

Finance Committee Meeting Agenda
Video Conference
Tuesday, April 14, 2020
5:00 p.m.

Present:

Louis Schwartz	BOE Member
Shannon Johnson	BOE Member
Shannon Stringer	BOE Member
Rita Kennedy	BOE Member
Tracy Baron	BOE Member
Jean Lucasey	BOE Member
Matt Rosenberg	BOE Member
Ron Clamser	Assistant Superintendent
Lisa Brady	Superintendent
Doug Berry	Assistant Superintendent

Results of Fiscal Advisor RFP

The RFP was issued on February 13 with proposals due March 13. There were 3 responses: Fiscal Advisors and Marketing, Capital Market Advisors, and Munistat. The results are:

	Fiscal Advisors	Capital Market	Munistat
\$5,155,000 BAN	\$5,038.75	\$6,238.75	\$4,562.00
\$12,530,000 BAN	\$6,882.50	\$8,082.50	\$7,512.00
\$17,685,000 Serial BOND	\$15,208.25	\$16,842.50	\$17,779.50
Total Borrowing Costs	\$27,129.50	\$31,163.75	\$29,853.50
Annual Statement	\$2,000	\$2,500	\$2,250
Hourly Rate	\$175	\$195	\$175

Impact of COVID-19 on 2020-21 Budget Development

- Reduction in revenue projections:
 - State Aid
 The finalized state budget resulted in an additional reduction of **\$313,000** in state aid. Additional cuts in aid are possible, as the state budget includes a mechanism to adjust overall state spending if state revenue forecasts don't materialize. There are three measurement periods in 2020 that could result in the state implementing additional cuts:
 - April 1 - 30
 - May 1 - June 30
 - July 1 - December 30

To prepare for possible **additional** cuts in aid, we are identifying areas of possible reductions to implement mid-year if necessary.

- Sales Tax

Sales tax receipts are projected to decrease significantly for the remainder of this budget cycle and continue well into next year. Using a historic trend analysis back to 2009, we are projecting sales tax revenue for next year to be \$480,000 which is a reduction of **\$170,000** from the 3/14/20 budget report.

- Interest

Interest rates have dropped to near or at zero significantly impacting our interest revenue. Using a historic trend analysis back to 2009, we are projecting interest revenue for next year to be \$50,000 which is a reduction of **\$100,000** from the 3/14/20 budget report.

- Tax Levy

Setting the tax levy to the maximum allowable limit will generate an additional \$30,000.

<u>Loss of Revenue</u>	
Loss of Aid	-\$313,000
Loss of Sales Tax	-\$170,000
Loss of Interest	-\$100,000
Extra levy	\$30,000
Total Revenue	-\$553,000

- Increases in expense projections:

- Unemployment

Unemployment insurance expenses are anticipated to increase by \$25,000.

- Transportation

Royal Coach informed the Quad they are not renewing the contract for next year. This will require us to rebid the transportation contract. I'm factoring a potential 5% increase of \$60,000.

- Special Education

The state budget shifts additional special education costs to school districts. We are also anticipating additional needs for support services. Total increase of \$40,000.

- Property Assessment

Not related to COVID-19, but a combination of additional dual residency charges and new Village sewer assessment is resulting in an additional \$11,000.

<u>Increased Expenses</u>	

Unemployment	\$25,000
Transportation	\$60,000
Special Ed	\$40,000
Property Assessments	\$11,000
Total Expense	\$136,000

<u>Budget Deficit</u>	
Revenue	-\$553,000
Expense	\$136,000
Gap to Close	-\$689,000

The administration is looking into possible cuts to close the \$690,000 budget gap. Some of these cuts include not filling some vacant positions and reducing non-essential contractor expenses. The administration will report back to the board in the coming weeks with possible budget cuts to close the gap.

Next meeting is scheduled for Thursday, May 28, 2020 @ 7:00 p.m.; however, the board discussed the possibility of having another committee meeting sooner.