

## **DOWNERS GROVE GRADE SCHOOL DISTRICT 58**

### **FINANCIAL ADVISORY COMMITTEE MEETING**

**October 3, 2016**

The Financial Advisory Committee met on Monday, October 3, 2016 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**

David Bein, John Cooper, Kari Cremascoli, Brian Dietrich, Matt Durbala, Geoff Neustadt, Doug Purcell, and Jim Swider.

#### **Absent**

Jim Harkness, Marty Lyons, Todd McDaniel, Cynthia Pietrucha, Brian Riegler, Angie Rybarczyk, and Andrew Schmidt.

#### **Approval of Minutes**

Geoff Neustadt moved and John Cooper seconded the motion to approve the minutes from the July 11, 2016 meeting. Motion carried.

#### **Review of Open Meetings Act**

It was noted that this is a Board of Education committee and as such must comply with the Open Meetings Act (OMA). A summary of important features contained in the Open Meetings Act was distributed and reviewed.

#### **Review Financial Reports**

Examples of current financial reports based on the old DC&R software system were distributed to Committee members. These are provided to the Board of Education in the agenda packet each month. In addition, a preliminary mockup of financial reports generated directly from the new Infinite Visions financial administrative software system were shared. The Committee discussed benefits of generating reports directly from Infinite Visions, including accuracy and ease of creation. Although historical comparisons may be useful, the lack of legacy data in the Infinite Visions system plus changes made in the general ledger limit comparisons to previous year information. As new monthly financial reports are developed, these will need to be reviewed by the Board of Education for consideration. Support will be provided on how to read newly developed reports.

#### **Imprest Fund**

David Bein explained that he will be recommending a reauthorization to the existing imprest fund at the October Board meeting.

### **2016-2017 Budget Recap**

David Bein distributed the executive summary related to the 2016-2017 budget that was approved by the Board of Education in September. Highlights of the budget were reviewed. Generally, the budget is in balance.

### **Long Range Forecasting**

The Committee discussed the purposes for long range forecasting and some of the tools available to help prepare financial forecasts. The Committee noted that a tool that is not overly cumbersome but allows for sufficient sensitivity analysis is beneficial, and that less sophisticated tools can work well during periods of relative stability but may not be as effective when conditions are producing more change. The Committee supported David Bein using a tool with which he is comfortable and provides value to the District. The Committee also discussed analytic tools that can be used in conjunction with forecasting as well as in a variety of other situations. Forecast5 is such a tool and pulls together data for districts across the state that can be queried and analyzed collectively or at a specific district level. It also provides a tool to identify comparable districts that can lead to further analysis. David will continue to research financial forecasting tools available.

### **Fund Balance History**

A 10-year history of fund balances was distributed and discussed. Fund balances are nearly at the lowest point in the last decade.

### **Medical Reserve Fund**

David Bein shared statistics on the current average cost per member per month for insurance compared to last year. Although expenses are currently high, the average is not as high when compared to last year. Historically, summer tends to be a period when medical expenditures are high, but there is an expectation that this trend will slow down. Premiums were increased for FY17; there is an expectation that another increase in premium costs may be likely for FY18.

### **CPI – September 2016**

David distributed two charts projecting CPI through December 2016. The first projected out no change in prices for the remainder of the year and resulted in a 1.5% year over year average. The second incorporated a tendency for prices to drop toward the end of the year and resulted in a 1% year over year average.

### **2016 Levy**

David distributed an early draft of the tentative 2016 levy. He recommends levying slightly higher than the expected amounts to provide a buffer in case new construction comes in higher. IMRF/Social Security levies may be slightly lower than the prior year to align with anticipated expenditures and existing fund balances. The Transportation levy is expected to be higher than last year to cover expenses; the Transportation Fund ended FY16 with a balance near zero. The levy adoption schedule is a tentative levy to be considered at the October Board meeting, a levy hearing in November, and the final levy to be considered at the December Board meeting.

### **Other Business**

David Bein shared information on the backlog of bills faced by the State of Illinois and how the current state budget deficit projections are understated as a result. Dr. Cremascoli shared that while at a recent meeting with superintendents in Springfield there was a significant amount of discussion around finances. She also reminded the Committee that Board elections will take place in April and prospective candidate petition packets are available from the DuPage County Election Commission.

### **Reception of Visitors**

No comments were made at this time.

### **Adjournment**

John Cooper moved and Doug Purcell seconded the motion to adjourn the meeting.  
Motion carried

### **Adjourn**

Meeting adjourned at 7:55 a.m.