

**MINUTES OF MEETING
FINANCIAL OVERSIGHT PANEL
PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
May 19, 2009
3:00 P.M.**

CALL TO ORDER

Chairman James Popernik called the meeting to order at 3:10 p.m.

ROLL CALL

Present:

James Popernik, Chairman
James McEnroe, Member
Craig Schilling, Member

Also present:

Debby Vespa, ISBE
Kenya Austin, ISBE
Dr. Nettie Collins-Hart, District Superintendent
Althea Busby, Executive Assistant to Superintendent
Dr. Nikita Johnson, Assistant Superintendent of Business Services
Cheryl Pruitt, Assistant Superintendent of Curriculum & Instruction

Public Comment: no public comments

Dr. Johnson discussed the Tentative Budget at a Glance for Fiscal Year 2010. Dr. Popernik stated that the FOP is here because of finances and asked the district to should show comparison of Fiscal Year 2010 to the previous year such as items as revenues and expenditures. It was further noted that the Operations and Maintenance Fund expenditures increased. Dr. Johnson stated that was due to the special education tuition payments posted incorrectly to the Operation and Maintenance Fund instead of the Education Fund. Dr. Johnson stated this would be corrected.

Mr. McEnroe asked about the district's investments. Dr. Johnson stated that the township treasurer does the investment for the district. The district administration was asked to provide the FOP with some estimate since the fiscal year was close to ending. It was further noted by the FOP that IMRF was not reported. Dr. Johnson stated that this Budget at a Glance is still in its early draft and has not yet been finalized.

Mr. McEnroe noted that the district is reporting negative balance and Dr. Johnson agreed. The FOP further stated that it appears the district projecting a \$700,000 deficit and inquired as to what happened to reducing the deficit. Dr. Johnson stated that the business of the finance committees has not been finalized and they are still working on a plan for fiscal year 2010. The district finance committees are to report on additional expenditure reduction or revenue enhancers in upcoming meetings.

The FOP asked if the sociological services were outsourced to which the answer was yes. The FOP stated that this should be an area of reduction of cost. Dr. Collins-Hart stated that the district is looking into this but it will take a semester to process this change. It was also reported by the district administration that the \$1.2 million saving in special education tuition (with PAEC) is included in this plan for the current school year.

Inquiries by the FOP as to whether the tentative budget has contingencies in it for the 25% EAV reduction was answered in the affirmative.

Dr. Collins-Hart stated that she would like to get the budget approved in June so that it would be completed by time school starts next year. The FOP did not have a problem with leaving the approval process in June as long as there will not be any dramatic changes in the budget that will prolong the process while school is in process.

ISBE asked the questions about the auditing adjusting entries not entered into the system as of yet. It was reported by the district administration that they are not getting any responses from auditors at all on those issues and that the township treasurer has not received any entries from them either. It is understood that the budget is prepared on the cash basis and the auditors adjust to report the audit on the modified accrual basis. ISBE will make a call to the auditor and inquire as to the status of the adjusting entries.

A motion was made to approve minutes of April 22, 2009

By Dr. Schilling and seconded by Mr. McEnroe.

All approved, no nays

A motion was made to enter Executive Session in accordance with 5 ILCS 120/2(c) (1) for the purpose of Personnel, 5 ILCS 120/2(c) (2) collective bargaining, and 5 ILCS 120/2(c) (11) Litigation at 3:45 p.m.

By Mr. McEnroe and seconded by Dr. Popernik

All voted in favor to approve, no nays

A motion was made to exit out of Executive Session at 4:10 p.m.

By Dr. Schilling and seconded Mr. McEnroe.

All voted in favor to approve, no nays

The FOP inquired as to how many proposals the district received with regard to the insurance brokering and auditing services. Dr. Johnson stated that they received about 12 and will be post for next board meeting. Dr. Collins-Hart asked for a better understanding of Blue Cross, Blue Shield expiration. Dr. Johnson reported that the district pays their insurance broker 2.5% of premium. When inquired as to whether the district has a health insurance committee, Dr. Johnson replied yes. The FOP stated this process should have been this done by June, at the latest by July. Dr. Schilling stated that the district should get someone that will educated the staff and save the district money in the Education Fund.

During the review of Treasurer's Report and Bank Reconciliation Reports, Mr. McEnroe stated on the Statement of Position that the liability of sales tax has to be incorrectly titled. Dr. Johnson stated that she will look into that with the Treasurer's Office.

In the review of the proposed rental policy, the FOP had questions with regard to the limited fees charged to churches and the park districts. The FOP approves if the district did not charge park districts if park district services can be utilized by the district free and if the activities are outside. The FOP further stated that they believe the churches should not be in Class I and they should pay the fees. The FOP further stated that due to the financial condition of the district, the district should not be absorbing any costs for use of the buildings utilized by outside entities outside of school hours. Dr. Collins-Hart stated that this is a "hot potato" that the district does need some definite guidance from the FOP members. ISBE will inquire on ISBE's opinion regarding rental agreements with churches. Further questioned was the policy of Class III for profit organizations that enhance their profits due to limited rental fees charged by the district. The district reported that at one time there were Class III rentals, but they are now in Class II rentals. ISBE noted the smoking/non smoking area in the rules and regulations. Since there is no smoking allowed in public buildings, the district stated they will change policy.

A motion was made to disapprove the financial plan (Tab 11)

By Dr. Schilling and seconded Mr. McEnroe.

All voted in favor to approve, no nays

Inquiries were made as to whether the district was doing budget transfers and state if they are not they should. Further inquiries were made as to whether the district accounting software, DCR, allows for reporting of the original budget and the amended budget. If so it would be good to align the amended budget toward the year-end amounts. Dr. Johnson stated the system does allow that setup, but they have not it in that manner previously. Since the district reported they are receiving ARRA IDEA funds, budget amendments should be made for those expenditures.

Inquiries were made as to how the district was going to decrease their Operations and Maintenance Fund by 25% and if the fee collection will realistically increase by \$273,000. Further guidance with regard to the Financial Plan related to specifically delineate the assumptions and provide dollar amounts related to each assumption, list the assumptions in bullet format and by fund. It was inquired as to whether Dr. Johnson had enough assistance to revise the Financial Plan by June 8th. ISBE offered that staff was available to come to the district as needed to assist with finalizing the plan. Dr. Johnson stated that she has several worksheets that she can pull the information from and that she should be able to accomplish that by June 8th.

Action Items:

A motion was made to approve Action Items A-1a – 3 Personnel Report

By Dr. Schilling and seconded by Mr. McEnroe.

All approved, no nays

A motion was made to approve Action Items B – Bills Payable & April Payroll

By Mr. McEnroe and seconded by Dr. Schilling.

By roll call vote, all approved, no nays

A motion was made to approve Action Item D 1, 2, 3, 4, 5 – Contract/Bids
By Dr, Schilling and seconded by Dr. Popernik.
By roll call vote, all approved, no nays

A motion was made to approve district paid TRS contribution for currently employed administration through the assistant principal through fiscal year 2010. From this meeting on May 19th forward, all new hires for administrative positions through the assistant principal will be responsible for paying their own TRS contribution.

By Dr, Schilling and seconded by Mr. McEnroe.

By roll call vote, yes Craig Schilling; yes Jim Popernik; no Jim McEnroe

The District also discussed the potential hiring of a governmental liaison position. The board president Mr. Chris Welch stated to this position will help search and speak to others to bring additional revenue into the district. Mr. McEnroe stated that this position is similar to a lobbyist and from his understanding that is illegal. He also asked if the district was part of Ed-Red. Since the district is they should pursue this option with them

A discussion by Dr. Popernik ensued regarding a potential referendum in the coming years to attempt to bring additional revenue to the district. He believes that may be an option that may be address with the board and the community.

Adjournment at 6:20 p.m.