

**MINUTES OF MEETING
FINANCIAL OVERSIGHT PANEL
PROVISO TOWNSHIP HIGH SCHOOL DISTRICT NO. 209
February 22, 2011
7:00 P.M. – Proviso Math and Science Academy**

CALL TO ORDER

Chairman James Popernik called the meeting to order at 7:02 p.m.

ROLL CALL

Present:

James Popernik, Chairman
Craig Schilling, Member
Merilee McCracken, Member

Also present:

Deb Vespa, ISBE
Kenya Austin, ISBE
Dr. Nettie Collins-Hart, District Superintendent
Timothy Cole, Baker Tilly Virchow Krause, LLP
Althea Busby, Assistant Executive to the Superintendent
Sharon Palmer, Director of Accounting

PUBLIC COMMENT

None

ADMINISTRATOR'S REPORT

Mr. Cole briefly addressed the FOP regarding the financial plan, school improvement grant, purchasing policy (1st reading) and the architect contracts on this evening's agenda. He also noted an addition under New Business that was inadvertently omitted from the hard copy of the agenda (but not from the version posted).

Deb Vespa, responding to a question about how the other FOP's are handling the uncertainty surrounding State revenues in their long-term financial plans, indicated that the conservative approach taken with Proviso High School is consistent with what the other FOP's have done.

EXECUTIVE SESSION

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 8:20 a.m.

By Dr. Schilling and seconded by Ms. McCracken at 7:08 p.m.

All voted in favor to approve, no nays

Moved by Ms. McCracken and seconded by Dr. Schilling to reconvene the public portion of the meeting at 8:26 p.m.

REPORTS

The District administrators presented the following reports:

Curriculum & instruction

Dr. Collins-Hart gave an overview of the School Improvement Grant and reviewed the application process with the FOP.

FOIA

Foundation

Finance

Ms. Palmer distributed an analysis of the cost of operating the PMSA facility that had been requested by the FOP. She also indicated that the district's administration is working on a repayment schedule for the interfund loan that will be included with the cash-flow analysis in the future.

APPROVAL OF MINUTES

Dr. Schilling moved to approve the minutes of the January 18, 2011, joint workshop meeting and Dr. Popernik seconded.

Dr. Popernik – aye; Dr. Schilling – aye; Ms. McCracken – abstain.

Ms. McCracken moved to approve the minutes of the January 25, 2011 meeting and Dr. Schilling seconded.

All voted in favor, no nays.

ACTION ITEMS

Personnel report

Dr. Schilling moved and seconded by Ms. McCracken to approve the personnel changes in certified staff from the February personnel report with the clarification that item 1. b. 2. is a leave of absence, not a termination.

The FOP asked Dr. Collins-Hart if item 1. a. 1. is included in the long-term financial plan and she indicated that it is.

All voted in favor to approve these changes, no nays.

Ms. McCracken moved and seconded by Dr. Schilling to approve the non-certified staff changes from the February personnel report:

The FOP inquired about item 1. a. 1. and Dr. Collins-Hart indicated that this is a temporary transfer to fill an opening while another employee is on disability leave. This is required in the contract, and the individual will fill both roles for the interim.

All voted in favor to approve these changes, no nays.

Moved by Dr. Popernik and seconded by Ms. McCracken to approve the changes from the other employment section of the February personnel report.

The FOP asked about the two SRO's and these two are being added to the pool of available SRO's to be called, as needed.

All voted in favor to approve the changes, no nays.

Bills payable and January payroll

Dr. Schilling moved to approve the bills payable in the amount of \$2,962,978.39 and the January payroll in the amount of \$2,016,925.72 and Dr. Popernik seconded.

All voted in favor to approve the bills payable and January payroll, no nays.

Attorney fees

No action necessary - Information item only – included in approval above.

Policy Manual Updates – 1st Reading

The FOP recommended that the District replace the language “at least three competitive quotations” in two places with the language “at least three written quotations”.

No action necessary – 1st reading.

Approval of Bank Signature Forms

The FOP questioned the administration about the Basic Business Checking Account. Ms. Palmer indicated that this account is used for grant draw-downs and is closed periodically to the Treasurer's account.

Dr. Schilling moved to approve the Student Activity Account and Board Revolving Account changes and to remove Dr. Johnson from the Basic Business Checking Account and to direct the administration to consult with its auditor regarding the propriety of maintaining the Basic Business Checking account in this manner and Dr. Popernik seconded.

All voted in favor to approve the changes, no nays.

Long-Term Financial Plan

Dr. Popernik indicated that the FOP appreciates the hard work put into this plan and the timeliness of its preparation. He noted that there is uncertainty regarding State and Federal revenues, but that these have been handled consistently with other FOP's in the State.

He further indicated that there are additional expenditures that have been identified within the past few days and that the plan needs to be evaluated again in light of these disclosures.

Moved by Dr. Schilling to table the approval of the long-term financial plan until the March meeting after the plan is adjusted, if necessary, for the effect of the additional expenditures and pending approval of the updated plan by the school board at its March meeting and Dr. Popernik seconded.

There was further discussion regarding the financial condition of the Operations & Maintenance and Transportation Funds, and regarding the need to address the cost of fixing the roofs if the District is unable to finance the repairs through the issuance of debt.

All voted in favor of tabling the long-term financial plan, no nays.

Calendar Revision

No action necessary - Information item only.

Resolution of Censure

No action necessary - Information item only.

Contracts/Bids

The FOP deferred this item until after New Business item on the agenda.

OLD BUSINESS

None.

NEW BUSINESS

Chief Financial Officer

Deb Vespa presented a sample job description for a CFO. The FOP discussed the job description and decided to delete #3 under the qualifications section.

The interview process was discussed briefly. The FOP concluded that a team should be assembled for the interviews, probably to consist of one or more representatives from the following groups: FOP, school administration, school board and ISBE.

Dr. Schilling moved to direct the school administration to post the job description, as corrected for the deletion of item 3 under the qualifications section and seconded by Ms. McCracken.

All voted in favor to approve, no nays

Issuance of RFP's for Services Related to the Potential Issuance of Debt

Dr. Schilling presented alternative approaches to these services including the two general approaches:

- 1) Hiring a financial advisor, then issuing the debt through a competitive bid process on a given day; or,
- 2) Hiring an underwriter that would also serve as a financial advisor and issuing the debt non-competitively.

He also discussed the practice of hiring a financial analyst to advise the district on the timing of the debt issuance.

The district needs to decide on an approach, and determine the rough timing and size of the issue before issuing an RFP for services. A bond attorney will be needed, as well, but that RFP is not on the critical path.

The FOP members expressed concerns about committing the district's bonding authority through the year 2040 for this program.

The FOP concluded that the district should issue an RFP for assistance in developing a plan for the financing and directed the administration to proceed in that manner. There was a brief discussion regarding the content of the RFP and Dr. Schilling volunteered to assist the district with the content.

The FOP discussed the timing of this request and the district's desire to begin work on the roofs as soon as possible. The FOP felt that the commitment for the architect to begin work on preparing bids could not be approved until a source of funding – whether by the issuance of bonds or by changing the financial plan to provide for these expenditures – can be articulated by the district.

In addition the FOP discussed whether the district should issue an RFP for the architect services or negotiate the fees with the architect.

The conclusion was that the request to engage the architects is premature and that the district has more planning work to do before the FOP can entertain this request.

Contracts/Bids (deferred from above)

Moved by Dr. Schilling to table this until the March meeting and seconded by Dr. Popernik.

There was a brief discussion about the need to proceed with the connection of the sump pumps to the emergency generator power source. The estimated cost for this is \$120,000 (high side estimate). The FOP consensus was that the district could proceed with the approval process for this work.

All voted in favor to table, no nays

ADJOURNMENT

Dr. Schilling moved and seconded by Ms. McCracken at 9:45 p.m.

All voted in favor to approve, no nays