

Finance Committee Meeting
Tuesday, October 3, 2017 | 4:00 PM
Keil Building – Third Floor Conference Room

Members Present: Brian Hodges; Michael Dugan; Todd Covault; Beth Nolan; and Bobbi Williams

Members Absent: Paul Fregeau

Others Present: Paula Busboom; Suzanne Kreps; Beth Creighton; Kay Geskey; and Valerie Wells (*Herald & Review*)

The meeting was called to order at 4:00 PM. There was no public participation and the minutes from the August 1, 2017 meeting were approved by acclamation.

Upcoming Board Meeting Information:

- Tax Levy will be taken to the Board on October 24th
- Audit will be taken to the Board on October 24th
- Bond Issuance Notification Act (BINA) Hearing on October 24th

Levy

- County Estimated 2017 Equalized Assessed Value (EAV) = \$700,672,969
- Administrative Recommended Estimated 2017 EAV = 702,500,000
 - Higher estimated EAV to “balloon levy”
 - Most rates are maximized
 - IMRF, Social Security, Tort, and Debt Service are set by County based upon need (request)
 - IMRF recognizes \$15 million in unfunded liability to DPS
- Current estimate – three cent increase
- FY17 Scheduled Bond Payment - \$3,013,290
- FY18 Scheduled Debt Payment - \$1,872,615
 - New Debt - \$1,145,408
- FY19 Scheduled Debt Payment - \$1,886,843
 - New Debt - \$1,138,725
- No estimated increase to debt service tax rate

Audit Review (Unofficial)

- Audit is currently going through internal review process at BKD
- Estimated Financial Profile Summary was shared with the committee
 - Fund Balance to Revenue
 - District has highest rating (4)
 - State calculates District as having ratio of .286
 - Expenditures to Revenue
 - District spent \$1.005 for every \$1.00 brought in
 - Due to State not paying General State Aid, Special Education, and Transportation on time
 - Prior Fiscal Year District spent \$0.974 for every \$1.00 brought in
 - Days Cash on Hand
 - 118 days of cash on hand
 - District’s Overall Financial Profile is 3.25 out of 4

- Finance was reminded that the financial profile is overstated due to FY18 taxes received in June (FY17)
- FY17 Changes in Fund Balances
 - Education Fund (\$996,797)
 - Expenditures exceeded revenues; due to not getting State funding on time
 - Operations and Maintenance - \$193,585
 - Debt Services - \$347,101
 - Receipt of early taxes in June
 - Transportation - \$17,976
 - IMRF/Social Security - \$161,834
 - Capital Projects – (\$239,231)
 - Spending down prior bond proceeds
 - One percent sales tax not as much as anticipated
 - Working Cash – \$336,441
 - Taxes received
 - No expenditures
 - Tort – \$345,061
 - Workers’ Compensation and Unemployment payments not as much as anticipated
 - Fire Prevention – (\$516,350)
 - Life safety projects associated with a prior bond issuance

Other Topics

- Bond Issuance Finalization – Tax exempt or taxable
 - If bonds are issued as tax exempt the Board President would sign terms noting use of the funds (example – capital project, paying for air conditioning project)

Meeting adjourned at 4:26 PM