

Finance Committee Minutes

DATE & TIME: January 17, 2017 at 4:00 PM

LOCATION: Unit Office

ATTENDEES: John Puzauskas, Marty Hickman, Tommy Hoerr, Dr. Mark Daniel,
Gail Ann Briggs, Joseph Cleary, Curt Richardson

1. Budget update

- a. Mr. Hickman provided the Committee with a six-month budget update.
 - i. The Educational Fund is projected to finish FY 2017 with a \$133,000 deficit. This is mainly due to the Corporate Personal Property Replacement Tax revenue being down by about \$150,000 compared to what was projected at the beginning of the year.
 - ii. The Operations and Maintenance Fund is projected to finish FY 2017 with a slight return to reserves. However, this largely depends on how the District will fair in regards to electricity and natural gas usage.
 - iii. The Transportation Fund is projected to finish FY 2017 with a \$167,000 deficit. This is due in part to an additional bus route that was added after school began, and the District needing to rent some additional special needs buses just for this school year.
- b. Mr. Hickman noted that the District has not received any categorical payments from the State for FY 2017. This is a great concern for the District considering that Administration had budgeted for three of these four payments for FY 2017 (which has been the norm for the past several years). Considering that the District hasn't received any of the FY 2017 payments this late into the year, it's beginning to look unlikely that the District would receive two of the four payments by June 30, 2017. Receiving less than three of the four categorical payments for FY 2017 will have an adverse affect on the District's finances, particularly for the Educational and Transportation Funds.
- c. The Committee briefly discussed the potential property tax freeze legislation in the General Assembly. Freezing property taxes could negatively impact the District's finances depending on how the State would fund K-12 education in future years.

2. Activity Funds' Fall internal audits

- a. Mr. Hoerr informed the Committee that he was please with the results of the internal audits from last Fall. This round of audits had the lowest number of findings since routine audits were started during the Fall of 2014. All elementary buildings had less than three findings each.

3. Tax Anticipation Warrants

- a. Mr. Hickman advised the Committee that he planned to present a resolution to the Board authorizing the District to issue no more than \$14 million in Tax Anticipation Warrants. He recognized that this was an increase over last year, which is due to the uncertainty of funding from the State.
- 4. Working cash bonds**
- a. Mr. Hickman reported that \$3.5 million in Working Cash bonds will be closed on February 1, 2017. This is the first \$3.5 million of the \$7 million the District intends to sell to purchase new school buses.
- 5. Independent auditor RFP**
- a. Mr. Hickman presented the tentative auditor RFP schedule. He expects to advertise the RFP on January 27th, and plans to have the Board vote on a new contract at the March 8th Board meeting.
- 6. Status of the EAV appeal for the Mitsubishi property**
- a. The local property tax appeal board held the property value at the 2015 EAV. We are not certain whether or not they will appeal to the State Board.
- 7. Other Business**
- a. Dr. Daniel met with the Town of Normal officials. He felt encouraged that the Town understands the negative financial situation the District is facing. He is hopeful that this is the start of a closer working relationship with the Town to help support each other.

The meeting adjourned at 5:46 PM.

The next meeting is scheduled for February 14, 2017 at 4:00 PM at the Unit Office.