

OAK PARK AND RIVER FOREST HIGH SCHOOL
201 North Scoville Ave.
Oak Park, IL 60302

FINANCE COMMITTEE MEETING

December 11, 2007

A Finance Committee meeting was held on Tuesday, December 11, 2007. Chair Rigas called the meeting to order at 7:38 a.m. in the Board Room. Committee members present were: John Allen, Valerie J. Fisher; Dr. Ralph H. Lee, Dr. Dietra D. Millard, Sharon Patchak-Layman, and John P. Rigas. Also present were: Dr. Attila J. Weninger, Superintendent; Cheryl L. Witham, Chief Financial Officer; Jack Lanenga, Assistant Superintendent for Operations; Philip M. Prale, Assistant Superintendent for Curriculum and Instruction; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors: Kay Foran, O.P.R.F.H.S. Communications and Community Relations Coordinator; James Hunter, FSEC Chair; Doug Wiley, Supervisor of Finance; Marcia Hurt, O.P.R.F.H.S. Physical Education Division Head; Dan Kleinfeldt, O.P.R.F.H.S. Drivers' Education Department Head; and Terry Dean of the *Wednesday Journal*.

Acceptance of the November Finance Committee Minutes

The November Finance Committee Minutes were accepted, as presented.

Drivers' Education Waiver Requests

It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve both of the Drivers' Education Waiver Request Applications under the Consent Agenda at its regular December meeting.

The administration asked the Finance Committee members to consider two applications for waivers to School Code Mandates, e.g. one for fees and one for instruction of Drivers' Education requirements.

Fees

Because The School Code of Illinois citation reads as such, 105 ILCS 5/27-23 "Subject to rules and regulations of the State Board of Education, the district may charge a reasonable fee, not to exceed \$50, to students who participate in the course, unless a student is unable to pay for such a course, in which event the fee for such a student shall be waived;" the District asks for the following requested modification to "105 ILCS 5/27-23":

"Subject to rules and regulations of the State Board of Education, the district may charge a reasonable fee, not to exceed \$350, to students who participate in the

course, unless a student is unable to pay for such a course, in which event the fee for such a student shall be waived.”

The present cost for drivers’ education instruction per student is \$782. This waiver application would be for a term of five years.

Instruction

According to Public Act 095-0310 (effective July 1, 2008), students are required to obtain a minimum of 6 hours of actual, on-the-street driver training with a certified driver education instructor which prohibits the use of driving simulators and driving ranges as substitutes for these 6 core hours.) Oak Park and River Forest High School District 200 is asking the State to approve waiver of Illinois School Code 27-24.3 (Public Act 095-0310) in order to continue counting Range and Simulation hours toward the six hour driving requirement.

Mr. Prale noted that a staff person at the Illinois State Board of Education was confident that the appropriate state body would approve the waiver request; furthermore, Mr. Prale thought the staffer also felt that other districts might be interested in O.P.R.F.H.S.’s language regarding this type of waiver. O.P.R.F.H.S. will improve upon its Drivers’ Education instruction by using additional software.

Security Contract

It was the consensus of the Finance Committee members that the Board of Education resign the contract with Securalex Experts in Security at the Special Board meeting following this Finance Committee meeting. The contract was being resigned because Securalex bought Continental Security, the company with which O.P.R.F.H.S. had originally contracted for outside security. Securalex will continue to honor the same contract and bid specifications, as presented by Continental Security.

Copy Machine Lease

Mr. Lanenga reported that one copier was going out of lease. He provided the following cost comparison of pricing on combination color and black and white copiers/printers. Konica Minolta is currently providing O.P.R.F.H.S. with 99.3% “up-time” and its average service call is handled in 2 hours and 37 minutes.

Vendor comparison using 8,000 black & white and 2,000 color copies

	KMBS	XEROX	OCE
Machine 60 month lease price	\$194.00	\$213.00	\$253.00
@8,000 B & W copies	\$80.00 (.01)	\$67.20 (.0084)	\$72.00 (.009)
@2,000 Color Copies	\$140.00 (.07)	\$178.00 (.089)	\$140.00 (.07)
Total Monthly Cost	\$414.00	\$458.20	\$465.00

Mr. Lanenga recommended the Konica Minolta machine was multipurpose, as it will make PDF's directly into emails, fax, etc. Ms. Fisher made note to be aware that the contract had an automatic renewal built into it.

It was more advantageous to lease the machine versus the purchase price of \$9,900. The machine will be kept until the end of the lease and then rolled into another machine. Mr. Lanenga noted that the District had ceased buying ink-jet printers because the supplies were so expensive.

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the leasing of a copy machine with Konica Minolta at its regular December Board of Education meeting under the Consent agenda.

Life Safety Amendments

It was the consensus of the majority of Finance Committee members to recommend to the Board of Education that it approve the following life safety amendments and ten-year safety survey report as described below at its regular December Board of Education meeting.

Life Safety Amendment #16

The rigging in Auditorium is forty plus years old, and is over due for replacement. The series of cables, pulleys, blocks, tension pulleys and ropes is a very complex system. Failure of any part of the system would result in the inability to use the stage and may cause harm if failure occurs during use.

The budget for this project is \$469,800. While it is hoped that competitive bidding improves the price, only a limited number of contractors perform this type of work.

Life Safety Amendment #17

Nine items on the list are priority code "A" items and the District has one year to correct them. The other items have been identified by the maintenance staff as urgent or a good fit for this summer. Previously the Committee members had the overall list of Life Safety items. This work is part of the Five-Year Plan.

Ten-Year Safety Survey Report

Every ten years each district in the State of Illinois must complete a safety survey conducted by a licensed architect. Many of the issues deal with laws, rules and guidelines specifically for schools.

Ms. Patchak-Layman was concerned about a division of labor of the life safety analysis, the Life Safety Amendments, and the actual work. She was assured that this was common practice for many schools. The payment to Wight & Company, the firm contracted, for this work is limited to no more than 10 percent of the actual project. Most architectural firms do not exceed the 10 percent because they are aware that the market for this type of work is very competitive; school districts could end their relationships with architectural firms based on their recommendations. The District's experience with

Wight & Company is that this company has not taken advantage of any situation. Mr. Rigas noted that while the District did not go out formally for a bid on the 10-year plan, informally, Wight was the low estimate, based on its knowledge of the building. The survey finds things that are not up to Code, those items are non negotiable. To have a new company look for new things would take enormous time and effort.

Ms. Patchak-Layman reiterated her feeling that there should be a division of labor. When seeking organizations for this work, the District could specify that the firm doing the life safety work would not do the physical work. Mr. Rigas and Dr. Millard both felt that could be expensive and something might be overlooked because of unfamiliarity with the building. Mr. Lanenga added that Wight & Company would not be doing all of the work, because some of it would be done in-house. Ms. Patchak-Layman felt there was a conflict of interest on this.

Dr. Lee noted that there were many areas that one can develop an inside track because of more knowledge than others. It is true of all businesses; it is an unavoidable fact of life. The people who get there first and learn a set up can function more effectively.

Mr. Lanenga reported that the process of developing a new five-year plan for construction and life safety is progressing. He broke out Life Safety items from general construction items.

Life Safety

Life Safety is in the hands of the school architects. The ten-year (decennial) inspection of the school has taken place. The two categories of Life Safety are “immediate” and “not-so-immediate.” The architects have determined that the first nine items on the 2008-09 list are in the immediate (a) category (attached to and made a part of the minutes of this meeting). All other Life Safety items are prioritized over the next four years. Items not allocated to a particular area will be considered as part of regular Operations and Maintenance funding.

Other Funding

The five-year financial plan has specific dollar amounts built into the Operations and Maintenance fund to allow the continuation of maintenance and upgrade of the school’s 100-year old building. A master list of potential projects is being developed and additional ones are anticipated. A true five-year plan will result after input from the Community Facilities Group, Interior Facility Group, maintenance staff, and finally, the Board of Education.

The issue of the Stadium turf is still outstanding. A draft plan already puts the District over budget in the Summer 2008. In January, a plan will be presented on how to use the remainder of the Restricted Building Fund to go forward with the turf, if that is the Board of Education’s desire. An emergency cushion of between \$300,000 and \$4,000,000 will remain for any unexpected building calamities.

Ms. Patchak-Layman asked for identification of the work to be done in-house. Mr. Lanenga responded that it was those items listed in the five-year construction and life safety plan. The right side of the spreadsheet indicated the life safety items for 2007-08 with proposals for the summer of 2009, 2010, 2011, 2012, and 2013, e.g., water pipe replacement and sewer replacements in the old building and redoing some science labs. On the left side of the spreadsheet were O&M projects. When a master list is complete, Mr. Lanenga will share it with the Community Facilities Advisory Group, DLT and BLT, as well as the Board of Education.

Mr. Lanenga informed Ms. Patchak-Layman that the work on bike racks would be complete. Dr. Weninger and he were conducting walkthroughs in the buildings and many things on this list were a result of these walkthroughs, e.g., bike racks, mini wall, seating areas, and bike parking in the front of the building.

Adoption of the 2007 Property Tax Levy

Ms. Witham reported that the Levy had been on display since November 6, 2007. The Board of Education will be asked to adopt the 2007 Levy at its regularly scheduled Board of Education meeting on December 20, 2007. An opportunity for public comment will be provided.

Ms. Witham reiterated that with the passage of the Property Tax Extension Limitation Law (PTELL or “tax cap”) in 1995, the Levy is limited to the lesser of 5 percent or the previous year Consumer Price Index (CPI) plus new property. The total tax received will not exceed the “tax cap” limitation. The value of new property is unknown to the District at this time and is therefore an estimate. Regardless of how much the District requests, no more than the maximum allowable under the law will be received.

For the 2007 levy the CPI used is 2.5% and EAV for new property is estimated at \$20,000,000. The estimate of the 2007 aggregate tax Levy is 104.56 percent of the 2006 levy.

The Truth in Taxation Act (35ILCS 200/18-60) requires a public hearing if the estimate of the aggregate tax levy exceeds 105 percent of the amount extended the previous year. Although a Truth in Taxation hearing is not required, on December 20, the District will give the community an opportunity for public comment on the Levy.

	<u>2007 Levy</u>	<u>2006 Levy</u>
a. Education Fund	\$ 44,612,278	\$ 43,075,463
b. Tort	\$ 1,141,456	\$ 1,113,616
c. Special Education	\$ 476,232	\$ 406,372
d. Operations & Maintenance	\$ 5,067,320	\$ 5,009,319
e. Transportation	\$ 831,060	\$ 810,790
f. IMRF	\$ 1,023,306	\$ 998,347

g. Social Security	\$ 1,023,306	\$ 998,347
h. Working Cash	\$ 997,029	\$ 310,640
i. Fire Prevention, Safety	<u>\$ 1,024,058</u>	<u>\$ 1,015,930</u>
	\$ 56,196,045	\$ 53,738,824
Bond & Interest	<u>\$ 3,008,516</u>	<u>\$ 3,006,954</u>
TOTAL LEVY	\$ 59,204,561	\$ 56,745.778

2007 and 2008 Levy Reduction Analysis

Per Ms. Patchak-Layman’s request to reduce the levy by a specific dollar to \$53,928,273 for the 2007 levy (which includes a 10% reduction), Ms. Witham provided the Finance Committee members with analysis of the effect that action would have on instruction and operations of the building (attached to and made a part of the minutes of this meeting). Specifically, the staff reductions required would be a minimum of the following:

Fiscal Year	Faculty FTE reduction required
2009	29
2010	35
2011	19
2012	6
2013	6
Total Reduction	95

In addition, by the end of fiscal year 2012, the Education Fund balance would be depleted to nine percent of expenditures. Therefore, the District would need to seek a referendum increase effective for the 2009 levy. If the District were not successful in the referendum for the 2009 levy, the District would have a negative fund balance of 16 percent in 2013. In other words, the District would need to borrow at least \$10 million in order to pay bills in fiscal year 2013 and have no cash to begin the FY 2014 school year.

The Administration strongly recommended that the Board of Education not consider reducing the levy as suggested by Ms. Patchak-Layman. Ms. Patchak-Layman continued to note her desire that the 2007 levy be reduced.

It was the consensus of the Finance Committee members to recommend to the Board of Education that it adopt the 2007 Levy as originally presented at the Board of Education’s regular December meeting.

Financial Statements

There were no comments regarding the monthly financial statements.

Treasurer’s Report

Ms. Witham provided the Finance Committee members with the Treasurer’s Report for the Months of May, June, July, August and September 2007.

The Committee members thanked her for being instrumental in the dissolution of the Township Treasurer's Office.

Adjournment

The Finance Committee adjourned at 8:13 a.m.