



McLean County Unit District No. 5

Educating each student to achieve personal excellence.

Finance Department

Office of the Superintendent
1809 Hovey Ave
Normal, IL 61761
309.557.4000

Finance Committee Minutes

DATE & TIME: January 21, 2022 at 12:00 PM

LOCATION: Unit Office

COMMITTEE ATTENDEES: Barry Hitchins, Alan Kalitzky, Dr. Kristen Weikle, Marty Hickman, Tommy Hoerr

COMMITTEE NON-ATTENDEES: None

OTHER UNIT 5 ATTENDEES: Amy Roser, Dr. Kelly Pyle, Jeremy DeHaai, Stan Gozur, Kentrica Coleman

1. PUBLIC COMMENTS

- No members of the public were present for public comment.

2. PRELIMINARY 2022-2023 BUDGET DISCUSSION

- Mr. Hickman presented the five year forecast for the District. Major assumptions for the forecast included property tax EAV growth of 2% each year, increases in salaries of 3.5% each year, and supplies, purchase services and capital purchases increases of 6%, 3%, 2%, 2% and 2% for fiscal years 2023, 2024, 2025, 2026 and 2027 respectively. With these assumptions, the structural deficit in the Educational Fund is projected to increase from \$13.9M in FY 2023 to \$32.5M in FY 2027. In the short term, the structural deficit is expected to total \$54.3M for fiscal years 2023, 2024 and 2025. This is more than the anticipated Working Cash bond issue of \$46M. A Board member commented that this forecast shows the District needs to reduce expenses to make the Working Cash bond issue sustainable.
- After the presentation of the five year forecast, the Committee moved into discussion surrounding potentially reducing expenses. Dr. Weikle reiterated to the Committee that Administration needs direction from the Board on if they want to implement reductions, and if so, how to implement them. If the Board wants to move forward, Administration needs to begin organizing and calling meetings to implement these reductions. One Board member asked what expenses could be reduced without being detrimental to the district? Dr. Weikle responded that Administration would be comfortable implementing all or some of the reductions in Tier 1 presented at the last Finance Committee meeting. Another Board member commented that reductions need to be balanced

across all grade levels. Dr. Weikle responded that while dollar amounts may not be equal, the impact from the reductions in Tier 1 are balanced across grade levels. Mr. Kalitzky asked if every group would feel the impact from the Tier 1 reductions, particularly athletics? Since reductions for athletics didn't come until the Tier 2 reductions, they may not feel much of an impact from the Tier 1 reductions.

- Dr. Weikle mentioned that she met with EOSullivan Consulting which is a consulting firm for districts wanting to engage their community in preparation for a referendum and/or strategic planning. She was impressed with the firm and saw a lot of value in the Board hiring the firm. Board members asked how much EOSullivan's services cost, and if the District engaged them now, would that allow enough time before the November election. EOSullivan's services would cost approximately \$60-70K and there would be plenty of time to prepare for the November election.
- Discussion came to end around how the Board would bring up and present the expense reductions at upcoming Board meetings.

The meeting adjourned at 1:52 PM.

The next meeting to be determined.