

Spotlight on the Board

Notes from the District 15 School Board Meeting

February 8th, 2006

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

Citizens Address the Board

Mary Speela, Virginia Lake parent:

She spoke in support of VL teachers and staff, noting VL has 18% English as second language and 20% mobility (turnover of students) rate, compared with Hunting Ridge 10%. Said VL needs fair, not equal, distribution of resources, including a full time assistant principal.

Susan Samanke, Virginia Lake:

She noted the high turnover of school administrators, including VL’s principal Pete Hannigan who is leaving. She wants the Board to encourage principals and asst principals to stay. Also said the Board showed a lack of respect in public meetings and said the Board needed to have more courtesy and professionalism.

Ann Seeka, Virginia Lake:

Also supported the Board training, supporting and retaining principals, not just hiring them. Said Virginia Lake wanted to be involved in selecting the new principal.

Dierdre Kohler:

Recapped last meeting’s discussion about Fire Safety field trip to the Palatine Fire Station. Said it should not be considered a field trip, but part of the curriculum.

Kris Kendall, 2 children at Paddock:

Very concerned about class sizes and is concerned that sufficient action is not taking place to lower class sizes. Thinks we should have a goal, but that if we need a referendum, we should look at why the last referendum did not pass.

Board Discussion and Reports

Special Olympics: Rowden, Carlson both commented that we should honor our Special Olympians at Board meetings. There is no Board vote required to do so.

Board Member Involvement in Administrator Selection

Rowden: Wants Board members involved at final selection, as observers, so they can know the principals as they come in and so can help retain principals.

Carlson: Wants all Board members to meet all (final 3) candidates. Don’t want to have charges of “influence”.

Mikula: It is an administrative function, don’t want Board member to stymie the process.

McKanna: Usually, you hire the superintendent and the superintendent hires everyone else. Currently, no written policy on the process.

Boucher: Our presence changes how people react.

Keenan: Board members could be involved at advisory stage with parents, staff, and others. We should get out more, so people are more comfortable around us.

Rowden called for a motion for Board members to be present in advisory capacity for principals and above, for final 3 selection. Keenan and Rowden vote yes, motion did not pass (5:2).

Board Policy Meetings

Rowden wants policy meetings at 9am, so she can attend; usually they are at 8 am so Principals can be there before school starts.

Rowden: Policy is the main function of the Board.

McKanna: It is difficult to pull people out of buildings during the day.

Boucher: Board Policy Committee needs to re-look at all Board policies, cover to cover.

Rowden and Boucher agree to start meeting as the Board Policy Committee, at a separate time from the regular policy meetings at 9 am

Board Policies – Student Dental Exams

Boucher wants to make sure there are exemptions for low-income, doesn't like the district having to keep track of dental exams. Dr. Sophie pointed out that waivers are available to have exams performed in summertime and there are volunteer dentists available (Smile Illinois) who come to the schools for low income students.

Board Committee Reports – Facilities Committee

Administration wants Board to meet in a workshop to clarify their goals for the Facility Committee. This will occur at the next Board Committee meeting/discussion.

Action Items

Curriculum – Jr. High Social Studies (Karen Hindman, Asst. Superintendent Curriculum)

New program aligned to State standards, including current events up to Hurricane Katrina. Parents will have access to all on-line materials, which are continually updated and can also be used as a research resource. Paid for by \$227,000 textbook loan from State for grades 5-8. Rowden commended the professionalism of the curriculum committee. Curriculum was adopted by unanimous vote. Next meeting will present Math Curriculum for Grades 3-6.

Bond Refinancing

Editor's Note: To make the Board discussion more clear, I have provided the following synopsis of the Bond Restructuring issue. Please take the time to educate yourself via other sources (the Daily Herald, the district 15 website, etc.) about this subject so that you will have an informed opinion about it. The handouts and articles cited below are available on the web site www.phpta.org.

Editorial Synopsis: District 15 issued bonds in 2000 (\$11M over 12 years), 2001 (\$21M over 20 years) and 2004 (\$7.8M over 3 years) (see Daily Herald 2/7/06). The 2000 and 2001 Bonds are Capital Appreciation Bonds, the kind highlighted in the recent Daily Herald articles (2/6 – 2/8/2006). The 2004 Bonds are set to be paid off in 2007, meaning the district will no longer have to make payments on those bonds, and so the district interest and principal payments will decrease at that point, freeing up revenue for other purposes (bond payments currently are approx. \$12M of our \$100M budget). All bonds (2000, 2001 and 2004 issues) are non-callable, which means that even if they are paid off early (via restructuring), the district still has to pay all the interest that is due on those bonds. For example, if you pay off your 5 year car loan after only 2 years, you only pay interest on the 2 years you had the loan. For non-callable bonds, you have to pay all of the interest no matter when you pay it off. Because the district's poor credit rating (under "review", which means the ISBE is monitoring for downward trends), the district is only able to get non-callable bond issues (according to the Administration, reasons for our low credit rating include: low operating fund reserve, deficit spending, limited cash on hand – see financial handout 2/06). In December, the Board approved the 2005 tax levy, which assigns how much of the expected revenue is apportioned to each fund (see tax levy 2005 handout). At

that time, a 5 cent levy (\$1.7M) into the Life/Safety fund was made to cover Life/Safety "urgent" items for the coming budget year – this money was taken from the Transportation Fund (see Daily Herald 2/9/06). The bond restructuring that the Board is discussing would take \$22M of existing bonds (from one or more of the three outstanding bond issues) and restructure the bonds, extending the bonds five more years (to 2025). This would generate \$5M cash for the Life/Safety fund now, but it is unclear how much this restructuring would cost.

Board Discussion on Bond Refinancing/Restructuring:

Keenan: Don't want to extend debt and cost taxpayers. We have a financial plan to cover life/safety for next 2 years. Fees for refinancing are large. Without longer term financial plan can't ask taxpayers to fund bond restructuring.

Millar: Board is currently handcuffed because of past Bond practices, don't want to handicap future Boards. This is still deficit spending, just borrowing from the future. Worst case, we can use tax anticipation warrants to cover current costs. Not prudent to do bond refinancing while negotiating teacher contract.

Rowden: In one year's time (2007), some bonds will expire and our revenue will increase because the bonds will be paid off. Don't want to borrow just to have money in reserves. We have a better chance to seek referendum when bond expires and after we have shown the public we are fiscally prudent.

Keenan: There is no 2 or 5 year financial plan in place, so how can we decide if we have to do this?

Boucher: Does the Administration have a 2 or 5 year financial plan?

Nohelty (Asst. Superintendent for Business): We have identified \$5M over the next 2 years needed for Life/Safety.

Carlson: We are taking money from the operating fund to fund Life/Safety. We want to maintain the quality of education and tech needs, and cannot do that if we do not restructure the bonds. It is not financially prudent to not have reserves. The State doesn't give us the money we need. The taxpayers want to have quality maintained so they are willing to pay for bond restructuring.

Keenan: The money is not coming out of the Ed Fund/Operations Fund. We are locally funded, which is to our benefit. If we became State funded, we would have less money. Money was taken out of Transportation Fund for Life/Safety. Can't finance class sizes and technology with bonds. We are still paying for bonds that were used for tech that is now obsolete. We don't have to deficit spend to do Life/Safety.

McKanna: There isn't enough money to pay for all of the proposals without deficit spending.

Boucher: We had a lease for technology before. The last series of bonds went to working cash fund and was used for "lean" times, i.e. educational needs.

Keenan: The referendum said they were used for infrastructure and tech.

Boucher: That is not what they were used for. CAB's (capital appreciation bonds) are not good to have and we want to get rid of them.

Rowden: This Board has been deficit spending for years. Let's go one year at a time. Let's not borrow and extend burden just as previous Boards when in one year's time we will have a teacher's contract and will be releasing some of these bonds. We need to show we are acting with integrity. We are all here because we care about quality of education.

Millar: Tax anticipation warrants can cover this years' budget.

Carlson made a motion to restructure \$22M in Bonds and have the Administration provide costs of restructuring.

Silverman (to McKanna): Does restructuring directly affect class size?

McKanna: It frees up money for us.

Silverman: Do we have enough money to cover Life/Safety for 2 years?

Nohelty: We could, but I would not recommend spending reserves.

Rowden (to McKanna): Was it not deficit spending that got us in our current problems?

McKanna: Yes.

Mikula: Tax anticipation warrants cannot be used for capital projects. Do not think we can pay for it out of current funds and don't want to spend down reserves.

Carlson made a motion to call the question, which passed 4:3 (Rowden, Millar, Keenan voting "no"). Carlson made a motion to develop a plan for \$22M restructuring of bonds for capital improvements, which passed 4:3 (Rowden, Millar, Keenan voting "no").

Buses:

Motion to purchase 4 new buses. Millar questioned whether we replace buses every 10 years or 12-15 years, and asked about the cost of maintenance. Motion to replace buses passed unanimously.

Fire Department Field Trips:

McKanna does not recommend doing field trips. Rowden made a motion to allow 5th graders to finish this "curriculum" this year. Noted we reinstated CBT's (Community Based Trips) because they were part of the curriculum, and that this should be similarly reinstated. Carlson noted some fire departments have mobile units (Rolling Meadows, Whiteley, T.J.) – can we bring that to other schools? McKanna noted we cannot make fire departments borrow from other fire departments. Question was called, and motion to allow Fire Department Field Trips was unanimously approved.