Finance Oversight and Review Committee Meeting  
April 16, 2019  
Meeting Minutes

In Attendance: **FORC Members:** Chair - Carrie Hagner, Vice-Chair Dr. Michelle Mangan, Jeff Mathis, Justin Erkfritz-Gay, Greg Kolar  **Board Members:** Holly Spurlock, Rupa Datta  
**Administration:** Dr. Carol Kelley, Lou Anne Johannesson

Also in attendance: Robert Grossi/Crystal Financial Group, Jeanne Keanne, Senior Director of Buildings and Grounds

Absent: Anna Richards, Peter Lisnic

Chairwoman Hanger called the meeting to order at 7:02 p.m. She introduced Robert Grossi, who will be consulting with the district as it restructures its business office.

1. Public Comments: There were no public comments.

2. Standing Items - Approval of Minutes – Minutes from March 2019 were unanimously approved.

3. Capital referendum updates & Lincoln & Longfellow expansion updates: Jeanne Keanne reported that the FAC Committee’s Capital Plan Workgroup had just that evening had its first meeting to compile a 5-year new plan including the spending of the additional $27.5 million in referendum dollars. She will provide an update when the committee has finished its work. She also reported that the current expansions at Lincoln & Longfellow are on schedule. She further reported that she and Bulley & Andrews anticipate that the final numbers will come down, and be under the $30 million dollars that FORC recommended as an expenditure of the referendum dollars.

4. Five-Year Forecast: Grossi explained the the TIF expiration is affecting the 5-year forecast. It will expire in December of 2019. Mathis asked which TIF. Grossi stated both the Madison Street and Harlem Avenue TIFs. He stated that if the district does not levy for it, about $3.5 million will be lost. He shared that District 200 plans on levying at CPI each year and will capture the TIF dollars. Prior to his exit, Paul Stark-King prepared an updated forecast. Mangan pointed out that the forecast is over $20 million different than the one presented in February. The current forecast has a cash flow forecast in 2024 of $27,891,752. February’s forecast had a 2024 balance of $49,491,530. This brings the forecast back to the level presented by Dr. Alicia Evans prior to her departure in June 2018. Spurlock and Kelley stated that Stark-King had previously done a forecast that did not include all funds. Mangan reported that all the same funds were in both the February and April forecasts. The full committee asked for clarification. Datta suggested that
time and resources would be better spent on making sure that moving forward, all assumptions will be accurate and that examining past forecast would not be optimal. Hagener agreed but remarked that this has been an ongoing problem for FORC. Mangan stated that if FORC is to make informed financial advisement to the board, forecasts need to be accurate and not fluctuate by such a large amount. Hagener said that FORC should receive written updates on changes to assumptions. Mathis asked if FORC can receive executive summaries with each forecast. Kelley reported that there will not be a Director of Finance in place until June 1st and that even then the district does not have the manpower to create written summaries. She stated that she and Grossi were at the meeting to provide oral summaries and that the FORC minutes should serve the same purpose. Mathis replied that some explanation of such large shifts needs to occur. Kelley reiterated that the business office is short-staffed and that oral explanations will occur at FORC and the minutes will stand as the record. Hagener stated that the problem is that no explanation has been given in the past that reconciles such vast changes in assumptions. Mathis agreed and stated that there is a lot of unpacking at FORC, but not specific answers. He stated that he understands that moving forward but that for all of the years that he has served on FORC, materials are late, no explanation is given as to changes, and that FORC is expected to vote on recommendations that they do not have the underlying information for. The rest of the committee agreed. Spurlock said that she thinks there have been very productive meetings since she joined FORC, and that Stark-King literally left a few days ago, and that accounts, in part for a lack of materials and explanations at this meeting. Kelley stated that she understands what Mathis is saying about FORC meetings being meaningful. She said that when she began in the district FORC met less frequently and that the meetings seemed to have a clearly defined intent. She stated that she is unsure why the forecast is on this month’s agenda. Datta relayed that Stark-King was in the middle of making budget adjustments and that he had promised FORC a revised forecast. The group had a lengthy discussion in regard to the FORC calendar, and FORC’s relevance in making recommendations versus green-lighting decisions the board has already made. Datta suggested skipping the May meeting. All agreed without objection. Kelley also spoke to the upcoming board turnover and that the new board will examine the calendar for FORC for the new school year. Kelley spoke about the need for restructuring of the business office. She reported that the “second” in the business office will be a CPA moving forward and that she would like to see the current financial software program (Alio) replaced sooner than later with a more responsive school-based program. Grossi agreed. Datta and Spurlock remarked that even when recommendations on specific financial decisions were not needed this past year, the board has relied heavily on FORC’s expertise.

5. Adjournment: The meeting was adjourned at 8:25 pm