

Finance Committee Meeting Minutes
June 1, 2021 || 4:00PM
Keil Building || Third Floor Conference Room

Present: Dan Oakes; Andrew Taylor; Al Scheider; Regan Lewis; Superintendent Paul Fregeau; Todd Covault; Danny Hainline; Jason Hood; Michelle Mitchell; and Denise Swarhout

The meeting was called to order at 4:00PM. Minutes from the April 6, 2021 meeting were approved by acclamation.

Committees and Statute

- Board Committees – Follow the Open Meetings Act
 - Finance Committee and Policy Committee
 - Agendas are posted 48 hours in advance of meetings
 - Agendas are sent to media outlets
 - Minutes from meetings are posted
 - Board President Oakes is remaining member from previous Board finance members
 - Currently seeking an additional member to serve on Finance Committee
 - Currently seeking members to serve on Policy Committee
- Negotiations Committees – Exempt from the Open Meetings Act
 - Insurance Committee
- Administrative Committees – Exempt from the Open Meetings Act

General Purpose of Finance Committee

- Advance review of Board reports for approval
- In-depth discussions

Business Office Processes – Checks and Balances

- Accounts Payable / Purchasing Department
 - Processes what is sent by the Purchasing Department
 - Accounts Payable does not have access to enter payment information for vendors in an attempt to avoid fraud
- Payroll Department
 - Processes (pays) what is submitted by the Human Resources Department

Upcoming Board Agenda Items

- Investment Report – list of depositories and investments
 - Required by Board Policy 4:30
 - Administration provides a list of depositories to the Board for review and approval
- Stephen Decatur Middle School (SDMS) Gym Floor
 - Board previously approved bids to proceed with repairing gym floors at Hope and Montessori
 - Alternate bid to proceed with the SDMS gym floor was not accepted due to the gym ceiling peeling and needing to be scraped and repainted
 - Decision was made to hold the floor refinishing project until the summer of 2022 to address ceiling needs
 - Winning bidder offered to hold their bid price to proceed with work in summer of 2022
- Johns Hill Substantial Change Order (\$202,000)
 - Change request being submitted to the Board is for a lot of site work cleanup that has to be done at Johns Hill
 - Electronics being added
 - Lighting to sidewalks/drives
 - Bus Gate, etc.

- Final Working Cash Abatement (\$2.1 million to Capital Projects)
 - Board finalized financing for BOLD Facility Plan by issuing working cash bonds in January of 2021
 - Proceeds from bond issuance closed in February and funds were deposited to working cash fund
 - Funds that were applicable to the BOLD plan were transferred from working cash to capital projects fund
 - When bonds sold investors requested the District sell as premiums
 - Only those funds that were applicable to BOLD plan were transferred and the premiums remained in the working cash fund
 - Board needs to approve a resolution to transfer funds (approximately \$2 million) from working cash fund to the capital projects fund (fund in most need)
- Workers Compensation Excess Insurance
 - District is self-insured for workers compensation
 - District obtains excess insurance to cover sizable claims
 - Renewal cost will be approximately \$100,000
- Minimum Wage Increase – Food Service Contract
 - State passed minimum wage law in 2019
 - State provided formulary to pay difference in minimum wage
 - Board previously approved the bill-back agreement in April with an estimated cost of \$208,000
 - ISBE rejected what was submitted
 - District not allowed to pay out of food service reserves – have to pay out of operational funds
 - Item will be brought back to the Board for recommendation of approval on June 8, 2021
- Muffley – Emergency Asbestos Abatement Approval (\$48,000)
 - Asbestos containing material was found in the suspended ceiling at Muffley
 - Proposal submitted by Midwest Service group to remove asbestos from building
 - Work is already taking place
 - Project unknown to the District and meets requirements of a bidding exception for an emergency expenditure if approved by $\frac{3}{4}$ of the members of the Board
 - Project will be taken to the June 8th Board meeting and recommended to be approved retroactively

Impending Matters

- Food Service Claim – Robertson Charter School (RCS)
 - Decatur Public Schools (DPS) delivered meals to RCS students during pandemic
 - DPS and RCS both submitted reimbursements to the State
 - ISBE declared that RCS gets to keep their money
 - Aramark will have to return money billed to DPS for services
 - DPS will resubmit claims to ISBE
 - Aramark will rebill RCS for their services
- IRS – Project Tax Credits (Johns Hill Project)
 - Tax credits that business can receive for designing an energy efficient building (approximately \$80,000)
 - District can't claim tax credits due to not paying taxes
 - Designer of project can claim tax credits
 - Dispute in terms of who gets tax credits
 - O'Shea vs. GHR Engineer
 - Issue will eventually be presented to the Board for approval
- Unemployment Insurance
 - District normally pays \$30,000 - \$50,000 in unemployment in a year
 - Due to fraud with IDES the District paid over \$500,000 in unemployment last year

- District will receive \$400,000 credit back to account for fraud that was returned
- Durfee – Property Sale
 - District hired Main Place Real Estate to market properties including Durfee
 - District recently hired BLDD to do design work for demolition of Durfee
 - Party from St. Louis visited property and is interest in acquiring property
 - District can either transfer property to the City of hold an auction
 - Member Taylor requested additional information
 - Who is interested in purchasing the property
 - What their capitalization is
 - What their long term plans are for the building

Updates

- FY21 Summer Maintenance Projects
 - Dan Hainline referenced a document of Facility Related Projects (external and internal) for the summer of FY21
 - New Johns Hill Construction was discussed
 - Project 3 – 4 weeks behind
 - There will be a substantially large punch list
 - Air conditioning in gymnasium has been started up to acclimate flooring
 - Committee members were asked to review document and contact Covault with any questions
- Evidenced Based Funding
 - State deemed the District to be adequate with funding at \$114 million
 - District received \$73 million
 - District is a Tier 1 District
 - First 98% of new funds go to Tier 1 and Tier 2 Districts
 - District receives Tier 1 and Tier 2 funding
- CARES Act Funds
 - Covault provided the committee with a CARES funding document
 - Expenses from CARES funds as of May 31, 2021 = \$3,804,842
 - Committee requested that this document be kept updated for the Board
- FY22 Maintenance Projects (Planning)
 - Committee provided a document regarding FY2021-22 Planning for Buildings and Grounds Departments Projects
 - Committee members were asked to review document and contact Covault with any questions

Board member Scheider stated that he likes one page financial documents and asked if the Treasurer's Report and Financial Conditions Report could be sent to him as a separate document on a monthly basis.

Meeting adjourned at 5:30 PM