

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING SEPTEMBER 4, 2020

The Financial Advisory Committee met on Friday, September 4, 2020 at 7:00 a.m. at the Administrative Service Center.

Call to Order

The meeting was called to order at 7:03 a.m.

Present

Chair Darren Hughes, Steve Olczyk, Allen Altic, Tammy DeStefano, Todd Drafall, Katie Hannigan, Laura Hill, Katie Maffei, Geoff Neustadt, Kevin Russell, Jeff Riemer, Andrew Schmidt, and Jason Suchy.

Absent

Matt Durbala, Randy Hoppe, Becky Lankheet, Rachel Mayer, Cynthia Pietrucha, Brian Riegler, and Mark Thomas.

Approval of Minutes

Steve Olczyk moved and Tammy DeStefano seconded the motion to approve the minutes of August 7, 2020. Motion carried.

Review of Monthly Financial Reports

These are not available yet; will be available in advance of the September 14 board meeting.

Health and Wellness Update

Though historically the Medical Reserve Fund has struggled due to increasing health care costs, this year the fund is doing very well as a result of decreased usage during the stay-at-home order. Beginning September 1, Rx Benefits has put additional reviews into place to manage the use of low-value, high-cost medications. Health insurance rate adjustments will be presented to the Board for action in October. The consultant recommendation is for no increase to the PPO, Reduced PPO or HDHP plans, and a decrease of 5% to the HSA plan. This will result in a budget impact of about 2%.

Budget FY21

The tentative budget was share in August and will be finalized by the end of September. Staffing and program decisions were made during February/March; there will be more flexibility in responding to economic conditions for the FY22 budget. Currently the District is at a \$2 million deficit due to increased COVID-19 related expenses (PPE, tents, storage containers) and decreased revenues (OKEEP, transportation reimbursements, CPPRT, interest income). It is likely that the District will need to borrow in spring 2021; a typical process would involve tax anticipation warrants, but a line of credit with the bank may be another option.

Capital projects are still needed despite the delay in the master facility plan development. The District may consider issuing a working cash bond to accomplish some of that work and increase cash on hand.

Current CPI projections show a 0.8% increase. Because the District cannot sustain a multi-year deficit, it must consider a variety of options. A referendum may not be realistic given the current unemployment rates. Other options include consolidating buildings, adjusting boundaries, and restructuring staff. Robust community engagement must be part of the conversation before any decisions can be made.

Regarding budget planning for FY22, the November financial workshop may be moved to December to include forecasting for FY22.

Public Comment

No comments were made at this time.

Adjournment

Jeff Riemer moved and Allen Altic seconded the motion to adjourn.

Meeting adjourned at 8:27 a.m.