



# Oak Park Elementary School District 97

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## Finance Oversight and Review Committee Meeting January 29, 2020 Meeting Minutes

**In Attendance:** Chair - Carrie Hagner, Vice-Chair Dr. Michelle Mangan, Jeff Mathis, Justin Erkfritz-Gay, Greg Kolar. Lou Anne Johannesson, Holly Spurlock, Cheree Moore

Also in attendance: Michael Arensdorf/Senior Director of Technology, Robert Grossi/Crystal Financial Group, Elizabeth Hennessy/Raymond James

**Absent:** Anna Richards, Peter Lisnic, Dr. Carol Kelley

Chairwoman Hanger called the meeting to order at 7:05 p.m.

- 1. Public Comments:** There were no public comments.
- 2. Standing Items:** Approval of Minutes – Minutes from October 2019 were unanimously approved.

### **3. Fiber Agreement Update**

Arensdorf reported to the group that the Village has decided not to partner with the District in Fiber Installation Agreement. The new agreement per an IGA would allow D97 to lease the Fiber network for \$16,000/year, plus roughly \$5k in maintenance costs. Arensdorf stated that that amount would only be 10% of what the District currently pays its provider for internet services. This proposed agreement is contingent upon the Village signing a contract for installation by March 2020. Arensdorf is exploring other options in case the Village is unable to present the District with an IGA at that time. He is looking into state funding and state grants. The financial output of the District would remain roughly the same between an IGA with the Village or grant/state funding.

### **4. Financing Information**

#### Update of Financial/Human Resources Conversion

Grossi gave the committee an analysis of the current Financial/HR software, Alio, versus converting to a new system. He stated that the current system does not match the ISBE budget coding. None of the account numbers in the current Alio system align with the state budget form. He also reported that during employee searches for staff in both the business office and HR office no candidates were familiar with the Alio system. The District plans, after an extensive search of software programming, to offer an RFP to either Skyward or Infinite Vision. Both companies service multiple Districts within the state of Illinois. Grossi feels that either system would be “so much cleaner than what is currently being used”. Both King and Arensdorf agreed. Committee members asked about when the conversion could take place once a decision on a vendor is made. Arensdorf and Grossi stated that at the earliest a conversion could take place would be the beginning of the calendar year, January 1st, 2021 or at the latest, at the beginning of the fiscal year 7/1/2021, which will

require staff training. King also remarked that either of the systems being considered would greatly improve communication of data between the business office and HR office. Grossi stated that either system will be HR compatible, which the current system is not therefore allowing, for instance substitute teacher tracking and an improved employee portal. Mangan remarked that implementation of either system would seem to help with communication to the community in alignment with the District's transparency policy. Final cost analysis will become available once a vendor is chosen. FORC will be updated at its next meeting.

#### Review of Fiscal Year Ending June 30th, 2019 Audit

King, who serves as the District's Director of Finance, reported that the District received an unmodified opinion from the auditing firm. He stated that that is the cleanest response the District could have gotten. He reported that within the FY2019 SY, the District remained within its fund balance in alignment with the BOE's policy of sustaining a fund balance between 25%-50%. The ending fund balance was 32% for the year. The audit also mentioned the large transference of funds between the operational & transportation funds into capital accounts. This was the repayment to the capital fund for the Holmes construction, because the levy overage of the 2017, 2018, and 2019 was used for construction in lieu of DSEB bonds. Mangan asks about repayment to those funds. Grossi stated that in conversations with former BOE member Spatz, his understanding was "repayment" would occur as money from the levy would be distributed differently moving forward. Kolar agreed that was the plan.

#### Bond Sale

Hennessy reported that the day prior, January 28, 2020, the District successfully sold the second part of the 2017 referendum capital bonds. She stated that the timing was perfect. Due to threats of COVID-19, the markets had plummeted, making safe and secure investments like municipal bonds more advantageous to investors. The original rate she had quoted on January 7, 2020 to the BOE was 2.44%, with a total net debt service of \$31,145,460. The rate at the time of the sale was 1.59% for a debt service net total of \$29,247,836, a savings of \$1,297,624 in interest payments. The date of delivery of funds is February 12, 2020. The first interest payment will be July 1, 2020 and the last payment is scheduled for January 1, 2030.

#### Abatement

Grossi stated that the BOE has abated additional levy dollars over the last 3 years to pay for the Holmes school expansion in lieu of DSEB dollars. Spurlock reminded FORC that it was indeed the choice the BOE made. Grossi and the BOE are looking for a recommendation on whether or not to abatement the next \$1.4 M overage. Grossi noted that it would be about \$100 for a \$400,000 market value home, and the five-year projections do not change due to the abatement. This would be a one-time event, specific to FY19. Mangan stated that she feels that the District should maintain the funds for operational needs. Moore stated that she sees capital equity, especially ADA accessibility as operational both as a parent and a BOE member.

*The Financial Oversight and Review Committee of the Board of Education of District 97 met on January 29, 2020. FORC recommended that the district abate the entire outstanding non-referendum bond levy Series 2018 for FY19. The recommendation passed in a 4-1 vote. Mangan voted to not abate.*

The meeting adjourned at 9:01 pm.