

**OAK PARK AND RIVER FOREST HIGH SCHOOL
201 N. Scoville
Oak Park, IL 60302**

**Finance Committee Meeting Minutes
October 15, 2013**

A Finance Committee meeting was held on Tuesday, October 15, 2013. Mr. Cofsky called the meeting to order at 5:00 p.m. in the Board Room. Committee members present were Thomas F. Cofsky, Dr. Ralph H. Lee, and Jeff Weissglass. Also present were Dr. Steven T. Isoye, Superintendent; Tod Altenburg, Chief Financial Officer; Michael Carioscio, Chief Information Officer; Nathaniel L. Rouse, Principal; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors included Sharon Patchak-Layman and John Phelan, Board of Education members; Sheila Hardin, Faculty Senate Executive Committee Chair; Doug Wiley, Supervisor of Finance; Robert Zummallen, OPRFHS Director of Buildings and Grounds, John Rossi and Pat King of Baker Tilly Virchow Krause. John Phelan

Approval of Minutes

Mr. Weissglass moved to approve the minutes of the September 16, 2013 Finance Committee meeting, as presented; seconded by Dr. Lee. A voice vote resulted in all ayes. Motion carried.

Contracts/Renewal

EAP Contract

All of the Finance Committee members recommended that the renewal of the Contract with Advantage EAP at Samaritan Counseling Center for the Northwest Suburbs be approved by the Board of Education at its regular October Board of Education meeting. The one year renewal begins November 1, 2013, reflecting a \$576 increase over the last contract that was for two years.

This is a support program for staff. The seven individuals who had been referred had multiple follow-up and interventions; EAP has offered the managing of and training for staff in a confidential setting. These services have been well received by staff. The company has offered a two-year contract.

This was brought to the Committee as it is part of the Faculty Senate contract.

Press Contract

All of the Finance Committee members recommended that the Board of Education approve the annual contract for updating the District's Policy Manual with the Illinois Association of School Boards at the regular October Board of Education meeting. The fee for the last quarter of 2013 is \$192.50. The fee for the 2014 calendar year will be \$1,495.

Renewal of Insurance Broker Consulting Agreement

All of the Finance Committee members recommended that the Board of Education approve the renewal of the contract with Gallagher Benefits Service for three years beginning January 1, 2014 at a fee of \$46,000. This reflects a \$4,000 increase over last year, as the management of the Cobra and Flex programs was an addition to the services it had provided previously. The District has been pleased with the services received in the past. OPRFHS's insurance processing is more complex as it is a self-funded plan with many facets.

Renewal of Medical, Dental and Life Insurance

The entire Finance Committee recommended that the Board of Education approve the renewal of the health, dental and life insurance plans beginning January 1, 2014 at its regular October Board of Education meeting.

BCBS is hired for administrative services only as OPRFHS is self-insured; when savings occur, OPRFHS retains them.

The recommended medical plan renewal is a 0% increase or to hold the medical plans at their current rates.

The unified renewal projection for the PPO and HMO plans calls for a 3.1% decrease in funding. The insurance committee recommended unifying the renewals and keeping the current rates in place for 2014.

For the past several years it has been the recommendation from the Insurance Committee and the practice of the District to unify the premiums for the health plans. The reason to unify premiums across the plans is due to the small number of members covered under the plans. Because there is a small population in each plan the plans are not actuarial credible on their own. By unifying the premiums, it maintains the integrity of the risk across the plans. The PPO plan is a more costly plan, therefore it should cost more to purchase the coverage. The VEBA plan encourages consumerism which should help overall claims expense. The HMO plan has the capitated physician services component and greater hospital discounts than the PPO plans, so this plan should be less costly for members and the District. If the unified increase practice was discontinued the HMO plan will become a more costly option for employees than the PPO plan.

The dental plan renewal projection calls for an increase of 5.3%. The Insurance Committee is recommending holding the dental rates at a no change. The reason for their recommendation is the financial offset from not changing the medical premiums will more than offset the increase in the dental rates. Thus, there was a savings \$12,000 overall.

A question was asked about how the Affordable Care Act would affect OPRFHS. A general response was that it would cost the District approximately 2% of its health plan, depending on whether a plan could be considered grandfathered or not. Out of pocket expenses for employees will also rise.

The Life, AD&D, Voluntary Life and Long-term disability coverage are with MetLife and MetLife has offered a rate pass for 2014.

It was explained that the Cadillac Plan tax as it stands today would impose a 40% excise tax on employer's whose annual premium/premium equivalent rates are greater than \$10,200 for single coverage and \$27,500 for family coverage. The cost is not based on the plan design but on the cost of the program. So a group with sick employees could have a \$1,000 deductible and be considered a Cadillac Plan. The District's potential liability in 2018 for Cadillac Plan is ...

At 10% trend \$221,340. Both the single and family for the low deductible would be impacted.

At 8% trend, \$129,340. Only the family low deductible plan is impacted.

At 6% trend, \$48,701. Only the family low deductible plan is impacted.

While the District does have a formal wellness plan, the participation has not been great enough to see returns. The faculty receives money toward wellness and provides formal screenings every other year for the entire staff prior to the start of school with a minor charge to each employee. While teachers lead different fitness classes, including yoga, had a zoo walk race, etc., the EAP factors into that, not just the emotional but financial as well.

Pacific Education Group Contract

All of the Finance Committee members recommended that the Board of Education approve the contract with Pacific Education Group at its regular October Board of Education meeting for the following professional services at a cost of \$16,500:

3 District Equity Leadership Team Seminars - December 6, 2013
February 21, 2014
April 11, 2014

The administration wanted the Board of Education to be aware of what was occurring in the District and to help the school position itself with the implementation of the strategic plan. At the onset of the year, the administration had scheduled Beyond Diversity Training but then it decided to work with the PEG and the leadership team to strengthen its work and to look at the framework.

Discussion ensued about how this work would be evaluated, what is the length of term that OPRFHS has been involved with PEG, what has been the cost, what have been the benefits and how had the landscaped changed at OPRFHS as a result of work with it. One member felt a break point existed between leadership development and moving these concepts into the classroom and suggested scanning the field before moving this work into the classroom. Another member commented that he/she could not foresee how one would evaluate the effectiveness of this program. Dr. Isoye explained that some measures might be different and more comfortable based on working with teachers and moving it into the classrooms. PEG deals with a mindset and the types of conversations to open doors that will allow people to think differently. The thinking part is hard to measure. The conversations have changed at the District and it is being deliberate in talking about race. The actual transfer to the classroom will be that people are more comfortable with it. The administration asked for approval of this contract at this time rather than delaying it to a later date because the first seminar is scheduled for December 6 session and it allows PEG to plan its schedule.

Over the last four years, OPRFHS has paid approximately \$75,000 to PEG. One member wanted to continue the discussion of the relationship with PEG and the District at a later time. It was noted that the PD plan as it had been indicated on the contract.

Committee Structure Discussion

The Committee discussed its structure as it related to the goals of the Board of Education. One member noted that the committee should determine its mission. Items for future discussions would include the categorization of agenda items per legal requirements, district requirements, etc.

Other issues to consider:

- 1) How does one get information on the agenda?
- 1) How will other board members be allowed to participate?
- 2) How will other Board of Education member input be solicited?
- 3) What mechanism will be used so that the committee stays on time?
- 4) A committee of 5 would be more workable as the Open Meetings Act restricts 2 members of a 3-member team from speaking to each other outside of the meeting.

Levy Timeline

The following timeline for the 2013 Levy was presented.

October 15	Finance Committee Meeting	Present Levy Timeline
November 12	Finance Committee Meeting	Present Preliminary Levy
November 12	Special Board Meeting	Adopt Preliminary Levy
November 13	Place Preliminary Levy on Display	
December 05		Notice of Truth in Taxation Public Hearing in local newspaper
December 19		Board of Education Meeting Truth in Taxation Public Hearing
December 19		Board of Education Meeting Final Adoption of Levy
December 20		Board of Education Resolution filed at Cook County Clerk’s Office

Previous administrative recommendations have been to go for the maximum allowable levy as that would give the most flexibility to the Board of Education and that could be adjusted based on any FAC recommendations. Dr. Lee supported the status quo.

Aid to Needy Children Report

The following information was presented.

- I. Free and Reduced Cost Lunch Program
 - A. Free Lunch Program

- 2013-14 471 Students participating
- 2012-13 462 Students participating
- 2011-12 496 Students participating
- B. Reduced Cost Lunch Program
 - 2013-14 96 Students participating
 - 2012-13 97 Students participating
 - 2011-12 88 Students participating
- II. Payment Plan for Books

Students and their parents request to be on a payment plan for books, supplies and fees. This is available to all families upon request.

 - 2013-14 525 Approved waiver applications
 - 2012-13 492 Approved waiver applications
 - 2011-12 518 Approved waiver applications

Two suggestions: 1) Share this with Board of Education in another format; and 2) change the word “needy”.

FY 2013 Audit Report

Mr. Rossi and Mr. King presented the draft of the FY 2012-13 Audit to the Committee. The final version will be submitted to the regular Board of Education for approval. Mr. Rossi reviewed the purpose of the audit. He specifically noted that new audit standards commenced last winter and define the auditor’s responsibilities which are to look at the numbers and access internal control. In the normal operation, District 200 has some of the best internal controls Baker Tilly has seen. Only one item of material weakness appeared. During the audit a material audit adjustment relating to the Districts Capital Fund was identified. The District’s modified accrual basis records failed to include a material accrual pertaining to retainage payable on an open capital project at year end. This was corrected. Baker Tilly complimented the Business Office noting that the financial statements were in good shape. There had been no disagreements between the auditors and management during this audit. Issues that will continue will be whether the state continues to make its payments. Baker Tilly spends approximately 230 to 250 hours at the district.

All of the Finance Committee members recommended bringing this to the full Board of Education for approval at its October 24, 2013 Board of Education meeting. Baker Tilly need not be present at that meeting.

School Maintenance Grant Application

The Finance Committee members recommended that the Board of Education approve the application for an ISBE Maintenance Grant of \$50,000 at its regular October Board of Education meeting. This money will be used for the men’s 1-4 South old building bathrooms for handicap accessibility.

Presentation of Check Disbursements dated October 15, 2013

All of the Finance Committee members recommended that the Board of Education approve the Check Disbursements dated October 15, 2013, at the Special Board of Education meeting immediately following this meeting.

Questions and responses follow regarding checks:

Check No. 168179--\$140 to Lurie Children's Hosp. for hospital tutoring rather than OPRFHS due to the medical needs of the student.

Check No. 168251--\$293.40 to Frank Cooney Co of the Oak Park Township Office for use of OPRFHS Room 293B. The Township sponsors social work services, the Motivational Mentorship program and the Youth Empowerment Symposium (summer and the school year). A 4’ x 8’ Porcelain on Steel Marker board was purchased for this room.

Monthly Treasurer’s Report

All of the Finance Committee members recommended moving the Monthly Treasurer’s Report to the full Board of Education for approval at its regular October Board of Education meeting under the Consent portion of the agenda.

A cash flow analysis of the high and low points would be provided at the next meeting.

Adjournment

At 6:25 p.m., Mr. Weissglass moved to adjourn the Finance Committee meeting; seconded by Dr. Lee. A voice vote resulted in motion carried.

Gail Kalmerton
Clerk of the Board