Minutes of the November 2017 Finance Committee Meeting

The meeting of the Mercer County School District Board of Education Finance Committee was held on Tuesday, November 14th, at 3:30 p.m., at the Unit Office. Persons present were Board Members Barbara Chiles, Dave VanderHeyden, Julie Wagner; and Supt Scott Petrie.

Call to Order at 3:37 p.m. by Chiles, Roll Call: Chiles, VanderHeyden, Wagner, Supt Scott Petrie

VanderHeyden moved, Wagner seconded to approve the October 2017 Finance Committee meeting minutes. Motion passes.

Old Business:

1. **Revenue** - MCSD has finally received all FY17 payments from the State of Illinois, but we are short $349,506 for FY18 so far. We are awaiting $155,000 in transportation reimbursement and $160,000 in General State Aid. We have not received any payments from the Federal School Lunch program for 2017-2018 year at this time.

   Also, there is currently a bill in proposed in Springfield that would increase the General Homestead and Senior Homestead Property Tax Exemptions. These would effectively remove approx. $25 million from the county EAV. As a result, the District could see a decrease in local revenue of nearly $670,000.

2. **Community Projects** - All items for the practice field sprinkler system and work done at Apollo diamond that have been invoiced have been reimbursed.

3. **Review of Monthly Health Insurance Account** - Expenses this month - $141,583.27, with deposits of $116,788.28. Our balance total has lowered to $388,088.40 – compared to last month’s $412,883.39.

4. **Teacher’s Luncheon** - We held the annual teacher’s luncheon on the first day of National Education Week, November 13th, during the regular staff lunch periods. Catering was done by Reason’s and HyVee. Jason Potter of Country Financial helped financially sponsor this event with the School Board.

5. **Current Fund Balances** - Noted that four funds were receiving less revenue than expenditures going out. Comparing balances across the funds monthly.

6. **Tax Levy** - To be discussed in detail at November meeting. EAV increase in Mercer County came in at 4.5% (Henderson 5.5% and Rock Island 4.3%). Mr Petrie provided a chart with three possible scenarios for committee (and full Board) to review. From information provided to the District, he believes the 4.5% increase would be our best option. The 4.5% increase is in dollars collected, not a rate increase. Our rate could actually go down 2 cents due to the large EAV increase this year. Estimated new money to District is $303,614.

7. **FY17 Audit** - Full audit will be completed for review at the December regular meeting. Preliminary findings have us with a 4.00 profile score and in the Recognition category. Great rating for us. The audit does show an unusually high cash reserves, but it reflects the fact that our first installment of property taxes was sent to us prior to July 1st. That money is for this current school year, not the last one.
8. **Ten Year Health Life Safety Plan** – Regional Superintendent has given our plan the OK, but no word from the State yet. Buildings and Grounds will need to meet to prep ideas by mid-December.

**New Business:**

9. **Property Tax Freeze** - In the same bill with the Homestead Exemptions proposal, there is a 2-year property tax freeze for Collar Counties. (See Chapman Client Alert in packet.) Again, if passed, no district in Illinois would be allowed to receive any more dollars for two years than they did in 2016, even if the EAV increases and raises our revenue. House Amendment #1 to SB 851.

10. **Education Foundation** – Cargill has notified the Education Foundation that they are prepared to make a $5000 donation. This will be matched by Looser-Flake, for a total of $10,000 new money.

11. **Transfer of Funds** – We need to transfer money from Capital Projects Fund to Debt Service for our December payments on MCIS ($195,168.38 – completed in 2019), Working Cash ($99,200 – completed on 2020), and HVAC ($301,560.48 – completed in 2021) debts.

12. **Reviewed the Financial Information on the Consent Agenda** – asked questions concerning the Bill List / Mastercard List, Activity Accounts, Building Accounts, Imprest Fund, Financial Reports, and Treasurer’s Reports (now called the Balance Sheets). Mr. Petrie offered answers at the meeting.

Next meeting will be Monday, December 18th at 3:30 p.m. in the Unit Office.

VanderHeyden made a motion, Chiles seconded to adjourn the meeting, motion passed at 5:40 p.m.

Respectfully submitted,

Julie Wagner, Finance Committee Secretary