

Spotlight on the Board

Notes from the District 15 School Board Meeting

April 5th, 2006

This Board of Ed Meeting was a “Regular” meeting, intended for recognitions and voting.

Personnel Changes – 4 new administrators, effective 7/1/06

Yvette Davidson – New Assistant Principal, Walter R. Sundling Jr. High

Dr. Kenneth Rose – New Principal, Central Road Elementary

Faith Rivera – New Principal, Virginia Lake Elementary

Mary Zarr – New Exec. Dir for Adm. Services (previously Principal Kimball Hill)

Conyers Learning Academy Transportation

Kevin Nohelty, Phil Rousner (full time transportation sub) and Linda Fleming (new routing coordinator) presented to the board regarding the bus route situation at CLA, in response to the previous board meeting with PTA. Rousner noted that time delays come in harness hookup time and parents not coming out to meet the bus right away, and that the 11am dismissal with 23 kids was particularly difficult. Rousner also mentioned that there have been no more double routes since Christmas and that the new routing coordinator has improved the routing process. Fleming said she is trying to adjust times to get kids closer to on-time, but also emphasized that it is a problem when parents are late. She said the longest run was 60-65 minutes, but the kids were not really on the bus that long because it takes 15-20 minutes to load the bus. She emphasized that there were no longer any double routes. Nohelty noted that they are planning to do an efficiency study of all bus routes over the summer.

Possible new start times

At the last Board meeting, a request was made to reconsider the late start times for some schools. Kevin Nohelty and Linda Fleming presented a possible bus route change that would allow switching most Tier 3 (8:30 am start) and Tier 4 (9:10 am start) schools (see Start Time handout). Nohelty noted that they tried to find the best option with least financial impact. This included moving Sanborn and some out-of-district buses to Tier 2 (7:55 am start) and keeping Marion Jordan in Tier 3 (8:30 am start). Nohelty said there would be minimal financial impact – they may have to hire additional drivers, but first need to do the efficiency study. McKanna asked why this doesn't cost \$200k and 2-3 years of “optimizing” as previously told parents. Fleming said she wasn't involved before in those estimates, but felt confident they could make the changes work, especially by utilizing buses better and cutting down the number of buses going out of district at the same time. Boucher noted the district has historically switched every 3 years but stopped a few years ago – wants to have a public hearing at the next Board meeting so the Board can adopt it at the beginning of May and give parents time to make arrangements for Fall. McKanna emphasized that parents can not come in the day before classes start and expect kids to be able to get on the bus – there is a 3 day guideline in place already. Rowden emphasized that they were NOT proposing to change the parochial school route times.

School Nutrition Services

Kevin Nohelty and Bobbie Desprat (Dir. Of School Nutrition Services) presented the School Nutrition Services Budget for 2006-2007 (see Nutrition Handout). Desprat said the “Junk Food” bill would require the elimination of baked chips and some juices, which would result in a \$150k loss in revenue, and raise the costs of other meals by 30 cents (however, this cost would not be passed on to the children since meal prices will remain the same). She emphasized that District meals are responsible for 15% of meals consumed by

kids in a year, and have more grains and less fats than commercially available foods. She said most schools want local control over their menus and Ed-RED and some districts do not support this bill. She thought this bill placed a lot of restrictions on Food Service, taking away the flexibility districts need to meet the needs of their district. Revenue from the State is expected to decrease from \$62k this year to \$53k next year – Desprat indicated that the state bases their funding on the expected number of free/reduced meals. Boucher noted that the 30% increase in meal price would not affect free/reduced meals. Mikula asked if the ISBE (Illinois State Board of Ed) was going beyond Federal requirements. Desprat said yes, and if the bills passes she expects the Governor will go after high schools next. She noted this bill only affects National School Lunch Program schools which are required to have Free/Reduced lunches.

Transportation Fund

Kevin Nohelty presented the Transportation Fund Budget for 2006-2007 (see Transportation Handout). Nohelty said he expected a 6% increase in revenue and expenses (for a balanced budget), with the increased revenue going towards supplies and maintenance. The District has 600 paid riders out of 10,000 total riders. Field trips, if implemented next year, will not adversely affect the budget. Rowden asked how the State determines how much to give the district. Nohelty said the claim was complex, but it was essentially a pro-ration of total miles driven, approximately 80% of the total. Nohelty noted the decrease in revenue from bus fees was from a better approximation of actual bus fees collected rather than a decrease in bus fees (which are remaining the same).

Personnel Report

The Board voted to approve the Personnel Report, which has 23 position changes, by a 5-2 vote (Keenan and Millar voting “no”).

Last Day of School

The Board approved the official last day of school as Friday June 9th (Kindergarten will be June 8th).

Resolution Authorizing Issuance of Bonds

Kevin Nohelty, a banker from LaSalle and counsel for the district presented the final costs and structure of the issuance of new bonds to raise working cash for Life/Safety. A motion was made to authorize a maximum of \$7M issuance of new bonds. This was a change from the previous authorization to restructure a maximum of \$22M in bonds to raise the \$5M in cash for Life/Safety. The district expects to actually restructure \$5M in bonds to generate \$5M in working cash, for a total of approximately \$10M financed.

LaSalle banker: Presenting the most efficient way to raise \$5M in working cash. Will be going to market next week – if district gets a lower interest rate, will need to restructure less bonds. The current \$4.8M annual levy will be extended to \$3.66M in 2021, 2022 and 2023. Since will close in May, the funds will be available for summer construction.

District Counsel: The term of the bonds has been changed to 17 years instead of 20, trying to match bonds to the useful life of the construction being done. There is an advantage to selling less than \$10M in bonds because banks can purchase these tax-exempt bonds, making them “bank qualified”. “Bank qualified” bonds will give you a lower interest rate, saving \$500k in interest over the life of the bonds. Currently will be restructuring \$10.4M, but hopefully will drop below \$10M (due to interest rate shifts) to get best rate. Cost, including all fees and interest and the \$5M principal, is \$11M. There is no increase in the annual tax bill today, but there will be a \$30 per household increase in 2021-23 over what there would have been otherwise.

Millar: Glad we are doing bank qualifying bonds because that saves us a lot of money. LaSalle has done a great job. If I vote against this it is because of a philosophical difference about the bond restructuring.

McKanna: Daily Herald had a number of articles about school funding – can you say that we are not doing what they are talking about?

LaSalle banker: We are not talking about CAB's (Capital Appreciation Bonds), which is very expensive and increasingly common. We are saving \$1.5M by not doing CAB's. We are also not using Premiums, which were also discussed in the Daily Herald.

Keenan: We had CAB's before, so we are refinancing the same money we borrowed before.

Millar: This is not the ideal situation, but the best under the circumstances.

The Board passed the Resolution 5:2 (Millar and Keenan voting "no"). The Bonds will be sold next week.

Student Fees

Kevin Nohelty presented the changes in Student Fees. Nohelty noted that the Jr. High and Grades 1-6 Student Fees for books and materials will increase \$15. This will generate \$120k in revenue to offset some of the tech increase in costs. There is no change in the Pay Rider fee, but there will be a \$50 surcharge if Pay Rider fee is not paid by August 1st, to encourage parents to sign up early. Rowden asked if this applied to people moving into the district after Aug. 1st. Nohelty replied it only applied to people currently residing in the district. Boucher suggested raising fees and giving a discount for paying early instead. Rowden asked what happens if people don't pay? Keenan asked if report cards were held for non-payment. Nohelty said the district does not stop providing bus service for non-payment. Sophie commented that the district cannot hold report cards for non-payment. Board voted unanimously to approve Student Fees.

Consent Calendar

2005 Tax Levy Amendment: Nohelty said this amendment shifts the \$1.7M levied in December to the Life/Safety fund back into the Ed Fund. Millar questioned if the district needed that money in Life/Safety and whether the district had enough flexibility with the money put back into the Ed Fund. Nohelty said the district would have to consider Life/Safety needs again for next year's levy. Board voted 6:1 to approve the amendment (Millar voted "no").

Appointment of Auditor: This item approves the selection of the auditor. Millar noted this was a no-bid project, thought the district should do bids. Boucher noted the scope of the work could be modified. Nohelty emphasized that the \$16k fee for comprehensive audit of \$144M budget was a very good price. Nohelty supported going for bids for auditor and architectural firm, but not at this time because of how busy the district was; better after the summer. Mikula noted this auditor was a very low bidder 5 years ago in RFP and has not increased fees much in 5 years. Board approved the appointment unanimously.

Architect Contract Agreement: Keenan noted the professional fees went from \$360k to \$200k. Keenan objected that this is the same architecture firm that does the audit as does the work, with no bids. Phillips (Oper & Maint) said the original fees were 10% but after negotiation dropped to 7 ½% and said engineers and architectural firms that do the audit traditionally do the work. Phillips noted that if did RFP with professional organization, the district is not allowed to ask what their fee package is, but can negotiate fee after the fact, based on IL state guidelines. Keenan asked how "A" and "B" items were selected to be on the list. Phillips said the higher priority "B" items were placed on the list, according to particular circumstances at the schools. Phillips noted the district is doing all \$5M of Life/Safety work now to reduce the fee structure for the work being done. Phillips said he thought the fees were reasonable, could expect more like 9 ½% because of shortened time frame (summer construction). Board voted 6:1 to pass agreement (Keenan voted "no").

Renewal of Life, Voluntary Life, AD&D, and Long-Term Disability

Insurance: Millar said this was the same issue of not getting bids. Nohelty said recommendation came from consultant, saying quote was below market value. Millar said there were people in the community who wanted a chance to bid on this. Nohelty said the district consultant would do the bidding, that community members should contact the consultant. Board approved Renewal unanimously.

Election of BOE President and Officers:

Boucher nominated Carlson for President, saying he didn't want a sitting President up for re-election and thought she did a good job on Bond Restructuring issue. Rowden nominated Millar, saying he brought a sound financial basis to the Board. Boucher, Carlson, Silverman, Mikula voted for Carlson. Rowden, Millar, Keenan voted for Millar. Carlson was elected BOE President for a 1 year term.

Boucher nominated Silverman for Vice President, saying she provided a moral compass for the Board, focusing on education of all kids. No other nominations were made.

Boucher, Carlson, Silverman, Mikula, Rowden voted for Silverman. Keenan, Millar abstained. Silverman was elected BOE Vice President.

Pat Campbell was unanimously elected to Board Secretary.