



Finance Oversight and Review Committee Meeting

September 18, 2107

Meeting Minutes

In attendance: Carrie Hagner, Mike Lofgren, Dr. Michelle Mangan, Bob Spatz, Rob Breymaier, Jeff Mathis, Rafia Hasan, Dr. Alicia Evans, Lou Anne Johannesson

Absent: Dr. Carol Kelley, Anna Richards, and Dr. Willie Mack

Chairwoman Hanger called the meeting to order at 7:02p.m.

1. Public Comments: There were no public comments.

2. Standing Items - Approval of minutes – – *August minutes were approved unanimously. The committee agreed that the minutes do not need to be a “play by play” of the meetings, they should reflect action items.*

3. Forecast5 Projections – The committee is concerned looking at the fund balance out five years. The committee discussed cost saving measures that must be looked at in order to not go out for a referendum again in five years. Evans was asked to come to the next meeting with forecasts that exclude reimbursements and to identify all contracts that can be renegotiated. They asked that this include benefits contracts. Evans began her presentation of the Forecast5 assumption by explaining the format of the document to new members of FORC. Lofgren stated that the low fund balances going out 5 years must increase. Hasan stated that if there were to be a recession, the District would be looking at deficit spending. Spatz suggested that the District’s expenses are in-line with peer districts. He and Breymaier asked FORC to re-examine peer district data. Hasan also warned of an increase in CPI over the 2% assumption. The group also warned if the demographic studies worse case scenario is exceeded, the District would be dealing with deficit spending. Spatz reminded the committee that at this point in terms of general state aide, there are no real numbers as of yet to use as a projection based on the brand new law Springfield just passed on the school funding formula. Spatz stated that there are two ways to protect the fund balances; lower expenditures or lower the growth and cost of services. He stated that the community does not want a reduction of services. Hagner suggested that the Board and Administration have to have a story to tell the community. Reductions of some services may be necessary in order to halt a need for another referendum. Hasan agreed, and that to not curb cost and perhaps cut services would be kicking the can down the road. Mangan stated that she would like to see operating expenses per pupil, to be part of the data presented to FORC. Breymaier concluded that the current forecasts show a deep need for belt tightening measures across the board. The committee stated that these assumptions are right at the thresholds of deficit spending what the operating expense per pupil is over the 5-year assumption. *The committee unanimously voted that the Forecast5 would be re-examined in October meeting. The reimbursements and an analysis of possible contract services reductions.*

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4. Committee Progress

a. Capitalization Policy – Richards was not present to report on this item.

b. Transparency Policy – Mack, Mangan, and Mathis will continue to work on this item.

5. Audit Update-Evans reported that the field work on the audit has been completed, and she should have a preliminary report in October

6. Underwriter Interviews- Hagner, Evans and Lofgren will conduct more interviews. The recommendation for the new underwriter will be presented to the Board on October 12th.

7. Adjournment-The meeting adjourned at 8:43pm.

The meeting was adjourned at 8:58pm

Next Meeting: June 15, 2017