

**FINANCIAL OVERSIGHT PANEL (FOP)
FOR EAST ST. LOUIS SCHOOL DISTRICT NO. 189
Administration Building, 1005 State Street, East St. Louis, IL
May 29, 2012**

REGULAR MEETING

Deb Vespa, ISBE Division Administrator for School Business Services, called the meeting to order at 10:40 a.m.

Roll Call – Members Present

Karen Davis, Ranadore Foggs, Sister Julia Huiskamp, Jerome Jackson, and Linda Matkowski

ISBE / District Staff Members Present

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

Public Comment

Judge Milton Wharton shared information regarding a Supreme Court case in Texas related to removing Race as a consideration for college entry.

Discussion of Officers

Member Jackson moved, with a second by member Davis, to appoint Linda Matkowski as the Freedom of Information Act (FOIA) Officer. The motion carried on roll call. Ayes 5. Nays 0.

A discussion to consider selecting Officers (Secretary & Treasurer) and a Financial Administrator for the FOP was held. An RFP would be necessary to hire a Financial Administrator who would work closely with the district, and would be responsible for organizing, calling and attending the meetings. Linda Matkowski volunteered to serve as the Financial Oversight Panel Secretary until a Financial Administrator is hired. At this time, the Panel does not believe there is a need for a Panel Treasurer.

Letter Requesting Emergency Financial Assistance

Member Davis moved, with a second by Member Huiskamp, for the Panel to submit a letter requesting emergency financial assistance. The letter of request will be for an approximate

amount of \$12-13 million for this year, with a maximum amount of \$28 million, and also to allow the district to work with Bond Counsel. The motion carried on roll call. Ayes 5. Nays 0.

Setting of Meeting Dates

The June FOP meeting date was established. The FOP will meet at 10:30 a.m. on Wednesday, June 27, 2012. The Board of Education meets on the third Monday of each month. Therefore, the FOP will meet on the fourth Monday of each month at 10:30 a.m. The Open Meetings Act requires the posting of a yearly meeting schedule.

Superintendent Arthur Culver stated that information on significant items is shared with the State prior to each Board meeting. He also shared information related to the Board Committee meetings. Board of Education updates and agenda packets will also be shared with the FOP. The Superintendent also discussed conducting paperless Board meetings in order to improve communications, reduce costs, and to ease the process of producing Board meeting packets. The Board of Education had previously approved and contracted with BoardDocsLT. The FOP will begin conducting paperless meetings using BoardDocsLT. Training will be scheduled.

Superintendent Culver spoke briefly about the District's committee structure compared to conducting a regular Board meeting and a study session. Perhaps the structure could be determined after the development of a Management Oversight Panel (MOP). The Superintendent's normal procedure is to provide Board meeting packets five days prior to a Board meeting.

Deb Vespa suggested setting pre-meetings with the District. She also reminded the Panel not to discuss business among each other outside of the FOP meetings and to provide inquiries via email prior to each meeting to allow the administration to provide a response. She requested all contact information from each FOP member. Chair Foggs requested to meet weekly with Superintendent Culver.

Discussion – Open Meeting Act & Freedom of Information Act

Deb Vespa explained that the Open Meetings Act requires the posting of meetings 48 hours in advance. Emergency meetings only require a 24-hour notice. Agendas and meetings will be posted on the web. Closed Session minutes will be reviewed and approved twice a year during Closed Session.

Attorney Garrett Hoerner shared that a FOIA Officer will need to be appointed. The role is to receive and process all FOIA requests. Deb Vespa agreed that the Illinois State Board of Education's FOIA Officer will be able to assist. If needed, the FOP will be represented by the Attorney General. She cautioned the FOP regarding their email communication.

Press inquiries will be referred to the FOP Chair. Deb Vespa stated that the ISBE media department can also speak on behalf of the FOP.

Review of Financial Oversight Panel Duties & Responsibilities

Deb Vespa spoke about the duties and responsibilities of the FOP. Ms. Vespa provide the FOP members copies of Section 1H of the School Code. The FOP has to approve all financial items of the District's Board of Education including bills, contracts, debt issues, and all employment of personnel.

Financial Oversight Panel Budget

A budget of an approximate amount of \$3,000 to cover travel, food costs, etc. will be prepared for consideration at the June 27, 2012 FOP meeting. The FOP requested a draft copy of the District's FY13 budget.

Procedures Regarding Hiring & Expenditure Approvals

Deb Vespa explained that the process would be for the FOP to receive financial information each month, personnel/funding sources, and contracts.

Superintendent's Report

The Superintendent and Cabinet were introduced (Deputy Superintendent Dorland Norris, Assistant Superintendent Beth Shepperd, Executive Director Sue McGown, Internal Auditor Nick Mance, Executive Administrative Assistant Susana Solis). Board Member Victoria Clay was also introduced.

Superintendent Culver shared the following:

- Goals related to student achievement, establishing/maintaining financial stability, public trust and stabilizing enrollment.
- Staff reductions, reduction of cost per kilowatt hours with assistance from energy provider (\$400,000); contracts – grass cutting & snow removal done in-house; consultants; reduction in unemployment (down \$400,000 last quarter); Medicaid reimbursement (3-4 times current annual amount); internal controls; closing of schools
- Update on grants: School Improvement Grant (\$6 million); Counseling Grant (\$400,000); Race to Top (\$578,000); grant from State (\$450,000).
- Organizational Chart will be provided
- Reduction-in-Force will be finalized
- Key Communicator Network meetings will be held quarterly (parent/community involvement)
- A PR person is needed to continue communication.
- Brief update regarding TIF

District Finance Report

The FOP will receive a report on deficits of operations (Education Fund, O&M Fund, Pupil Transportation, & Working Cash Fund). The FOP requested a budget by line item, copy of procurement policy and accounts payable policy, an updated cash flow report and financial report. The District was asked to ensure that all expenditure reports are filed in a timely manner.

Executive Session

Member Jackson moved, with a second by Member Davis, to adjourn into *Executive Session* in accordance with the Illinois Open Meetings Act (5 ILCS 120/2c) to consider Personnel 120/2/c/(1), Negotiations 120/2/c/(2), Property Acquisition/Lease/Purchase 120/2/c/(5), Sale/Lease of Property 120/2/c/(6), and Actual/Potential Litigation 120/2/c/(11). The motion carried on roll call. Ayes 5. Nays 0.

The Panel convened into *Executive Session* at 1:17 p.m.

Open Session

The Panel re-convened into *Open Session* at 3 p.m.

Action Agenda – May 21, 2012 District Board of Education Meeting

Finance Items:

Member Matkowski moved, with a second by Member Huiskamp, to approve Finance Items 15.a.A-G. The motion carried on roll call. Ayes 5. Nays 0.

The FOP approved the following:

- A. Treasurer's Report
- B. Board Bills \$2,644,171.95; April Payroll \$4,442,853; Credit Card \$7,075.16; School Construction \$1,341,860.46; Wire Transfers \$1,696,180.15; W/C Claims \$50,412.95
- C. Miscellaneous Receipts \$827,618.89
- D. Athletic Activities \$7,561.18
- E. Money Returned from Expense Checks \$23,946.70
- F. Project Open Accounts Payable \$115,211.37
- G. Payroll Overtime \$8,933.72 / Funded Program Claims \$6,212.50

District Finance Committee Report:

Member Matkowski moved, with a second by Member Davis, to approve Finance Committee Report Items 15.b.A-M. The motion carried on roll call. Ayes 5. Nays 0.

The FOP approved the following:

- A. Environmental Consultants for Asbestos Consulting Services \$20,000

- B. Lease between School District 189 & SIUE (Auto Mechanics) \$2,680
- C. Maberry Consulting & Evaluation Services for Grant-Writing \$3,500
- D. Public Notice for Public Hearing (Amended FY12 Budget)
- E. Yearly Maintenance Fee for School Libraries by Gatenet \$22,592.44
- F. Additional Services Request for ESL High School Heating Replacement \$24,000 & Locker/Weight Room HVAC \$90,000
- G. Pest Control Bid to Orkin (annual cost \$12,805)
- H. Elevator Inspections & Maintenance Bid to Klone Elevator (annual cost \$12,588)
- I. Three-Year Contract for Waste Removal Services to IESI (\$45,945.12 FY13; \$47,323.47 FY14; 48,743.18 FY15) Total Cost \$142,011.77
- J. Request for Permission to Use JJK Center on June 2, 2012 – Fee \$369.50
- K. Curriculum Committee Items (Professional Development & Professional Development Addendum; Field Trips; Skyward Software Proposal)
- L. Ratification of Construction Management Agreement with FLEMCO
- M. Addendum (Severance Calculations) \$237,544 for four individuals

District Personnel Committee Report:

Member Matkowski moved, with a second by Member Davis, to approve the District Personnel Report Items 15.c.A-15.D. The motion carried on roll call. Ayes 5. Nays 0.

The FOP approved the following:

- A. Separations
- B. Employments
- C. Worker's Compensation Settlements
- D. Appointment of High School Principal

Resolution #050912 Authorizing Sale of Excess Property:

Member Matkowski moved, with a second by Member Davis, to approve Resolution #050912 authorizing the sale of certain unnecessary real estate. The motion carried on roll call. Ayes 5. Nays 0.

Resolutions Authorizing Notices/Statements of Honorable Dismissal & Reduction-in-Force:

Member Matkowski moved, with a second by Member Davis, to approve taking forward the resolutions authorizing notices/statements of honorable dismissal & reduction-in-force for Board approval on May 30, 2012. The motion carried on roll call. Ayes 5. Nays 0.

Adjournment

There being no further business, Member Jackson moved, with a second by Member Davis, to adjourn the meeting at 3:12 p.m. The motion carried on roll call.