



Elgin Math & Science Academy

Finance Committee Meeting

Date and Time

Tuesday August 15, 2023 at 8:00 AM CDT

Location

Art Barn - Hybrid

1600 Dundee Ave

Elgin, IL 60120

Agenda

	Purpose	Presenter	Time
I. Opening Items			8:00 AM
Opening Items			
A. Record Attendance and Guests	Discuss	Dan Alexander	1 m
B. Call the Meeting to Order	Discuss	Dan Alexander	1 m
This Meeting is being held in person, with the option to participate remotely.			
C. Approve Minutes of the July 25 2023 Meeting of the Finance Committee	Approve Minutes	Dan Alexander	2 m
II. Financial Report			8:04 AM
A. Staff-recommended change in banking relationship	Vote	Dan Alexander	25 m

Staff have not been satisfied with responsiveness of our current bank. In addition, the finance committee has expressed concern that all of our deposits are not currently fully insured and agreed that we should explore options for better cash management to achieve an interest return on our Daily Cash balances.

After diligence, it is recommended by staff that EMSA change its banking relationship to Blackhawk Bank. This Vote of the Committee would be a recommendation; the Board would review and vote at its August 23rd Meeting.

The following are key points of consideration. Blackhawk materials are attached.

1. BlackHawk is merging with First Mid Bank on August 15th officially, with a more practical effect around January 1st in terms of new branding with everything being First Mid (until then, BlackHawk will be a subsidiary).
2. As a banking client, the FDIC insurance will fully cover any amount EMSA has on deposit, if we utilize the Bank's ICS banking product, which is essentially a "savings account" we will complement with a checking account for day to day management of funds. They have clients with \$20,000,000 covered by ICS. There is no fee for this service.
3. ICS has an initial entry point of \$1,000,000 or more of deposit. We believe there is a way for EMSA to join at that level shortly after Board of Directors approval on August 26th Board Meeting. After we initially join, we can maintain the ICS service with no minimum balance. The interest rate will be 4.00% for at least one year (after that, it could change). Our fund balance would rise and fall of course.
4. ICS has one disadvantage. It requires a physical letter of direction from EMSA to the Bank, with the Bank then undertaking to move funds from the ICS account to EMSA's checking account. This will have to be done every week to two weeks, which will be a certain additional level of administrative burden.
5. They will offer the same line of credit we currently have, \$250,000, which will be unsecured. They might revisit this in the future, but not at present.
6. In terms of philanthropy, they agree to support with us with a corporate donation; we requested an initial amount of \$2,500 annually. They will also offer opportunities to present financial education for students and possibly parents, if there is interest.

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The items recapped cover all areas of concern and would greatly benefit EMSA going forward.			
B. June 30, 2023 Interim Financial Statements	Discuss	Douglas DeJong and Shanana Egger	10 m
The June 30, 2023 financials are virtually identical to those reviewed at the July Meeting of the Committee. Variance is less than \$1,000, and still not final.			
Staff would like to present August interim financial statements in September, since July statements are not very illuminating of a brand new financial year, and in light of other work ongoing. (Also see comments below re Meeting timing).			
C. Update to Five Year Financial Model	Discuss	Shanana Egger and Dan Alexander	7 m
Staff are preparing an update to the Five Year Financial Model which will incorporate FY24 personnel cost information (still in process) as well as non-personnel detail.			
Given that salaries are still being finalized in August as staff is hired, and that benefits costs will be understood and incorporated within the September 30, 2023 financial statements, staff would propose to bring forward a revised Financial Model for the October Committee Meeting.			
D. Financial Policies	Discuss	Adam Gray	5 m
Can the Committee set a timeframe for consideration and adoption of updated Financial Policies for the organization?			
Review in stages in September and October? Final passage in November? Adoption by Board by end of calendar year?			

III. Operations Update

8:51 AM

A. COO Report on Operations	Discuss	Dan Alexander	5 m
1. Expansion/Construction			

Administration Building occupancy inspections by the City of Elgin have all passed, save for Fire Dept.'s fire alarm inspection which the Fire Department has scheduled for Friday August 18th. Dan has written to City to update them and request that a

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<p>Temporary Certificate of Occupancy be granted dated August 21st or earlier (assuming Fire Alarm inspection passes as we believe it easily will).</p>			

Some September work to be done, principally the elevator installation but also installation of permanent exterior doors.

Project budget is as before - some portion of the \$41,000 transferred to operating account will need to be replaced. Board's \$100,000 Contingency set-aside still has \$23,000 unspent. Final figures to be determined, and are affected by timing of payments to due to bond construction interest earnings.

Much activity in final week before School, to support teacher and staff classroom and office setup, technology, etc. Overall, things are proceeding well.

2. DCEO Grant Agreement

COO has provided the several new forms to the new staff person tasked with working with grantees, post execution of Grant Agreement for reimbursement of EMSA for our \$300,000 expenditure in 2020-21. DCEO is reviewing EMSA's submission at this point in time. Once DCEO is satisfied with these grant expenditure reports, in Dan's experience the next step is that DCEO vouchers for funding with the State Comptroller. More information expected in coming weeks.

IV. TRACKING ITEMS

8:56 AM

A.	Enrollment, FR Percentage	FYI	Dan Alexander	2 m
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Purpose

Presenter

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This information will be updated at the beginning of SY23-24.

We anticipate full enrollment in line with approved Budget. Free/Reduced and other percentages to be reported on in September Meeting.

V. Other Business

8:58 AM

A. Next meeting(s)

Vote

Shanan Egger and
Dan Alexander

10 m

Can we move the Committee meetings to the Friday following the third Tuesday in the month? This would assist in the preparation of timely monthly financial reports. An example is the August 15th Meeting of the Finance Committee. The third Tuesday is sometimes not placed correctly in the month to allow for preparation of interim financials on a timely basis.

So for example in September we'd meet on the 22nd, and in October on the 20th.

This would ensure that Board meetings happened the week after Finance Committee meetings, despite the adjustment. November/December could be exceptions in terms of Committee/Board timing.

VI. Closing Items

9:08 AM

A. Adjourn Meeting

Vote

Adam Gray

1 m