

Finance Committee Meeting
Tuesday, May 01, 2018 | 4:00 PM
Keil Administration Building | First Floor Board Room

Members Present: Todd Covault; Brian Hodges; Beth Nolan; Mike Dugan; and Paul Fregeau

Others Present: Paula Busboom; Suzanne Kreps; Rhonda Thornton; Kay Geskey

Meeting called to order at 4:00 PM.

Public Participation

Paula Busboom, President of Decatur Federation of Teaching Assistants

- Mrs. Busboom noticed that two extra Teaching Assistants have been budgeted for in the five year projections. Mrs. Busboom stated that when Hardship Teaching Assistants were first created they were 2.5 or 5 hour per day positions. The positions within the five year projections have been budgeted for 6 hours. If one hour is removed, the District could hire one additional Teaching Assistant.

Minutes

The minutes from the March 06, 2018 meeting were approved by acclamation.

Grant Funding Review – Rhonda Thornton (Grants Administrator)

- Every Student Succeeds Act (ESSA) Updates
 - Change in name of law
 - Every Student Succeeds Act replaces No Child Left Behind
 - More flexibility with focus on whole child
- ESSA New Requirements
 - GATA (Grants Accountability Transparency Act)
 - Annually register through grantee portal and pre-qualify
 - New Title I District Plan and Schoolwide Plans
 - Site Based Expenditures starting 2018-19
 - Create a fraud administrative procedure
- Federal Grants Reviewed
 - Title I
 - Title II
 - Title I-Part D
 - Title III
 - Title IV (new grant)
 - Generated by enrollment
- State Grants Reviewed
 - Healthy Community Grant
 - Math and Science Grant
- Local Grants Reviewed
 - CME Early Math Intervention Grant

Committee member Nolan would like the Grant Funding Review presentation added in the weekly update.

Audit RFP's

- District sent bid requests to nine (9) auditing firms
 - Three (3) proposals were received

- Clifton, Larson, and Allen (Champaign, IL)
 - BKD, LLC (Decatur, IL)
 - May, Cocagne and King (Decatur, IL)
- BKD has the lowest proposal over the three (3) year period
- Administration will recommend BKD as the District's Independent Auditor for a three (3) year period at the May 8th Board meeting for consideration of approval

Richland Community College (PreK) Rental

- District has not yet received notice of award for having the PreK program that is currently at Richland Community College
 - Grant is competitive this year not formulary
- The finance committee recommended holding the agreement until confirmation of the grant has been awarded

Regional Office of Education (Milligan/Futures) Rental

- Committee members agreed to keep this rental an annual agreement
- Milligan and Futures programs are housed at Technical Academy Building
- Rental agreement will be presented at the May 8th Board meeting for consideration of approval

Macon Piatt Special Education (Classroom) Rental

- No formal rental agreement
 - Committee members would like a formal rental agreement put into place
- Various spaces shared between District and member districts
- District has charged \$7,000 for rental space since 2007
 - Based on inflation rental charge would be approximately \$8,500 today

IRS Audit Update

- IRS currently auditing calendar year 2016
- Current Issues Discussed
 - Flexible Spending
 - Committee members recommended to look at a new TPA for Flexible Spending Account
 - Life Insurance
 - Dinner/Lunch
 - Personal Use of Vehicle
 - Committee members recommended to create a policy either based upon lease value of vehicle or mileage
 - Executive Cabinet will discuss
 - Moving Expenses (a taxable benefit starting in CY18)
 - Cell Phones
 - Tuition Reimbursement
 - Clothing Allowance
 - Lunch Provided Teachers (resolved)
 - Independent Contracts

Preliminary Five (5) Year Projections

- Health Life Safety Fund
 - Sold bonds in recent past
 - Planning projects/spending down funds

- Capital Projects
 - Protect Debt Service Extension Base (DSEB)
 - Will probably issue another set of bonds in 2021
- Tort Funds
 - Provided line showing work comp aggregate limit (stop loss)
 - Ideally have enough fund balance to meet aggregate
 - Other line estimation of what fund balance looks like
- IMRF/Social Security
 - Need approximately \$800,000 fund balance per policy
 - District has over \$2.5 million fund balance
 - Internal IMRF rate set to shift District fund balance to the IMRF unfunded liability
 - 23% unfunded liability in 2016
 - 3% unfunded liability in 2017
 - Once IMRF is fully funded (100%), IMRF tax levy will be shifted to a Tort levy to reestablish the fund balance
- Debt Service Fund
 - Fund balance is from sales tax collections
 - District will likely refinance the sales tax (2011A) bonds in 2021
 - Bonds become callable in 2021
- Working Cash Fund
 - Levy for “rainy day” fund
 - Fund balance grows until abated
 - Projected bond issuance in 2021
 - Move to Capital Projects for A/C
- Transportation Fund
 - State is supposed to pay 80% of cost of regular education and special education transportation
 - State is paying better for special education than regular education
 - Projections estimate that the State starts projecting a greater support for regular and special education transportation
- Operations and Maintenance Fund
 - Fund balance meets Board policy 4:20
 - Tax levy of \$0.20
 - Remaining comes from General State Aid
- Education Fund
 - Fund balance is half of what is required under Board policy 4:20
 - Five year projection shows further declining fund balances
 - Reviewed added one-time expenses
 - Reviewed added continued expenses
 - Reviewed added one-time revenues
 - Reviewed added continued revenues

Meeting adjourned at 5:45 PM