

GLENBROOK HIGH SCHOOL DISTRICT 225

FINANCE COMMITTEE MINUTES

March 16, 2017 7:30 AM - 9:33AM

Administration Building - Public Meeting Room 100A

Members Present: Doughty, Fagel, Finan, Frandson, Gravel, Martin, Ptak, Riggle, Swanson, Tarver, Taub

Also Present: Raflores

Members Absent: Freund, Geddeis

Agenda Item #1: Call to Order

A regular meeting of the Finance Committee was held at the Glenbrook High School District 225 District Office on March 16, 2017. The meeting convened at 7:30 AM.

Agenda Item #2: Update on FY2018 Tentative Budget

Dr. Gravel and Ms. Tarver presented an update of the year-to-date expenditures and revenues for the 2017 fiscal year budget. In comparing this year's data against the same time period for the 2016 fiscal year, the district's expenditures are roughly the same as last year (62-63% of budget), while revenue is slightly lower (85% of budget for 2017 compared to 86% for 2016).

Dr. Gravel also presented a State and Federal Revenue Dashboard, which outlines in detail that the district's budget revenues from state and federal sources. He explained that our federal revenue streams have been performing extremely well, with the District receiving approximately \$681,000 in excess of budget as of March 2017. With regard to the state revenue streams, several have been performing well, meeting their scheduled payment schedules, and being paid at the values anticipated. However, the majority of special education categorical grants have active payment schedules, but actual payments are behind by approximately 180 days.

Dr. Gravel also touched on some other areas that affect the district's budget:

- **Property Taxes:** the district expects 97-98% of property taxes to be received as a result of ongoing property tax appeals (PTAB).

- **Make Whole Payments (MWP):** The district is scheduled to receive make-whole payments from the Village of Glenview on behalf of The Glen for 4 more years. Based on enrollment, as of October 1, 2016, the district expects to receive an increase of \$1M in the 2018 fiscal year.
- **Salaries** (both Certified and Noncertified): Based on initial estimations, the District anticipates increases of between 3.2% - 3.3% for the 2018 fiscal year budget.

Overall, initial projections estimate that the overall budget will increase 2% - 2.5% for the 2018 fiscal year.

Dr. Gravel also presented a discussion with the committee regarding the goal of creating a financial dashboard for review by the Board on a routine basis. Dr. Riggle reminded the committee that this was a desire initially expressed by both Moody's and Standard and Poors during the fall credit rating presentations. It was recommended by the committee that the discussion of format and frequency be shared with the full Board during the upcoming retreat.

Agenda Item #3: Review of Credit Card Convenience Fees:

Dr. Gravel reminded the board that at the February 27, 2017 Board of Education meeting, the board requested that administration further review options for reducing the expense of collecting credit card fees. Dr. Gravel identified the following possibilities to reduce the total amount of credit card processing expenses:

- **Assess the \$2.65 credit card convenience fee for in-person transactions.** Based on financial projections, administration estimates that assessing a \$2.65 credit card convenience fee on in-person transactions would result in a cost savings of approximately \$20,000.
- **Assess a graduated credit card transaction fee of \$2.65 per \$100.** Currently, this is being done with credit card food service purchases. If adopted this model would apply to in-person and online transactions, and would eliminate the majority of credit card processing expense from the district.
- **Offer \$0-Cost for electronic check processing** (the district's current practice).

After discussion amongst the committee, the committee members agreed that many schools, park districts and other programs employ the graduated credit card convenience fee. The committee was not inline with assessing credit card convenience fees as a profit measure, but did recommend a graduated credit card convenience fee as a means to cover actual district costs.

Agenda Item #4: Upcoming Finance Committee Meetings

Dr. Gravel outlined future finance committee meetings that would be scheduled in the coming weeks:

- April - Discussion on Financial Forecast Model
- July - Review of FY2018 Tentative Budget

Agenda Item #5: Health Benefits Pre-Renewal for the 2017-2018 Plan Year

Ms. Raflares introduced two representatives from Arthur J. Gallagher & Co., the District's benefits broker as of February 1, 2017. The representatives presented a financial summary regarding the funding and claim performance of the PPO and HMO health plans. A discussion regarding large claim history and projections ensued, and the Gallagher team emphasized that the District historically experiences 2-3 large claims each year. Our past trend history and subsequent analysis resulted in an estimation of large claims that was factored into our recommended renewal rates. Gallagher's underwriter also explained the overall methodology that they utilize to define pre-renewal rates. They explained that they reference 18 months of plan history (9/1/2015-8/31/2016 and 9/1/2016-1/31/2017), as well as Gallagher's internal database of customer trends and data to estimate adequate funding levels for the upcoming plan year (9/1/2017-8/31/2018).

The committee engaged in dialogue with the representatives from Gallagher as well as Ms. Raflares, Dr. Gravel, and Dr. Riggle regarding the timeline for marketing the health plan. After substantial discussion, it was recommended that Dr. Riggle present a brief update to the full Board at the March 20, 2017 regular meeting, regarding the activities that have taken place recently, and the plan for moving forward with a variety of health benefit-related activities (marketing the health plan, evaluating the SSCRMP health group partnership).

Agenda Item #7: Other

No other business was discussed.

Agenda Item #8: Adjournment

The meeting adjourned at 9:33 AM.

The next Finance Committee Meeting date in April will be selected in consultation with the committee members.