

DOWNERS GROVE GRADE SCHOOL DISTRICT 58
FINANCIAL ADVISORY COMMITTEE MEETING
November 10, 2022

The Financial Advisory Committee met on Thursday, November 10, 2022 at 7:00 a.m. at O’Neill Middle School.

Call to Order

The meeting was called to order at 7:00 a.m. by Darren Hughes.

Present

Geoff Neustadt, Leland Wagner, Todd Drafall, Darren Hughes, Sonali Patil, Kevin Russell, Kevin Barto, Scott Cimo, Chris Sagan, Steve Olczyk, Jason Fugitt, Evan Walter, Katie Maffei, Joe Wojciechowski, Jason Suchy, Brent Borchelt, Tamara DeStefano, Nicole Bernard, Katherine Neal.

Also present: Ray Coyne

Absent

Allen Altic, Zac Craft, Tim Cruse, Laura Hill, Becky Lankheet, Naomi Levine, Jillian McNamara, Kevin Murphy, Jessica Miley, Ron O’Connor, Cynthia Pietrucha, Andrew Schmidt, Raj Shah, Jason Sparks.

Approval of Minutes

Steve Olczyk moved and Evan Walter seconded the motion to approve the minutes of September 9, 2022. Motion carried.

Evan Walter moved and Steve Olczyk seconded the motion to approve the minutes of October 14, 2022. Motion carried.

Year-to-Date

The Year-to-Date Report shows that the District’s revenues and expenses are following expected trends when compared with last year. Property tax revenue has increased due to the increase in CPI. The District held a Truth-in-Taxation hearing before approving the tax levy because the increase was over 5% due to both CPI and the expiration of the downtown Downers Grove TIFF.

Playground Status

The District received \$1.4 million in a state grant to update playgrounds. The funds are earmarked for particular schools and funds cannot be reallocated. Belle Aire did not receive funds because it is not within the district of the state representative who sponsored the projects. The District will allocate local tax money for Belle Aire playground improvements. School PTAs have also raised supplemental funds. The District has created a standardized plan for playgrounds to ensure equitable equipment across schools; eight playgrounds will be under construction in summer 2023.

Tax Levy

The tax levy will be presented to the Board for approval in December. The District's levy is capped by CPI (or 5%, whichever is less) and the value of new property. Because this year's CPI is 7.3%, the District will hold a Truth-in-Taxation hearing. The sale of capital bonds will also put us over the 5% cap. The levy is expected to be around 6.68% from CPI and new property.

Bond Resolutions

The capital bonds are expected to be issued before year end. A parameters resolution will be approved at the November Board meeting. The District can issue up to \$179 million in bonds as approved in the referendum. Bond rating meetings are scheduled next week with Moody's and Standard & Poor's. Because the funds approved by referendum are less than what is needed under the Master Facility Plan, inflation interest and DSEB (debt service extension) bonds will provide capacity to complete the work. Moving money from the capital fund to operations for maintenance will also allow for efficiencies.

Construction Management Contract Update

The contract rate for the construction management firm, Bulley & Andrews, is still under negotiation. It is expected to be between 3-3.5%. Other issues that our attorneys are negotiating are indemnification, subcontractors, and insurance.

Public Comment

There was no public comment.

Adjournment

Nicole Bernard moved and Katherine Neal seconded the motion to adjourn. Motion carried. Meeting adjourned at 8:01 a.m.