

**Financial Oversight Panel
For North Chicago District 187**

MINUTES OF MEETING

**Thursday, October 25, 2012
North Chicago High School,
1717 17th Street, North Chicago, Illinois
6:30 p.m.**

CALL TO ORDER:

The Chairman called the meeting to order at 6:30 pm.

ROLL CALL:

Mr. Agazzi, Ms. Crates, Mr. Kneeland, and Ms. Riley were present as was Master Chief Evans. Representing the District were the CEO, CFO and HR Director. Representing ISBE were Deb Vespa and Mark Anderson. Absent were Ms. Teamer and Senior Chief Curylo.

AGENDA:

Ms. Crates moved to approve the amended agenda as presented and Mr. Kneeland seconded the motion. The motion carried 4-0.

COMMENTS FROM PUBLIC:

No comments were made.

Presentation - PMA

PMA made a presentation on reviewing the Debt of the district. The five bond issues outstanding were reviewed noting that none were callable except for the 2010B Alternate Revenue Bonds callable on January 1, 2020. The non-referendum bonding capacity was presented noting the district could obtain 3.7 million of working cash bond proceeds. The options for the 2010B Alternate Revenue Bonds of defeasance, extending debt service payments and refinancing were reviewed. The annual debt service of 3.3 million for those bonds was noted. The impact on local tax payers if the alternate revenue pledged i.e. Impact Aid is not sufficient to make bond payments was reviewed. It was noted that if local taxes are used to make payments for those bonds then the bonds would be counted towards the district's debt limit. It was noted that under current market conditions refinancing the bonds will not achieve a savings.

MINUTES APPROVED:

Mr. Kneeland moved to approve the minutes for the Open and Executive Session of the September 27th Financial Oversight Panel meeting. Ms. Riley seconded the motion. The motion passed 4-0.

CONSENT AGENDA ITEMS:

Mr. Kneeland moved to approve the consent items and Ms. Riley seconded the motion. The motion passed 4-0.

OLD BUSINESS:

A. Architect Fees Discussed

The status of negotiating with the district architect over the 111,000 invoice for services was discussed. The scope of responsibility of services to be provided was questioned and was therefore being negotiated. The firm is willing to reduce the invoice to 25,000 if the district will make the firm the Architect of Record and the Construction Manager for future projects. The savings and costs were discussed as the administration sought the FOP opinion on proceeding with the negotiations. The administration was instructed to seek the firm to agree that the future fees would be within state standards and to proceed with the negotiations.

B. Point of Sale Lunch System

The initial cost of acquiring a system that would work (seamlessly) with current student information system was discussed as were the ongoing costs and savings. Mr. Kneeland moved to approve the purchase and Ms. Riley seconded the motion. The motion passed 4-0.

C. Second Reading of Policy regarding Purchases and Contracts:

It was noted that as per legal advice the approval of changes in the policy agreed upon at last month's meeting should be acted upon at this meeting. Ms. Crates moved to approve the policy change and Mr. Kneeland seconded the motion. The motion passed 4-0.

NEW BUSINESS DISCUSSION/ACTION ITEMS:

A. Add 1 FTE to PE Staff

It was noted that driver education classes are larger than expected. After the first quarter the driver education teacher will be behind the wheel with only 3 students at a time. The rest of the students are sent to PE which will cause overloads and has created a need to add one PE staff position. The inability to predict this at the beginning of the school year was discussed. Ms. Crates moved to approve and Mr. Kneeland seconded the motion. The motion passed 4-0.

B. Add 2 FTE to SE Teachers and 2FTE to Paraprofessions

It was noted that while working to bring SE into compliance it became known that not all IEP students were logged into the system. After physically inspecting classrooms and working with building staff it became apparent that additional SE staff is needed to bring the district into compliance. The need for better procedures and software utilization was discussed. Ms. Crates moved to approve and Mr. Kneeland seconded the motion. The motion passed 4-0.

C. Approval of SIP Grant Positions

The number and types of position funded by the grant was noted and discussed. Ms. Crates moved to approve and Mr. Kneeland seconded the motion. The motion passed 4-0.

D. Approval of Vocational Grant Technology Component

The administration referenced the information in the packet recommending approval. Ms. Crates moved to approve and Mr. Kneeland seconded the motion. The motion passed 4-0.

E. SIP SOAR Materials

It was noted that this item like item C was grant related. Mr. Kneeland moved to approve and Ms. Riley seconded the motion. The motion passed 4-0.

F. Contract for E-Rate Consultant

It was noted that it was discovered that no contract was in place although services were performed last year and again this year and that a contract should be in place. Ms. Crates moved to approve and Mr. Kneeland seconded the motion. The motion passed 4-0.

G. November and December Meeting dates change

It was noted that due to levy and other considerations that the meeting date for November needs to be changed to November 15th and the December meeting needs to be scheduled for December 13th. Ms. Crates moved to approve and Mr. Kneeland seconded the motion. The motion passed 4-0.

NEW BUSINESS DISCUSSION ONLY ITEMS

H. Expansion of SE Staff at LEARN Charter School

It was noted that the charter school hired 1 SE staff member but that person did not have the qualifications and the SE staffing is not sufficient and in compliance. It was discussed that reviewing the Charter School Contract that the charter can hire and the

district pay part of the cost or the district can hire staff. It was noted that in discussion with the Charter that the preference is to have the district hire the SE staff. The estimated cost of about 150,000 was discussed as was the reimbursement rate of 8,300 per staff from the state. The Chair noted that Charter School Special Education staffing issues exist and will need to be resolved.

I. **Audit Extension**

It was shared that progress has been made in the audit procedures and process for this year compared to last year. The audit activities on the district's side have been completed and the accounting firm probably will be finishing the audit within the next week which will require the district to seek an extension.

J. **Review of Class Size**

It was discussed that class size over 24 at the primary level and 31 per period at the higher levels can create overloads and increases teacher compensation and costs for the district. It was noted that currently 4 primary overloads exists and 14 overloads at the higher levels.

K. **Organizational Chart**

It was noted that the new organizational chart was included in their packet.

L. **Energy Grant**

It was noted that the district received the 50,000 Energy Grant from the state.

EXECUTIVE SESSION [In accordance with 5 ILCS 120/2(c)(1)(2)(6)]:

The Chair called for a motion to enter into Executive Session for the purposes of personnel and employment, collective negotiations, and sale of property. At 7:53 p.m. Ms. Crates moved to enter into executive session and Mr. Kneeland seconded the motion. The motion passed 4-0.

CALL TO RESUME OPEN SESSION

Ms. Crates moved to reconvene open session at 8:35 p.m. and Mr. Kneeland seconded the motion. The motion carried 4-0.

ADJOURNMENT

Ms. Crates moved to adjourn at 8:37 p.m. and Mr. Kneeland seconded the motion. The motion carried.

Minutes respectfully submitted by Mark Anderson