

**FINANCIAL OVERSIGHT PANEL
FOR PROVISO TOWNSHIP HIGH SCHOOL DISTRICT 209**

MINUTES OF MEETING

Regular Meeting

**Proviso Math & Science Academy
8601 Roosevelt Road
Forest Park, IL**

**Tuesday, January 22, 2013
1:00 PM**

CALL TO ORDER

Chairman Jim Popernik called the meeting to order at 1:03 p.m.

ROLL CALL

Present:

Dr. Jim Popernik, Chairman
Dr. Craig Schilling, Member
Ms. Merilee McCracken, Member
Mr. Edward Porter, Member
Mr. Kenneth Walls, Member

Also present:

Dr. Nettie Collins-Hart, District Superintendent
Ms. Althea Busby, Assistant Executive to the Superintendent
Ms. Diana McCluskey, Interim Business Manager
Ms. Sharon Palmer, Director of Accounting
Ms. Readith Ester, District 209 Board Member
Ms. Deb Vespa, Illinois State Board of Education
Ms. Kenya Austin, Illinois State Board of Education
Mr. Jim White, Baker Tilly Virchow Krause, LLP

INTRODUCTION OF NEW FOP MEMBER

Dr. Popernik introduced Mr. Edward Porter as a new member of the FOP replacing Mr. Montgomery who resigned.

PUBLIC COMMENTS

Della Patterson asked about the criteria required for a community member to be placed on the financial oversight panel. She also asked where FOP meeting notices and agendas are posted. She then discussed the pending approval for the position of Assistant Superintendent for Curriculum and Instruction and reiterated the importance of that position. Finally, she mentioned the pending approval of Dr. Collins-Hart's contract extension and wanted the FOP to note that the test scores have gone down along with attendance rate decreasing during her tenure.

Dr. Popernik replied noted that FOP agendas are posted on the District 209 website and noted that the FOP would be approving its meeting calendar at today's meeting.

FINANCIAL ADMINISTRATOR'S REPORT

Mr. White briefed the FOP on the meeting agenda and asked if there were any questions regarding the financial administrator's report. There being none, he concluded the presentation of his report.

PRESENTATION OF JUNE 30, 2012, AUDIT

Representatives from Mathieson, Moyski & Celer, LLP presented their reports related to the June 30, 2012 audits. Mr. Celer summarized the District's performance for the year. Dr. Popernik noted that this indicates improvement from the prior year.

Mr. Celer then went through the findings. He focused on the significant deficiency related to an adjustment of \$800,000 for unrecorded activity in a bank account and also commented on processes related to the student activity funds that have resulted in an approximately \$300,000 loan from the funds to cover overdrafts and NSF checks at the District level. Mr. Walls asked if the check from the District to the activity funds had been cut to pay back this amount. Ms. McCluskey stated that it had not.

Other findings were discussed including Dr. Schilling asking about the continuing disclosures for the District bonds and the last time those were filed. Ms. McCluskey thought 2008. He noted those will need to be in order if the District wishes to issue more debt.

Dr. Popernik asked that a report be given by Ms. McCluskey at the next meeting to address all points noted in the management letter and an action plan for each.

EXECUTIVE SESSION

A motion was made by Dr. Schilling and seconded by Dr. Popernik to Retire to Executive Session in accordance with 5 ILCS 120/2(c)(1) for the purpose of discussion of personnel and employment, 5 ILCS 120/2(c)(2) to discuss collective negotiations, 5 ILCS 120/2(c)(11) to discuss litigation, and 5 ILCS 120/2(c)(21) to discuss minutes of meetings lawfully closed under the Open Meetings Act for purposes of approval, and 5 ILCS 120/2(c)(28) to discuss internal control weaknesses as identified by the external auditor in accordance with generally accepted auditing standards.

All voted in favor to approve, no nays. Motion passed at 1:35 p.m.

RECONVENE REGULAR MEETING

Moved by Dr. Schilling and seconded by Ms. McCracken to reconvene the public portion of the meeting.

All voted in favor to approve, no nays. Motion passed at 2:13 p.m.

ACTION ITEMS FROM EXECUTIVE SESSION

Approval of December 18, 2012, Regular Meeting Executive Session Minutes

Ms. McCracken moved and Dr. Schilling seconded for the approval of the December 18, 2012 regular meeting executive session minutes.

All voted in favor to approve, no nays. Motion approved.

Approval of the Contract with the Proviso Custodial and Maintenance Union

Dr. Schilling moved and Mr. Walls seconded approval to ratify the District's contract with the Proviso Custodial and Maintenance Union.

All voted in favor to approve, no nays. Motion approved.

Approval of the Renewal of the Superintendent’s Contract through June 30, 2015

Dr. Schilling moved and Ms. McCracken seconded for tabling action to renew the contract with Dr. Nettie-Collins Hart as Superintendent through June 30, 2015 until the February board meeting.

No Discussion

All voted in favor to table to the February meeting, no nays. Motion approved.

Authorization for Hiring of Chief Financial Officer/Chief School Business Official by the Financial Oversight Panel

Dr. Schilling moved and Mr. Walls seconded for to authorize the posting of the position of District Chief Financial Officer and/or Chief School Business Official to report to the FOP.

No Discussion

All voted in favor to approve, no nays. Motion approved.

Personnel Reports

Dr. Schilling moved and Ms. McCracken seconded to approve the January personnel reports for certified staff employment and terminations; non-certified staff employment and terminations; other employments stipends; and approved leaves with the exceptions of 1) Certified Staff a) Employment #3 #1-3 (contract extension) and Other Employments – b) Other Payment #1.

No Discussion

All voted in favor to approve, no nays. Motion approved.

Dr. Schilling and Dr. Popernik seconded to table action of Other Employments – b) Other Payment #1 on page 5 until at such time the FOP receives the evaluation tied to it.

No Discussion

All voted in favor to approve, no nays. Motion approved.

SUPERINTENDENT’S REPORTS

No action necessary - Informational items only.

The District administrators presented the following reports:

- *Upcoming Agenda Items*
- *Curriculum, Instruction & Assessment Reports*
- *FOIA Report*
- *Finance Reports*
- *Capital and Construction Update*

Presentation of Self-Funded Insurance Options

A representative from Vista National presented options for the District if they were to choose to self-fund their health insurance plans. Before the presentation, Dr. Popernik noted for employees that a self-insured plan does not necessarily change benefits.

The various costs and benefits of self-funding were then discussed by the FOP members.

Finance Reports

Dr. Schilling asked if the \$800,000 deposit activity mentioned by the auditors is included in the accounts listed in the finance reports. Ms. McCluskey explained that the account is there but the activity is not currently recorded. Dr. Popernik also discussed the timing of state and federal payments.

ACTION ITEMS

Approval of December 18, 2012, Regular Meeting Open Session Minutes

Ms. McCracken moved and Dr. Schilling seconded for the approval of the December 18, 2012, regular meeting open session minutes with corrections.

No Discussion

All voted in favor to approve, except Porter who abstained. Motion approved.

Bills Payable

Ms. McCracken moved and Dr. Popernik seconded approval of bills payable for the month of December in the amount of \$2,607,067.82; December gross payrolls in the amount of \$2,645,316.21; and December student activity checks in the amount of \$25,620.02.

Dr. Popernik asked when the accounting for the Proviso West Holiday Tournament will be ready. Dr. Collins-Hart stated that a report will be presented in February.

All voted in favor to approve, no nays. Motion approved.

Attorney Fees

No action necessary. Presented as an information item only and included in approval above.

Approval of Bank Signatories

Ms. McCracken moved and Dr. Schilling seconded approval of the District's updated bank signature lists.

No Discussion

All voted in favor to approve, no nays. Motion approved.

Approval of FOP Meeting Calendar for 2013

Ms. McCracken moved and Mr. Walls seconded approval of the FOP meeting calendar for 2013.

Dr. Popernik noted this was required to be posted annually and is subject to change. Ms. Vespa noted the March meeting will likely be at 7:00 pm at Proviso East, which will be discussed and approved at the next meeting.

All voted in favor to approve, no nays. Motion approved.

District Goals and Benchmarking

Dr. Popernik moved and Ms. McCracken seconded approval of the final district goals and benchmarking matrix.

Ms. Vespa briefly went through the final matrix. Dr. Collins-Hart asked whether as part of the process if the two boards would be getting together to discuss components of these goals. The FOP agreed that was a good idea.

Dr. Schilling then noted that Mr. Porter should have an opportunity to review the plan before it is approved.

Dr. Popernik withdrew his motion and Ms. McCracken withdrew her second and Dr. Popernik moved to table approval until February and Ms. McCracken seconded

All voted in favor to approve, no nays. Motion approved.

NEW BUSINESS (for discussion only)

Financial Plan & Funding Options Update

Ms. McCluskey and Mr. White gave a brief update on the status of the plan. They discussed the need to prioritize capital projects. Dr. Schilling recommended that only critical projects be put on the plan for 2013 as it is already too late.

A discussion about having a joint meeting to discuss the financial plan, self-insurance and the benchmarks in late Feb/early March.

The SEDAC report was discussed and the need for a presentation will be assessed after the FOP has had a chance to review the report.

PUBLIC COMMENTS

No comments were presented.

ADJOURNMENT

Ms. McCracken moved and Mr. Walls seconded to adjourn the meeting.

All voted in favor to approve, no nays. Motion passed at 3:08 p.m.