

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING AUGUST 7, 2020

The Financial Advisory Committee met on Friday, August 7, 2020 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, Tammy DeStefano, Todd Drafall, Matt Durbala, Katie Hannigan, Laura Hill, Becky Lankheet, Geoff Neustadt, Kevin Russell, Jeff Riemer, Andrew Schmidt and Mark Thomas.

Absent

Allen Altic, Randy Hoppe, Katie Maffei, Rachel Mayer, Geoff Neustadt, Cynthia Pietrucha, Brian Riegler, and Jason Suchy.

Approval of Minutes

Matt Durbala moved and Laura Hill seconded the motion to approve the minutes of March 6, 2020. Motion carried.

Steve Olczyk moved and Laura Hill seconded the motion to approve the minutes of June 12, 2020. Motion carried.

Review of Monthly Financial Reports

The June 2020 Year-to-Date report will be amended due to some grant expenses and salaries that needed to be posted to the previous fiscal year. Expenses are normal for this time of year; tax revenues were received and the District has cash on hand.

Health and Wellness Update

In FY20, the date of health insurance premium rate adjustments was changed to align with open enrollment. Thus, there was a rate increase in July and again in January. Over the course of the year, an increase in revenue and decrease in expenses have reversed trends in the Medical Reserve Fund, which currently has a surplus. For FY21, a 4-4.5% increase was initially planned, but may not be necessary. A decision must be made at the October meeting. Wellness screenings and flu shots will be hosted on-site for employees this fall.

Financial Implications of COVID for FY21-23

Examples of COVID-related expenditures include tents (purchasing and renting), PPE, storage units, additional transportation companies for cleaning, and additional staff members on buses. These are expected to be in the hundreds of thousands, not millions of dollars.

The District's largest revenue source is real estate taxes, which grows by CPI and any new construction for each levy year. This spring and next fall the revenues will be based on a CPI of 2.3%. However, current CPI is significantly lower, which will impact the growth in revenue for spring of FY22 and fall of FY23; at the same time, our negotiated contracts will not see a similar drop. The District will receive new construction money from the expiration of the downtown Downers Grove TIF. This was previously thought to help with capital expenses, but now might be necessary to pay normal expenses. CPPRT and interest income will likely be significantly lower due to COVID.

Once the school year begins, the District will develop a plan to borrow money to accomplish some of the most pressing items, such as roofing. Two costs that are expected to continue long term include cleaning protocols (supplies and hours) and transportation costs (cleaning).

Public Comment

No comments were made at this time.

Adjournment

Tammy DeStefano moved and Steve Olczyk seconded the motion to adjourn.

Meeting adjourned at 8:00 a.m.