



Finance Committee Meeting

DATE: March 24, 2022

TOPIC: District Finance Update

PREPARED BY: Courtney Whited

Recommended for:

Action

☒ Discussion

☒ Information

Purpose/Background:

To provide the Finance Committee an update on ongoing Districtwide project(s)

1. Natural Gas

The Vanguard Energy Services two-year contract expires June 30, 2022 and initial explorations for natural gas have begun with Vanguard and IGS (current electric contract with SD74).

During the first year of the Vanguard contract (JUL 2020 - JUN 2021), invoices totaled \$59,533. The monthly mean was \$4,961 with invoices ranging from \$1,002 (JUN) to \$10,722 (FEB). The current rate from Vanguard is \$0.30600 per therm.

The Vanguard representative stated the following:

It will renew on a monthly index rate. The market is moving much higher since Russia invaded. I wouldn't recommend a fixed rate at this time (late February 2022). It may decline later this spring, or late third quarter. I would recommend securing a fixed rate at the next market dip.

The IGS representative stated the following:

The market moves every day, so I can provide refreshed pricing as needed. A 20-month term would align with the District's electricity contract expiring February 2024.

Please see refreshed pricing as of 7:45am on 3/14/2022 for your review:

Term in Months	Start	End	CG Therm Volume	Fixed Price Offer
12	Jul-22	Jun-23	155,500	\$0.497
20	Jul-22	Feb-24	253,390	\$0.476
30	Jul-22	Dec-24	359,490	\$0.446
42	Jul-22	Dec-25	514,990	\$0.434

\$0.476/therm is a 55.6% increase on the current \$0.306/therm rate. Approximate annual natural gas costs may go from \$60,000 to a total that approaches \$86,000.

2. Transportation for Regular Education and Charters for AUG 2022 - JUL 2023

On behalf of District 70, 71, 74 and 219, District 219 took the lead in negotiations with First Student, Inc. Initially, discussions related to the rate increase hovered at 10%. Then, that increase dropped to 7.0%. The Districts will be seeking their own contract paperwork from First Student, Inc. to present to their District for approval.

3. Frontline Absence and Substitute Management Software Renewal FY23-FY25

The Substitute Cooperative (SD #67, 70, 72, 73, 73.5, 74 and 807) relies heavily on this software program. Frontline initially offered a single-year renewal quote that was 5.5% higher than the current \$3,965.19 annual fee. The Finance Committee requested multi-year software contracts when appropriate. Frontline's multi-year offer was extended to SD74 as follows: FY23 +3.0%, FY24 +4.0%, FY25 +4.5%. Look for the final rates to be presented at April's meeting for Board approval in May.

4. Northeast Industrial TIF Surplus

The Lincolnwood Village Board approved a Resolution on March 1, 2022 declaring \$2,012,401 as surplus funds from the NEID TIF. They will process the check in April and send the funds to the Cook County Assessor's Office, where they will distribute the money back to the taxing bodies in the same manner as when property taxes are distributed.