

Finance Committee Meeting
Tuesday, August 11, 2020 || 4:00 PM
Via Zoom

Members Present: Todd Covault; Dan Oakes; Paul Fregeau; Jeff Dase; and Beth Nolan

Members Absent: None

Others Present: Mary Ann Schloz; Beth Creighton; Denise Swarthout; Andrew Taylor; Deanne Hillman; Mike Sotiroff; Michelle Mitchell; and Chrissy Petitt

There was no public participation.

Minutes from the July 9, 2020 meeting were approved by acclamation.

The resolution to approve the refunding of the 2011 sales tax bonds is on the Board agenda for Tuesday, August 18th. The closing will be toward the end of August or first of September 2020.

Facility Alternative – Priority Recommendations

Covault and Sotiroff presented a prioritized list of unfunded projects associated with the BOLD Facilities plan which are currently not funded. There are items on the list that will be able to be addressed internally through the Buildings and Grounds maintenance department.

The District received a \$600,000 State grant from the Illinois Department of Commerce and Economic Opportunity. The recommendation is to use these funds to address alternate bids for the new Johns Hill project. Additional items on the prioritized list would be funded through other sources of revenue including working cash bonds to be issued in early 2021. Individual projects must be approved by the Board before proceeding.

If there are any questions or comments regarding the priority list, please let Covault and/or Sotiroff know.

Operations Budget Control Group Report: FY20 – End of Year and FY21 Budgets

The committee was presented with the Operational Funds, Budget Control Group Report. The report provided a side-by-side review of FY20 End of Year as well as FY21 Preliminary Budgets.

- FY20 Actual Expenses:
 - Expended \$3.9 million less than Education budget
 - Funds not expended due to pandemic
 - Expended \$185,445 less than O&M budget
 - Expended \$1,880,136 less than Transportation budget
 - Final three Alltown payments were made in FY21, not FY20
- Total Education Budgets:
 - FY20 – \$94,412,109
 - FY21 - \$102,931,019
- Budget is up \$8 million

- Specific budgetary increases
 - Wage increases to employees (all groups)
 - Increase in Student Services budget from department request for two (2) additional positions
 - IT Budget up \$537,000
 - Credit Recovery up \$107,000
 - Expenses moved from Instructional Materials budget
 - Custodian budget up \$147,000
 - Assistant Superintendent budget down
 - Did not replace Assistant Superintendent
 - Joe Caputo, Athletics, is paid from this budget
 - Three (3) Ag Grants are missing from this report and will be added
 - PreK Grants
 - Revenues for State grants are sent in advance
 - Substantial dollars that the District did not expend
 - Fund Balance is overstated from State funds that will be returned
 - CARES Act funds, \$4.6 million was added to the budget
 - Heartland/Special Education Tuition increased \$2.5 million
 - Committee members requested additional information regarding this substantial increase
 - Building Budgets
 - All buildings underspent respective budgets
 - Exception of MacArthur
 - Operations and Maintenance
 - Budget is up \$1.4 million
 - \$1 million was added to support necessary roof projects
 - Revenues are taken from Education Fund - Evidence Based Funding
 - Transportation
 - Last three FY20 payments made in FY21 will cause a \$1.1 million budgetary increase to FY21

FY21 Preliminary Budget

The tentative FY21 budget will be presented at the August 18th Board meeting with a final presentation of the budget at the September 22nd meeting.

Highlights of the document presented:

- Education Budget has a beginning balance of \$18.4 million
 - Ending Fund Balance = \$9.5 Million
- Transportation budget increased due to last three payments of FY20 not being paid on time

Expense Highlights:

- Revenues and Expenses = \$8.9 million imbalance in education fund
- Operations and Maintenance fund is neutral

- Debt Service
 - \$65 million refunding (revenues and expenses)
 - 2011A sales tax issue
- Capital Projects
 - WC Bonds sold are abated from Working Cash to Capital Projects
 - Spending available funds to address facility projects
- Working Cash
 - Revenue source is modest amount of interest dollars (sales tax) property tax coming in
 - \$19 million WC bond issuance (revenues and expenses)
 - Abated to Capital Projects
- Tort Funds
 - Primarily property taxes
 - Modest interest earnings
- Fire Prevention (Health Life Safety)
 - Interest earnings from investments of \$35 million
 - Modest property tax collections
- Use of Evidenced Based Funding
 - \$1 million shifted from Education to Operations and Maintenance
 - Needed roof project
 - \$1.3 million shifted from Education to Transportation
 - Late payments from FY20 made in FY21
- District is required to develop a deficit reduction plan

Meeting adjourned at 4:49 PM