



## Finance Oversight and Review Committee Meeting

February 23, 2017

### Meeting Minutes

In attendance: Carrie Hanger, Dr. Alicia Evans, Bob Spatz, Mike Lofgren, Rafia Hasan, Graham Brisben, Willie Mack, Jeff Mathis, Michelle Mangan, Lou Anne Johannesson

Also in attendance; Mark Burger, Seven Generations Ahead

Absent: Anna Richardson, Dr. Carol Kelley

Chairwoman Hanger called the meeting to order at 7:14 p.m. She introduced new member, Rafia Hasan

**Public Comments:** There are no public comments. *Greg Kolar who resides at 642 N. Humphrey was present but provided no comment.*

**Standing Items** - Approval of minutes – The meeting minutes from November 2016 were unanimously approved.

#### **1. Solar Power Presentation:**

Mr. Mark Burger with Seven Generations Ahead gave a presentation on Community Solar as a potential source of electricity for the district. Burger shared information on the potential project. He hopes to gain enough letters of intent to get a selection of developers for proposals. He has received one from the Park District of Oak Park. The committee will be informed of any updates in the future.

#### **2. Treasurer's report**

Evans delivered her quarterly treasures report. Hasan asked about the negative ending balances as of December 31, 2016 in buildings and operations as well as capital projects. Evans explained that as revenue flows in (revenue such as GSA and local property taxes) she prioritizes where to put the money in funds throughout the year. She distributes it to instruction and salaries first. Mangan asked when the beginning balance was dated. Evans stated that the beginning balance of the year is always July 1. May asked if there will be a complete year-end available on June 30, 2016. Evans stated yes. Mathis asked if the distribution of funds as they come in is always a priority to instruction first. Spatz and Evans said

yes. Mangan asked what Evans and the Board want to task FORC with in regard to the Treasurer's report. Evans replied that she would like FORC to review the general information. She advised the group that these are internal quarterly reports that are subject to revisions. She further stated that she will be sure to get the year end report to FORC as soon as it becomes available, and before it goes to the Board.

Lofgren stated that rather than focus on the funds page the group should be looking at the big picture of revenue he asked if 42% is where Evans expected to be at this time of the year. She stated that there is no way to predict year to year when revenue will come in. She also stated that the 42% was not an accurate reflection of this year's revenue because it included the \$6 million from the sale of bonds in December. Lofgren raised concern over revenue being below 50%. Evans believes that GSA will come through by the end of the fiscal year and Spatz explained the "carry-over" of GSA is always adjusted when a year-end fiscal report on the budget is finalized. May stated that in his years as a Superintendent he saw both sides; revenue and expenditures fluctuate throughout a school year. When state and federal funding is delayed, the district has to decide where money should go first, which is almost always instruction and salaries.

### **3. DSEB**

Evans reported that the Board did approve 16 million dollars in DSEB for the Holmes school addition and life safety projects in December. The first 6 million will be used for summer 2017 life safety compliance work. Additional bonds can be issued for another \$10 million. Evans made it clear that if the capital referendum does not pass, the addition at Holmes will not be built and the additional \$10 million will go to operations. The first \$6 million will provide funds for the mandatory life-safety work throughout the district. Hanger asked if the referendum was why the Holmes addition was not being built in the summer of 2017. Evans stated that no, the delay was due to a disagreement with the village which postponed soil borings. The District is investigating the use of mobile classrooms at Holmes for the 2017-18 school year.

### **4. Sale of Warehouse:**

Evans reported that there is competitive movement on the sale of the warehouse. Theresa Jurgus of Baird Warner has been contracted to sell the property. Evans is feeling confident that the District will get at least the \$800,000 that it anticipated on the revenue side for this year.

### **5. Referendum:**

Brisben and Spatz stated that the referendum team has begun making presentations to civic organizations all over Oak Park. Brisbane then thank the committee for all of their hard work to prepare for the referendum itself. Mangan and Lofgren pointed out that they had only acted as a rubber stamp and that the committee itself was never asked about the size or scope of the referendum before the Board made its decision. They felt uncomfortable that Brisben was using FORC as an example of how it determined the size of the referendums. Mangan then asked about the report that came out at the Board meeting on February 14th regarding cuts that would be made to staff if the referendum did or did not pass. The committee would like an answer as to how these cuts were determined. Mangan then asked if

there was a Board policy that, when major financial cuts to staff or to instruction are made are those cuts aligned with the goals of the district that include equity, inclusion and the whole child. Spatz stated that no, there was no such policy but that might be a very good task for FORC take on. Johannesson suggested that FORC take a look at the CLAIM Equity & Excellence workgroup statement to help compose a policy to draft for the Board.

## **6. Auditor Review:**

Evans reported that the current auditor's contract, RSM, will expire shortly. Spatz stated that policy is that our current auditor will need to change their principal auditor if we stay with them. Hanger & Lofgren offered to help Evans interview auditing firms. Their workgroup will proceed with interviews throughout the month of March and into early April and will present their findings from interview at the next regular FORC meeting.

## **7. TSA: 403 B**

Evans reported that the Board of Education would like some information on vendor payment options from FORC. TSA is recommending a \$2 per month per percentage rate. Hanan and May will work on language to present to the Board.

## **8. Transportation**

Evan stated that as part of a review of the transportation contract, she would like to conduct a route review or route audit. She will present more information at the next FORC meeting.

## **9. Policy 4:12**

Specs ask the committee if they had reviewed policies 4:12. Board of Education will be voting on this upcoming meeting in March he asked if he could have a motion to amend stating that, an overall fund balance would be 50% (a change from 25% to 75%). The group unanimously voted yes.

## **10. From the Board**

Spatz stated that the Board would like FORC to take a look at the last strategic plan. He also stated that the Board would like more eyes on the books and more transparency to the community. Mangan again asked about writing a new policy that deals with equity, efficiency and adequacy when dealing with large financial matters.

## **11. A Review by Voting Members Only on FORC Charge**

The Board Members and Dr. Alicia Evans excused themselves for a private conversation with the voting members only. Johannesson remained to take notes. The group stated that it was frustrating to meet every quarter. Hanger suggested that the group meet at least every other month and sooner if necessary. She also suggested that if the group were to be a truly advisory one they need to take a new look at the charge. Lofgren feels that FORC should have had a say in the last few years of deficit spending. He restated that in his opinion the group had not been proactively used to advise the Board of Education on financial decisions before they were made. The group has been used only as a rubber stamp to look at issues after-the-fact and after a vote had already been made. The committee agreed that

it needed to be acting in an advisory capacity and be more proactive. Lofgren stated that he would like to make Brisben's statement a true statement. FORC needs to be a true advisory panel where those with financial expertise can guide the board into good financial stewardship. The committee came up with the following bullet points that they would like to be put into a revised charge by the Board.

- FORC should be more proactive. Some aspects of current charge are not actively happening.
- Focus should be on ensuring financial objectives, goals (Mission?) are being met
- Oversight and Advisory function rather than informational
- Transparency involvement in bid process
- Budget proposals- review and recommendations
- Transparency of finances to public
- Concentrate on efficiency, adequacy and equity
- Review and update charge and policy. Is there a need for other policies
- Meeting schedule- bi-monthly? (not stated but would third or first Monday work?)
- Attendance requirements

The meeting was adjourned at 9:48pm

**Next Meeting: Johannesson will send a doodle to determine the next meeting date.**