new prescription drug plan went into effect March 1, which will result in savings to the District. Continuing efforts at education staff on how to use plan features, such as Teladoc, to lower costs. This year's top ten claims have already exceeded last year's total top ten claims. The committee discussed how frequency versus severity of claims affects how claims should be compared from year to year. Expenses this year are exceeding revenue by 6%, while inflation is predicted to be between 7-10%. Premium renewal is likely to reflect an 11-

15% increase. The Health and Wellness Committee is looking at ideas for wellness incentives to actively reduce future claims. The Board would like more regular updates regarding healthcare expenses to further the goal of transparency and educate the Board and community in advance of discussions of premium increase.

Transportation Contract

An amendment to the transportation contract with First Student will be presented to the Board. The contract reflects a 4.5% increase due to increased driver salaries and the addition of a designated staff member from First Student to manage any issues that arise. The committee discussed the possibility of increasing the user fee for transportation to offset the increased costs.

Wight & Co. Proposal for Next Steps of Master Facility Plan

Wight has presented its proposal for the largest piece of the 10-step process of building the master facility plan. The proposal cost is \$70,000 to provide various options for facility and systems updates, as well as cost estimates. Some of this cost will come out of this year's budget, and some from next year's budget. The District reduced some of the cost of this step by staffing the visioning sessions and building walk-throughs.

Update on Bids

The District will move from two leases to a single lease on copiers, and from capital leases to operating leases. The District will also begin to eliminate printers and replace them with multifunction machines (print/copy/scan/fax).

CAFR Update

District administration will meet with auditors regarding switching to a CAFR audit. There are upfront costs of about \$2,000-\$3,000 in the first year for background work. A CAFR is a very transparent, up-to-date format of presenting financial information; District 99, Woodridge and the Village of Downers Grove all use one. Rating agencies may also rate more highly based on a CAFR. Board consensus is to pursue the change.

Topics for Future Meeting

The committee would like to discuss how best to present investment issues, as well as opportunities to increase interest income.

Reception of Visitors

No visitors were present at the meeting.

Adjournment

Geoff Neustadt moved and Allen Altic seconded the motion to adjourn the meeting. Motion carried.

Adjourn

Meeting adjourned at 8:18 a.m.