

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

January 8, 2018

The Financial Advisory Committee met on Monday, January 8, 2018 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, David Bein, Kari Cremascoli, Brian Dietrich, Todd McDaniel, Dan Pekofske, Jeff Riemer, and Andrew Schmidt. Kurt Hintz and Chris Sagan were guests in attendance.

Absent

Darren Hughes, Theresa Bochat, Matt Durbala, Jim Harkness, Marty Lyons, Geoff Neustadt, Cynthia Pietrucha, Brian Riegler, Angie Rybarczyk, and Jim Swider.

Approval of Minutes

After a motion by Andy Schmidt and second by Brian Dietrich, the minutes from the October 2, 2017, meeting were approved by unanimous vote of the committee.

2016-2017 Audit

David shared that the 2016-17 audit was completed and presented to the board of education. No material findings were noted.

Auditor for FY18

David shared that the District has used Miller Cooper since 2009, but that during that time three different partners and three different audit managers have been assigned to the District. The current agreement has concluded with the FY17 audit, and based on the familiarity with the District, the good working relationship, and periodic rotation of partners and managers, David recommended renewing with Miller Cooper. The committee discussed the merits of requesting proposals for audit services, but was in support of a renewal.

2017 CPI--November Review

The committee reviewed CPI charts. The current CPI is running near 2%. Provided there is not a change in legislation affecting the PTELL, the CPI will be the limiting increase for the 2018 levy.

Bond Issuance/Capital Projects

With the Board's approval to bid the Lester project, the Board also approved moving forward with a bond issue to pay for the addition and several other projects. David explained that it made sense to also complete Lester playground curbing and asphalt at

the same time. Using bond funds to update the Kingsley fire alarm and the Fairmount electrical system, both of which are scheduled in the near future, will relieve pressure on the budget in next few years and ensure that these important projects are completed. The committee supported the bond issuance plan.

Long Range Forecast/FY19 Budget

The committee discussed the long range forecast that was presented to the Board at the November financial workshop. The property tax freeze and pension cost shift scenarios were noted to have a significantly negative impact on the District. If either of these scenarios materializes, the committee may need to work on options to provide financial stability for the District.

Medical Reserve Fund

Claims against the medical reserve fund have moderated, and David expressed his hope that it continues. If not, there is an ongoing possibility of a need for a transfer into the medical reserve fund.

Solar Power

Kurt Hintz from Performance Services spoke to the committee and shared a presentation regarding solar power. The costs to produce solar power have declined, and while the District has a great electric rate, the smart grid and inflation may increase rates. Solar can provide rate stability and offset up to 90% of electric consumption, and the Midwest is a great location for solar installations. Some districts in the Chicago area have already installed solar panels, with many more considering it. Ideally roof mounted systems are put on roofs with at least 7-10 years of life remaining as the system can increase roof replacement costs by approximately 10%. A federal program establishes solar renewable energy credits which can make solar projects cash flow positive in year 1. There are also leasing options that make installations possible with no upfront costs. An initial assessment of District 58 shows that a 2.2 MW system could be installed for \$6.4 million and generate positive cash flow. The committee agreed to discuss the information at its next meeting.

Reception of Visitors

No comments were made at this time.

Adjournment

The properly moved and seconded motion to adjourn the meeting carried unanimously.

Adjourn

Meeting adjourned at 8:14 a.m.