



Oswego Community Unit School District 308

SERVING ALL OR PARTS OF THE COMMUNITIES OF
AURORA, JOLIET, MONTGOMERY, OSWEGO, PLAINFIELD AND YORKVILLE

Finance and Facilities Advisory Committee Minutes

**East View Academy-Gym
4209 Route 71, Oswego
September 21, 2020
6:00 p.m. – 7:30 p.m.**

I. Roll call

The sign in sheet was used in place of an official roll call. Meeting called to order at 6:02 pm.

Members in Attendance: Rob Allison, Kenneth Blue, Robert Eberhardt, Jaime Diaz, , Bill Mueller, Phil Murray, Erika Sieh, Jennifer Smith, Christi Tyler Chief Financial Officer, Brent Lightfoot and Ruth Kroner Board Member Co-Chairs, George Kalule (called in remotely 6:15pm)

Members Absent: Tatyana Gorski and Kaila Mugford

Guests: none

Recording Secretary: Carrie Szambelan

II. Approval of Minutes from the Finance and Facilities meeting on August 25, 2020

A motion was made by Mr. Lightfoot to approve the finance and facility minutes from the August 25, 2020 meeting. All members in attendance agreed unanimously to approve the meeting minutes as presented.

III. Budget Revenue/Reduction List Discussion

Mrs. Christi Tyler gave the committee an update on the tentative budget since the last meeting. The good news is instead of the deficit being \$8.189 million, it's now \$6.145 million. There were a few changes due to the following:

- Digital equity grant. SD308's portion was \$900,000 that will be used for the first lease payment of the chrome books being purchased. There was \$500,000 placed in the tentative budget as a place holder for this expense.
- Restructuring the additional custodians and health clerks for in-person learning
- Operation department's PPE bid that was recently held, came in lower than expected. For example, hand sanitizer purchased in April was \$30/per gallon, and the bid came in at \$9/per gallon. Approximately, \$120,000 of the operations expense will now be transferred to the grant for PPE.

The budget is the best estimate of what is going on throughout the school year. This year is extremely challenging due to budgeting on a lot of the unknowns. Mr. Eberhardt questioned if the second property tax payment was received by the district yet. Mrs. Tyler mentioned, it has not been received yet. That payment usually comes at the end of this month. She will check up until September 27th, until the Board adopts the Budget on the 28th. Mr. Eberhardt questioned how long does ISBE give to balance the shortfall in the deficit reduction plan. Mrs. Tyler stated three years.

Mrs. Sieh questioned if anything was heard from the state on the potential cuts of 5% this year and 10% next year to the state's budget that was mentioned by the governor. She was curious

to hear if anything was decided on the EBF funding. Mrs. Tyler stated she has not heard anything yet.

Mr. Lightfoot stated a few years back, the Board requested administration to come up with a list of cuts to be voted on and how they impacted the students. At that time, the Board chose to stay away from cuts that were rated high. Instead they voted on low & medium impact items. Mr. Lightfoot asked if anyone had any questions on the lists that were provided.

Mrs. Tyler received questions from Mr. Blue on August 25th and would like to go over the answers with the committee. Some questions were:

- Why was there an increase in Transportation of \$3 million from last year? The expense was lower last year due to services ending mid-March. Mr. Lightfoot added they have the ability to furlough these employees for this school year. Currently, they are delivering free meals to students and transporting a handful of students to private placements. Administration has asked them not to be furloughed. Mrs. Tyler added bus drivers are very hard to find. When schools reopen, the district wants to make sure we are ready. They are guaranteed four hours of pay per day. The district receives 60% reimbursement for transportation. Mr. Mueller wanted to know what is the bottom line difference in cost. Mrs. Tyler stated \$7,000 difference after paying unemployment for these drivers. That is why administration has requested not to furlough these drivers.
- Reduce utility costs. Thermostats are set for occupancy. Teachers are starting to come back to class rooms to teach online. AC/Heat is reduced when no one is in buildings.
- Can staff/athletic coaches be put on temporarily unemployment? There is a state statute "reduction in force" (RIF) date of March 1st. At this point, it cannot be done. Lunch/recess supervisors only were furloughed.
- Is there a monthly remote budget and classroom budget? There is only one budget that is submitted to the state. The budget is monitored throughout the year and can be amended if the Board chooses to do so before the end of the fiscal year, giving 30 days' notice to be on public display. Mr. Mueller questioned what is the plan in November when students do come back to school. Mrs. Tyler stated this will be discussed at Monday's board meeting. Mrs. Kroner added it is costing less with remote learning then in-person learning.
- Did 4th quarter categorical make it into last year's budget? Yes. It was received before August 31st. The audit will be presented to the committee this winter.
- Will property tax payments be delayed? Historically, the district has always received more than 50% before June 30th. This year the district did not receive 50% until July. The auditor confirmed, 50% will be added to FY20 and the remainder will go into FY21. As of the end of July, the district received approximately \$600,000 over last year. Extension increased to \$2.4 million. That will be the biggest impact to the fund balance.

A question received from Jennifer Smith: Is there anyway we can see numbers adjusted for in-person learning starting November 1st? Mrs. Tyler responded this is what the budget is based on, in-person learning. Mrs. Seih questioned if there were any other increase in costs? The only increased cost planned was the additional chrome books being leased, \$750,000 per year. However, the district received the digital equity grant helping offset costs with the first-year lease payment. Also, the additional health clerks and custodians were added.

The last question received was centered around costs for athletics/activities? Mrs. Tyler pulled information from schedule A, FY19, due to a complete full school year. The athletic stipends (all coaching) were \$1.6 million, non-athletic stipends \$258,000, club stipends \$100,000, intramurals \$113,000, and honor societies are \$14,500. All athletics will happen at some point in the year according to the information we are given at this time. Currently, some non-contact fall sports are being played according to IHSA rules and some are delayed that are supposed to resume in the late winter/spring. Mr. Mueller asked what was the average stipend? Mrs. Tyler displayed the contract listed on the website. It depends on the level, high school vs. junior high and depends on years of

experience. It's split by twenty-four paychecks. If a coach resigns, they will pay it back to the district in their next paycheck. Mr. Lightfoot suggested a policy be put in place so these stipends can be paid out during the season instead of throughout the year.

Mrs. Kroner suggested instead of using this older list of cuts, maybe we can see if there is anything new to add since there are new administrators. It's good to have fresh eyes to see what the needs of the district will be going forward. She would like to have this list before going forward with anything on this prior year's revenue/reduction list. By having an increase for 1:1 needs for SPED (grades 5-12), it will be good to see what impact that will be on the budget? Getting Faith and Heather involved from the curriculum side may be helpful.

Mr. Blue questioned if some cuts were filtered out that were received in past years. Is there a record of those cuts anywhere? Mrs. Tyler responded that some were filtered out to the impact on the students. Mr. Lightfoot added the items that effected the requirements by the state were definitely removed along with a high impact in the classroom. Items in the past could possibly be reconsidered now, since times are different. Mrs. Sieh questioned if they are looking for \$4.3 million dollars to cut. Mr. Lightfoot stated since there is a deficit of \$6 million, \$4 million may be possible, it just depends on people's appetites. Mrs. Sieh asked if there was an alternative. Mr. Lightfoot mentioned the board can roll the dice and take a chance and be on probation with the state. However, every year after may be harder to find cuts if we wait. Mrs. Sieh came up with \$2.25 million in cuts with some of these on the list. So that is far away from the \$4 million goal.

Mr. Blue was concerned in looking into moving operating expenses to the capital expenses bucket when possible. Mrs. Tyler confirmed any capital project that happens is paid from that separate bucket. Chillers & roofs have all been paid out of that bucket. The district issued DESB non-operating referendum bonds to help offset capital improvements and technology for the district in the past.

Mrs. Sieh requested if it's possible to start the budget with all requirements mandated by the state and then add items in as the district can afford them. Mrs. Tyler stated we can go through that exercise and add salaries & benefits as a start bases since it is 80% of the pie, it would be difficult to go through the supplies account. However, we can add back a percentage of supplies and go from there. Erika questioned if specials are required by the state. Mr. Lightfoot stated P.E. is required by the state. Art, music and library is not.

Mr. Eberhardt suggested reviewing the employee benefits plan of the district. He suggested that the district can look at restructuring the insurance plan to see if there are any ways to reduce the premium while maintaining the same benefits. By having an HSA in place, the premium can be lower and it could be a savings for the district. However, Mrs. Sieh disagreed due to funding the HSA account for the first year. It would be costly to the employee out of pocket. Mr. Eberhardt stated not if the district contributed to the first year of funding by the premium being saved. It's about educating the employee. Mrs. Tyler gave a ballpark figure of benefits costing \$19 million including dental. He mentioned the district could potentially see a 20% in savings on the premium. If the district decided to contribute back to the plan, the saving would be a little less.

Mrs. Tyler mentioned a future topic can be to review the district's benefits. She can reach out to Mr. Miller, the Director of Human Resources, and Lockton to see if they can attend the next finance meeting on October 20th.

Mr. Lightfoot reminded the committee if they have questions, to send an email to Christi, Ruth and himself. Do not REPLY ALL. It's against the OMA rules. Mr. Mueller suggested the email be set up to be delivered as "Bcc".

IV. Public Comment (3 minutes each)

There were no individuals present for public comments.

V. Adjournment

A motion was made by Brent Lightfoot to adjourn. All present were in favor to adjourn.

Meeting was adjourned at 7:33 p.m.

Next meeting: October 20, 2020