

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

FINANCE COMMITTEE MEETING
Tuesday, September 18, 2012

A Finance Committee meeting was held on Tuesday, September 18, 2012. Ms. McCormack called the meeting to order at 8:34 p.m. in the Board Room. Committee members present were Terry Finnegan, Valerie J. Fisher, Dr. Ralph H. Lee, Amy McCormack, Dr. Dietra D. Millard, Sharon Patchak-Layman, and John Phelan. Also present were Dr. Steven T. Isoye, Superintendent; Michael Carioscio, Chief Information Officer; Dr. Tina Halliman, Assistant Superintendent of Student Services; Amy Hill, Director of Assessment and Research; Philip M. Prale, Assistant Superintendent for Curriculum and Instruction; Nathaniel L. Rouse, Principal; Lauren M. Smith, Assistant Superintendent for Human Resources; Karin Sullivan, Director of Community Relations and Communications; Cheryl L. Witham, Chief Financial Officer and Treasurer; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors included Mary Jo Haley of the League of Women Voters; Robert Wroble and Tom Brosnan of Legat Architects; and Tom O'Grady of Pekron.

Pekron Contract

It was the consensus of the majority of Finance Committee members to recommend to the Board of Education that it approve the contract with Pekron Consulting, Inc. to perform Asbestos Abatement Consulting Services at its regular September 27, 2012 Board of Education meeting, as presented. While the scope of the work has changed somewhat, the contract is based on last year's contract.

Mr. O'Grady thanked the Board of Education for the continuing opportunity to work with the District. Pekron representatives will be at the beginning and at the end of the projects and it will provide the Illinois Department of Public Health (IDPH) a full report. The IDPH will then give final approval. He reported that preplanning meetings have occurred with Legat Architects and District staff.

Asbestos removal is the result of an area "being touched" in the construction process or because asbestos has been detected, i.e., a frayed tile. For known areas of removal, a timeline for completion is developed. For those unknowns, a timeline does not exist. If asbestos were found this summer when the walls are opened because of the scheduled construction projects, it will be removed.

The sampling of OPRFHS air quality throughout the year measures the asbestos levels. From that measuring, a determination is made as to how much, if any, asbestos is entering the building. Thus, far, the air quality has been far below EPA limits.

Legat Architects

It was the consensus of the majority of the Finance Committee members to recommend to the Board of Education that it approve Contract Addendum Number 3 with Legat Architects for the scope of work outlined in the long-range plan at its regular September 27, 2012 Board of Education meeting. The work includes asbestos abatement, renovation of bathrooms in main building (north pair on all four floors), replacement of South Field turf, air handlers, Tuckpointing, ET IDF closet relocations, and Replacement of chiller tower and chillers (to be completed during winter break). Legat appreciated approval of this work at this time, as the District will be able to take advantage of a great bidding climate.

Ms. Witham noted that changes to this contract from the previous year included a change in calculating the fee based on estimates and instead using final bids. The budget for construction projects has been set aside and the dollar amount available is known. Some drawings are prepared for alternative bids. The District accepts the bids up to the dollar amounts in the budget based on the drawings.

With the hiring of the new architect and construction manager, Ms. Witham has been able to develop more complete and exact estimates for the projects for the long-range plan, including construction fees, management fees, etc. Based on a comparison of other school's figures and percentages, these are very competitive. This process is more transparent than had been when working with other firms. Mr. Brosnan stated that the original fee had been based on the construction manager's estimate, but now, in working with Ms. Witham and Mr. Zummallen and the process, the number is a hard number. It is fairer to both the District and to Legat.

During Mr. Phelan's tenure on the Board of Education, he has been very impressed with the work of the administration and Legat. Mr. Brosnan noted that the planning effort was critical to this process and they appreciated the feedback.

The work of the Life Safety plan will be completed in the summer of 2013.

Ms. Patchak-Layman asked if any of these projects would be reconsidered because of conversations being generated for future assessments. Ms. Witham noted that while there are presently no planned meetings with both the Facility Planning Committee and the Strategic Plan Steering Committee, it would be advantageous to marry the necessary construction projects, i.e., childcare center, with instructional desires in the Strategic Planning process.

Thrive Contract

The consensus of the majority of the Finance Committee members was to have Ms. Smith seek legal counsel as to whether an independent contractor can begin work before the Board of Education takes final action on the contract. If the attorney approves, the student advocate from Thrive Counseling Center will begin work September 20, with Board of Education approval occurring at its September 27 meeting.

The student advocate position is a requirement of a grant applied for jointly by OPRFHS and West 40 for the Alternative Learning Opportunity Program (ALOP). State approval of the grant will allow OPRFHS reimbursement of approximately \$100,000 of which West 40 will keep 20 to 25 percent. The cost of the ALOP program will be more than \$100,000, but by qualifying for the grant, the District will receive this additional source of revenue. While the initial caseload will be 20 to 25 students, the District anticipates that number will grow.

Boom Contract

It was the consensus of the majority of the Financial Committee members to recommend that the Board of Education approve the contract with Boom Entertainment for the DJ, lighting, sound, and entertainment at the Homecoming Dance, as presented, at its regular September 27 Board of Education meeting. Student Council pays for this entirely by itself. Ticket fees have not risen in 10 years. The vendor, this year, intends to have a VIP section and a complimentary photo booth. While the Board of Education must sign the contract, the District is not paying the fee.

5-year Projections

Ms. Witham presented the Five-Year Financial Projects. The projections now included the 2013 budget, the ALT projection model and parameters, the 2011 Levy, the GSA, the Faculty Senate contract, the TIF

settlement, lowered interest rate revenue, and the 2012 staffing level. All other assumptions were unchanged.

The Advisory Leadership Team has met once this fall on the 2014 budget cycle. Its work includes reviewing this analysis and making recommendations to the Superintendent. Ms. Witham pointed out that the expenditure cycle was lowered because of the positive results of the TIF and the Faculty Senate contract. The per-pupil calculation was added to the projections, because of anticipated enrollment increases. The annual increase depicted when the enrollment increases is below the CPI level. If there is an increase in growth and class size remains unchanged, additional staff will need to be hired.

Ms. Witham noted the District could save significant funds if it chose to pay off the bonds that are callable in December 1, 2013. If the District invested \$5 million to pay off the debt, it could save \$1.5 million in interest.

Dr. Lee thanked Ms. Witham for providing the information.

Ms. Witham recommended that the District maintain a fund balance equivalent to nine months of expenditures. OPRFHS receives property tax revenue from Cook County twice per year. The measurement date for property taxes in Cook County is June 30. Sometimes districts have had to wait until December to receive tax payments. Significant monies are spent during the summer on construction, payroll, supplies, and furniture, etc. in order to ready the school for the next school term. In addition, two debt payments are made in this period.

FSA Regulations

It was the consensus of the majority of the Finance Committee members to recommend that the Board of Education approve the Health Care FSA Regulatory Amendment at its regular September 27 Board of Education meeting, as presented. This amendment allows the maximum salary redirection limit to be \$2500 effective January 1, 2013 and it allows for future changes (e.g., optional cost of living adjustment) without the need for additional amendments. Those that have FSA (Flexible Spending Accounts) will be significantly affected. Law mandates this approval.

Treasurer's Report

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the Treasurer's reports of July and August 2012 at the regular September 27, 2012, Board of Education meeting.

Independent Workers Contract

The consensus of the majority of the Finance Committee members was to have Ms. Smith seek legal counsel as to whether an independent contractor can begin work before the Board of Education takes final approval. If the attorney approves, Mr. Kinsey, as an independent contractor, will begin work September 20 with final Board of Education approval occurring at its September 27 meeting.

The District's expectation is that Mr. Kinsey will work two days per week from 8 a.m. to 3:00 p.m.

Adjournment

At 9:16 p.m. on Tuesday, September 18, 2012, Ms. McCormack adjourned the meeting.

Amy Leafe McCormack
Secretary