Minutes of the December 2017 Finance Committee Meeting

The meeting of the Mercer County School District Board of Education Finance Committee was held on Monday, December 18th, at 3:30 p.m., at the Unit Office. Persons present were Board Members Barbara Chiles, Julie Wagner; and Supt Scott Petrie.

Call to Order at 3:33 p.m. by Chiles, Roll Call: Chiles, Wagner, Supt Scott Petrie

Wagner moved, Chiles seconded to approve the November 2017 Finance Committee meeting minutes. Motion passes.

Old Business:

1. **Revenue** - All 3 counties have sent us our final installments. Still no transportation reimbursement (approx. $154,000). Title Grant is awaiting approval, so no incoming money for that yet ($260,000). Some Federal payments have come in this month. General State Aid is paid up to date. CPPRT payments are slowly coming in (monthly payments). Pre-K grant is in, but not paid yet (approx. $250,000). Payments for this are usually delayed. Special Education payments have now been rolled into GSA payments. ISBE has not released new numbers on General State Aid additional revenue from the new funding formula yet. Looking at a January release of those numbers.

2. **Property Tax Freeze and Homestead Exemption bills proposed** - Passed House, but Senate seems to be refusing to call the bill for a vote. Could have cost our district millions in EAV.

3. **Community Projects** – final invoice has been paid.

4. **Review of Monthly Health Insurance Account** – Expenses this month - $119,538.94, with deposits of $117,368.14. Our balance total has lowered to $385,917.60 – compared to last month’s $388,088.40. We are expecting a credit of $84,773.53 for claims in excess of our Stop Loss Limit.

5. **Tax Levy** – No changes to the proposal from November 2017 meeting. Our levy would be asking $4.75 this year, down 2 cents from last year. Our requested amounts will be based on a 6% EAV increase and result in an overall 4.72% levy increase.

6. **FY17 Audit** – Financial Profile Rating is 4.0 this year. Audit went well with this firm (Cavanaugh, Davies, etc). Cash reserves reflect revenue that was delayed from FY16 and early revenue from the counties for FY18. They are inflated due to those two factors.

7. **Ten Year Health Life Safety Plan** – Plan was reviewed at the state and returned, needing updated safety plans. The original architect plans were with Kenyon and Assoc. and they refused to give them to MCSD. Phillips made the necessary changes and re-submitted it to the state. The state approved NBE, MCIS, and Apollo on Friday (12/15/17).

8. **Teacher’s Luncheon** – Total from Reason’s was $1389.00. Waiting on HyVee’s charges for salad and cookies.
9. **Future changes to district if we encounter financial shortfall this spring** – Brainstorming ideas from administration of possible ways to cut if we run into financial difficulty going into next school year.

**New Business:**

10. **Sub Pay** – We are short substitutes for most every position. To attract more subs to the district, we are looking to increasing sub pay. Proposal for increases is in the board packet. The positions with proposed changes are Daily Rate sub teachers, Hourly Rate sub teachers, Daily Rate sub teachers after 15 days, sub nurse RN and LPN, sub custodian, and homebound teacher sub.

11. **Pensions and Possible Cost Shift to Districts** – Newly added Tier III in TRS would start having districts pay about 9% of teacher salaries into TRS, starting in 2021.

12. **Hall of Fame Committee** – Income for upcoming induction?

13. **Federal Tax Plan and FY18 Fed Education Budget Implications** – Will new tax law hurt our local district? Currently it appears it will not. Fed Education budget could eliminate or reduce the 21st Century Grant.

14. **Concerns** – O&M Supply line was over 93% spent already in the year. After running the charges to the line item, it was found that there were several capital expenses taken from the line that shouldn’t have been. Corrections being made. Also, Mr. Petrie stated that if the new funding formula moneys were not arriving by March, he has concerns for our budget.

15. **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, January 15th at 10:30 a.m. in the Unit Office.

Chiles made a motion to adjourn the meeting, motion passed at 5:45 p.m.

Respectfully submitted,

Julie Wagner, Finance Committee Secretary