

Minutes of Finance Committee Meeting

Date of Meeting: Monday, September 17, 2018
Committee Attendees: Mr. Wade, Mr. Withrow, Mr. Cosgrove, Mr. Galante, Mr. Meyer
Other Attendees: Board Members Kathryn Talty and Shannon Green (initially by phone)

The meeting was called to order at approximately 7:00 a.m.

Approval of Minutes

Upon motion duly made, seconded and approved, the Committee approved the minutes from the Finance Committee meeting held on August 24, 2018.

Monthly Financial Update

Treasurer Galante provided the monthly financial update for August month end. Expenses were in line with expectations, although it will still be several months before we are sure that recent cuts will have the forecasted effect. It will also be another month at least before we understand the impact of the prepayment of real estate tax payments by many people in December 2017 as a result of the changes in the federal tax law beginning in 2018.

Mr. Galante further reported that in the process of preparing the district's five-year forecast, he discovered an accounting error made by the Lake County Auditor's Office since the March collection in 2017 which resulted in money being misdirected from the general revenue fund to the bond levy fund. The error resulted in our general revenue fund being underfunded by about 2 percent to 3 percent per tax payment, with an overall impact over the 2-year period of approximately \$700,000. The county initially incorrectly informed the district that the dip in revenues was the result of increased delinquencies in tax payments. The error also was missed during a state audit of district finances last year. The Committee asked Mr. Galante to ask the county auditor for a written explanation of what went wrong, and why, and to provide assurances that the error will not recur. The Committee also asked Mr. Galante to institute an internal check and balance system to make sure that any errors by the county are identified as soon as practical in the future.

The Committee also discussed recent property reappraisal notices from the Lake County Auditor which generated a great deal of discussion and debate in the community. Mr. Galante reported that a community total valuation increase of 10 percent would result in a 1 percent increase in revenues for the schools. The Committee noted that, until appeals and final values are determined, the schools are unable to determine the final impact.

Employee Health Insurance

Mr. Wade reported that the standalone quote requested from Medical Mutual to enable the district to consider the potential departure from the current consortium before the October 15 deadline was expected within a day or so. Before leaving the current consortium, it was also agreed that the analysis of both the resulting increased management burden and the need for employee flexibility was still needed.

Facility Use Fees

Mr. Wade presented an updated schedule of fees for use of school facilities by third parties. Following discussion, the Committee agreed to submit the updated fee schedule to the entire Board for approval at the September 24 meeting.

Following review of the September 24 Board agenda, the meeting adjourned at approximately 10:10 a.m.