

**FINANCIAL OVERSIGHT PANEL (FOP)
FOR EAST ST. LOUIS SCHOOL DISTRICT NO. 189
Administration Building, 1005 State Street, East St. Louis, IL
April 22, 2013**

REGULAR MEETING MINUTES

Chair Ranodore Foggs called the meeting to order at 9:34 a.m.

Members Present

Ranodore Foggs, Jerome Jackson, Julia Huiskamp

Members Absent

Linda Matkowski, Milton Wharton

ISBE / District Staff Members Present

Superintendent Arthur Culver, Deputy Superintendent Dorland Norris, Assistant Superintendent Beth Shepperd, Assistant Superintendent Sue McGown, Chief Financial Officer Adil Khan, Internal Auditor Nick Mance, ISBE Division Administrator for School Business Deb Vespa, and Regional Financial Consultant for ISBE Carl Holman.

Approval of Minutes

Member Jackson moved, with a second by Member Huiskamp, to approve the March 20, 2013 FOP Regular Meeting minutes. The motion carried on voice vote. Ayes 3 Nays 0

Member Huiskamp moved, with a second by Member Jackson, to approve the March 7, 2013 Special Joint Task Force Committee Meeting minutes. The motion carried on voice vote. Ayes 3 Nays 0

Member Huiskamp moved, with a second by Member Jackson, to approve the March 14, 2013 Emergency FOP Meeting minutes. The motion carried on voice vote. Ayes 3 Nays 0

Member Huiskamp moved, with a second by Member Jackson, to approve the April 5, 2013 Special FOP Meeting minutes. The motion carried on voice vote. Ayes 3 Nays 0

District Construction Report

ITTNER Project Manager Steve Raskin provided an update on the high school construction project.

FOP suggestions/inquiries:

- Creation of Maintenance Plan for the high school
- Registration of warranties

- Expenses for contracting out for licensed plumbers, HVAC, electricians, mechanical engineers, and carpenters
- Verification of Gilmer’s certification
- Creation of Maintenance Plan for each building
- Review of Pest Control Plan

Member Wharton joined the meeting at 9:50 a.m.

Superintendent’s Report

Superintendent Culver provided an update regarding his testimony on April 16 before the Appropriations – Elementary & Secondary Committee related to the \$9 million supplemental funding provided to ESTL 189 and about the District’s financial status. Committee Members wanted re-assurance that business would not be conducted as in the past, assurance on how the money would be spent, requested feedback on the litigation between the District and ISBE, and about consolidation with schools in the area. Senator Clayborne and Superintendent Culver provided testimony in support of House Bill 194, known as the Lincoln Promise Zone Act. Promise Zones will provide a new source of scholarships for our high school students to attend community college.

District Finance Report

Internal Auditor Nick Mance provided an update on revenue comparisons, expenditures, and capital outlay. Discussion was held regarding:

- Audit shows deficit, but not as much as budgeted
- Cash balance at \$10 million; one month reserve (\$8 million)
- \$9 million supplemental funding provided by the State; District will receive \$2 million in May and \$7 million in June; this will get the District through FY13
- Communication ongoing with Mary Kane, Stifel Nicolaus, regarding pursuing a line of credit
- Sales Tax Referendum for County
- Reviewing draft Audit Report prepared by Baker Tilly
- 2012/2013 EAV was \$101 million; 2011/2012 was \$104 million
- Possible increase of District’s tax rate; 2011 tax rate, \$10.27; projected tax rate, \$10.83

ISBE Report

Deb Vespa spoke briefly regarding:

- Communication with Baker Tilly Auditors regarding the District’s Audit Report
- Poverty Grant

Financial Plan

Internal Auditor Nick Mance presented the District’s Financial Plan.

Executive Session

Member Huiskamp moved, with a second by Member Jackson, to convene into Executive Session in accordance with the Illinois Open Meetings Act (5 ILCS 120/2c) to consider employment matters 120/2/c/(1), collective bargaining matters 120/2/c/(2), property acquisition/lease/purchase 120/2/c/(5), price for sale or lease of property 120/2/c/(6), emergency security procedures 120/2/c/(8), litigation 120/2/c/(11), and discussion of closed session minutes 120/2/c/(21). The motion carried on roll call. Ayes 4 Nays 0

The Panel convened into Executive Session at 11:00 a.m.

Open Session

The Panel reconvened to Open Session at 1:48 p.m.

13. Consent Agenda from April 15, 2013 Board of Education Meeting

Member Huiskamp moved, with a second by Member Jackson, to approve Consent Agenda items 13.A. – 13.L. The motion carried on roll call. Ayes 4 Nays 0

Consent Agenda Items Approved

- 13.A. (Finance items, Parts A-I, Treasurer’s Report, Board Bills, Payroll, Credit Card, School Construction, Wire Transfers, W/C Claims, Legal, Audit/Consulting, Overtime, Funded Program Claims, & Professional Services for month of March 2013)
- 13.B. (District Construction Payments) **Cost: \$632,189.85**
- 13.C. (Personnel Committee Report & Addendums)
- 13.D. (Donation of backstop at Lilly Freeman School to the Tigers Baseball Team)
- 13.E. (Use of Premise Requests)
- 13.F. (Mance Leahy Group Invoice for month of March 2013 - Management Audit Services)
Cost: \$12,600
- 13.G. (Becker, Paulson, Hoerner & Thompson Law Firm Monthly Invoice) **Cost: \$13,891.50**
- 13.H. (Purchase of phones & software licenses from CMS Communications for the high school)
Cost: \$18,100
- 13.I. (Network hardware upgrades) **Cost: \$12,000**
- 13.J. (Professional Development Request & Addendum) **Approximate Cost: \$711,558**
- 13.K. (Field Trip Requests) **Approximate Cost: \$17,242**
- 13.L. (Trainers & materials for summer school) **Cost: \$214,360**

Action Agenda from April 15, 2013 Board of Education Meeting

14.A. Consideration of Approval of Change Order Proposal Request for Ittner Architects in Amount of \$14,801

Member Huiskamp moved, with a second by Member Jackson, to approve the change order proposal request for Ittner Architects in **amount of \$14,801**. The motion carried on roll call. Ayes 4 Nays 0

14.B. Consideration of Approval of Request for Proposal for Enclosing Window/Door Openings with Brick for the Old Lincoln High School Building

Member Jackson moved, with a second by Member Huiskamp, to approve the request for proposal for enclosing window/door openings with brick for the old Lincoln High School building. The motion carried on roll call. Ayes 4 Nays 0

14.C. Consideration of Approval to Bid for Chiller (A/C) Replacement at Young Middle School

Member Jackson moved, with a second by Member Huiskamp, to approve to bid for chiller (A/C) replacement at Young Middle School. The motion carried on roll call. Ayes 4 Nays 0

14.D. Consideration of Approval to Award the Asbestos Abatement Bid for the Administration Building to General Waste, Inc. in the Amount of \$68,770

Member Huiskamp moved, with a second by Member Jackson, to award the asbestos abatement bid for the Administration Building to General Waste, Inc. in the **amount of \$68,770**. The motion carried on roll call. Ayes 3 Nays 1 Member Wharton voted Nay.

14.E. Consideration of Approval of Settlement Authority for Worker’s Compensation Claim

Member Huiskamp moved, with a second by Member Jackson, to approve Settlement Authority for worker’s compensation claim as discussed in Executive Session. The motion carried on roll call. Ayes 4 Nays 0

14.F. Consideration of Approval of Resolution #041513A Authorizing Payment Extension Plan and Promissory Note Agreement for Universal Services Fund Debt

Member Huiskamp moved, with a second by Member Jackson, to approve Resolutions #041513A Authorizing Payment Extension Plan and Promissory Note Agreement for Universal Services Fund Debt. The motion carried on roll call. Ayes 4 Nays 0

14.G. Consideration of Approval of Resolution #041513B Authorizing Intergovernmental Agreement with Illinois State Board of Education for Transfer of Funds

Member Wharton moved, with a second by Member Jackson, to approve Resolutions #041513B Authorizing Intergovernmental Agreement with Illinois State Board of Education for Transfer of Funds. The motion carried on roll call. Ayes 4 Nays 0

14.H. Consideration of Approval of Resolution #041513C Authorizing Settlement of Litigation

Member Jackson moved, with a second by Member Huiskamp, to approve Resolutions #041513C Authorizing Settlement of Litigation. The motion carried on roll call. Ayes 4 Nays 0

Additional Action Agenda Items

15.A. Consideration of Approval of Settlement Authority for Worker’s Compensation Claim(s)

Member Wharton moved, with a second by Member Jackson, to approve Settlement Authority for Worker’s Compensation Claim(s) as discussed in Executive Session, contingent on Board approval. The motion carried on roll call. Ayes 4 Nays 0

15.B. Review & Action on Closed Session Minutes of Financial Oversight Panel per IL Open Meetings Act 5 ILCS 120

Member Wharton moved, with a second by Member Jackson, to table the review and action on Closed Session Minutes of Financial Oversight Panel until the next FOP meeting. The motion carried on roll call. Ayes 4 Nays 0

Secretary Pro Tem

Member Wharton moved, with a second by Member Jackson, to approve Member Huiskamp as Secretary Pro Tem. The motion carried on roll call. Ayes 4. Nays 0.

New Business

Deb Vespa distributed ethics training information to FOP members. The signed forms will be collected at the next FOP meeting.

Member Wharton shared concerns related to the lack of public attendance at the FOP meetings and suggested preparing/distributing a brief write up outlining the difference between Board meetings and FOP meetings. Member Jackson offered to share the write up with parishioners.

Deb Vespa offered to prepare a write up and provide to Superintendent Culver for inclusion in the Monitor.

Adjournment

There being no further business, Member Jackson moved, with a second by Member Wharton, to adjourn the meeting at 2:03 p.m. The motion carried on voice vote.