

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

FINANCE COMMITTEE MEETING

Tuesday, April 17, 2007

A Finance Committee meeting was held on Tuesday, April 17, 2007. Chair John Rigas called the meeting to order at 7:35 a.m. in the Board Room. Committee members present were: Barbara P. Fernandez, Valerie J. Fisher, Dr. Barry S. Greenwald, Dr. Dietra D. Millard, Yasmin A. Ranney, and John P. Rigas. Also present were: Susan J. Bridge, Superintendent/ Principal; Cheryl L. Witham, Chief Financial Officer; Jack Lanenga, Assistant Superintendent for Operations; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors included: Kay Foran, Director of Community Relations and Communications; Erica Cohen, Supervisor of Finance, Tim Keeley, Purchasing Coordinator, Robert ZumMallen, Director of Buildings and Grounds, Doug Brown, faculty member; James Paul Hunter, F.S.E.C. Chair; John C. Allen IV, community member; Ted Dixon of IWP/Sanicraft Co., and Mike Schultz from Krantz, Inc.

Acceptance of the February Finance Committee Minutes

The Finance Committee members reviewed and accepted the minutes of the March 13, 2007, Finance Committee, as presented.

Renewal of AthletiCo Contract

It was the consensus of the Finance Committee members to recommend that the Board of Education renew the contract with AthletiCo for the 2007-08 school year at its regular April Board of Education meeting. Mr. Huitema had reported that AthletiCo had gone beyond his expectations by developing a regular program of student trainers to work with the athletic program, having high visibility, and by developing a good working relationship with Midwest Orthopedics.

Janitorial Supply Products

It was the consensus of the Finance Committee members that the approval of the janitorial supply bid would be placed on the Board of Education's regular agenda so that further clarification could be provided regarding the bid products.

Mr. Dixon of IWP/Sanicraft Company protested the award of this contract to, what seemed to him was the high bidder, not the lowest bidder. He claimed his bid was lower on every item on which he bid. The RFP for janitorial supplies included paper products, 3-fill dispensing chemicals, bulk RTU chemicals, RTD Dispensing Chemicals and Can

Liners. It also requested that in order to be a qualified bidder, the vendor must submit bids on every product. One of the products requested in the RFP was a product of which he was not a licensed distributor, so he could not provide a bid on that product. He also had to substitute one company for another company on another product. Mr. Dixon felt that requirement of having to bid on this variety of products would limit the high school's options.

Mr. ZumMallen reported that his scope was to 1) provide a single vendor who would provide training to the custodians on its products, and 2) provide online access for ordering and work order programs. Johnson Chemicals provides those services. O.P.R.F.H.S. uses Universal paper products. Contained units with automatic rolls will replace the open towel dispensers. They are also graffiti proof and work very well. This will eliminate paper being all over the bathrooms. He is familiar with that type of system and the new soap dispensers are a part of this program. He stated that two vendors could have filled the RFP for Johnson products. The high school went with the company who met the requirements of the RFP.

Discussion ensued about the cost and installation of the dispensers. Krantz, Inc.'s bid included free dispensers and installation at a savings that overshadowed the somewhat higher cost quoted on the other products. This is a one-year contract only.

While Kranz was providing the dispensers free of charge, Mr. Dixon wanted to lease them to the high school and have the B&G staff install them. Mr. Keeley noted that a company had to bid on every item in order to be considered a qualified bidder. However, the RFP did state that partial bidders would be considered if there were a significant savings. In this case, there was not.

Ms. Witham reported that the Board of Education had the option of refusing all bids and start over, but she suggested speaking with Mr. ZumMallen if they choose that option. Mr. ZumMallen stated that just because a product costs less, did not mean it was less costly to use. If it is not as efficient, a larger quantity may be necessary. Ms. Witham added that it was important to train staff correctly on the proper use of the products in order to maintain the building. She was impressed with the efficiencies on which Mr. ZumMallen has been working with the staff.

Mr. Rigas understood the desire to reduce vendors, but he wanted to be sure that the high school was not put in a position of being forced to buy a product from just one company. Building architects identify a specific window vendor to be used even when there are multiple windows that would meet the specifications.

Mike Schultz from Krantz, addressing the issue of exclusively of Johnson Chemical Products, stated that there were about eight to nine distributors of this company's products. Mr. Rigas felt even that was limiting the number of vendors that could bid. Mr. ZumMallen added that using Bay West products would be more effective because of less waste. Mr. Rigas felt that going forward these items should be separated into different RFP's. Mr. Rigas wanted it in writing from Bay West that Kranz was not

leasing the dispensers, this precluding another distributor from bidding on next year's RFP.

Construction Update

Mr. Lanenga provided the Finance Committee members with a construction update. All parts of the 2006-07 summer construction projects were now completed, excluding the screens for five rooms, which needed installation.

Mr. Lanenga also noted that the emergency coil replacement in the auditorium was going well. It was also discovered that the school's insurance would cover this expense.

The mall renovation will be the focus of the summer. There will be limited work done inside the building. This work will include the following:

- Remove carpet and asbestos tile and replace floor in Rooms 355A and B, at a cost of \$9,500.
- Replace the floor, tables and fixed position chairs in Room 276, and equip the room with 30 laptop stations, flexible and adequate lighting and brighten the décor at a cost of \$20,000-\$25,000. The room will then be used as a 100-seat lecture and demonstration room, a computer lab, and a group work area, all on a sign-up basis.
- Add airlock doors in four additional locations: The Mall corridor (both ends), the entrance near the North Cafeteria, and the entrance near Room 116. The estimated cost is between \$75,000 and \$100,000. Mr. Lanenga noted that this should save on energy costs. Airlock doors are industry standard.
- Install video projector wiring in 10 to 20 classrooms for permanently mounted video projectors. The connections will be available for computer and for VHS/DVD as well. Priority will be established allowing rooms where Agile Mind is taught to be installed first, followed by a pilot with faculty members on the Technology Committee, and finally some of the power users. Mr. Lanenga continued that while the cost of video projectors is relatively low, the bulbs are not. The hypothesis is that if the projectors are in the room, the bulbs will last longer. Mr. Rigas felt a bigger problem would be the replacement of the remote controls. Mr. Lanenga concurred and stated that they will be mounted on the wall.
- Install 16 security cameras from this year's budget and 16 from next year's budget. The locations will be determined by the security staff and the Deans of Discipline. This will also include outside cameras for mall surveillance. This should cost approximately \$100,000.

- Replace the 40-year old rigging in the auditorium, an item noted in the 1998 Wight Plan at a cost of approximately \$250,000. This project is eligible for Life Safety Funds. The wiring would be installed by in-house personnel. Both the cameras and the rigging would be put out to bid.

The Mall

Mr. Lanenga reported that the District has received the cost for the hardscape portions of the mall renovation. The costs are as low as possible and are a part of the Village of Oak Park's alley construction bid. Terra Engineering, will supervise this part of the project. The cost of resurfacing and rerouting the hard surfaces and lighting is \$610,000. It will include taking up all existing pavement, curbs, readjusting sewer heights so that the property drains, low- and high-lighting, and running the electricity to posts, pedestals, etc.

In Mr. Lanenga's research, he found a company that could build a pavilion for approximately \$45,000. This company also manufactures a prefabricated, pre-plumbed, engineered, pre-wired rest rooms for approximately \$65,000. Everything inside is stainless steel. Cleaning is accomplished by using a hose. The price includes the bleed down valves so it can be winterized. Furniture will cost approximately \$25,000. Landscaping is estimated to be \$100,000. This totals \$845,000.

If Mr. Lanenga could get the pavement classified as life safety, the Restricted Building Fund money would not have be used for this project. That possibility would leave other funding opportunities.

Two things that should be installed at the same time the mall is being completed are the pavilion and the restrooms. The head landscape arborist for the Park District said it has sources for memorial trees for O.P.R.F.H.S. If the bushes on the Marian Street Mall are worth saving, they will be used on the O.P.R.F.H.S. campus.

Dr. Millard asked if there were any other potential donors. Mr. Lanenga planned to approach Student Council. Dr. Bridge reported that Don Vogel put out direct mail advertising for redoing the classic room and it was very successful. She wondered if this project too might have a single-issue appeal. A brass plaque could be added to the location noting a donor.

Mr. Lanenga informed the Committee members that the company who makes the pavilion also makes a port-a-potty building and a building for trash compactors. He suggested adding them to the south field and the north side of the mall. Mr. Rigas said that when bathrooms are provided, there are security, maintenance, and scheduling issues to manage.

It was the consensus of the majority of Committee members to not recommend the installation of rest rooms on the mall, but to install the port-a-potty buildings as suggested.

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the mall funding as discussed at the April Board of Education meeting.

Engagement Letter with Auditors

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the Engagement Letter with Virchow, Krause & Company, O.P.R.F.H.S.'s auditors, at its regular April meeting.

The auditors will attend the Finance Committee next month to explain the new auditing rules, expansion of SAS 112, and to give an update on the Township Treasurer's Office.

Xerographic Paper Bid

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the award of the bid of xerographic paper to Ricoh/Savin for the 2006-07 school year at its regular April Board of Education. Ricoh/Savin is the lowest bidder. The high school spends approximately \$35,000 to \$45,000 per year on xerographic paper.

Fixed Asset Appraisal

It was the consensus of the Finance Committee members to recommend that the Board of Education accept the Industrial Appraisal's proposal for services at its regular April Board of Education meeting. The District is required to have a full physical count of all fixed assets and a market value study at least every fifth year. This is a requirement of the insurance broker in order to assess the District's risk level and the audit firm in order to comply with GASB 34. The last physical count and market value appraisal was in July 2002.

District 97 Madison Street TIF Agreement

Ms. Witham reported that District 97 currently has a settlement agreement with the Village of Oak Park, which provides distributions for the Madison Street TIF. District 200 is a beneficiary of this agreement along with other taxing bodies in Oak Park. The settlement agreement provides a 25% distribution through 2010 and then a 100% distribution until the TIF expires in 2018.

The Village of Oak Park and District 97 are considering an arrangement whereby the Madison Street TIF Fund would purchase the District 97 administration building for approximately \$2,370,000 and lease the building back to District 97 in exchange for an extension of the 25% distribution amount in lieu of 100% until the loan is repaid. The loan repayment would take approximately two years. This would affect District 200 and other taxing bodies because the taxing bodies would forfeit the additional 75% distribution for two years. The amount of forfeited distribution from District 200 will be

approximately \$775,000. Ms. Witham provided a copy of a memorandum from Village President Pope and a spreadsheet calculating the possible impact on the Madison Street TIF District and Oak Park taxing bodies.

District 97 planned to discuss the agreement on April 12, 2007 and the Village of Oak Park will discuss the agreement on April 16, 2007. The agreement will result in a modification of the current settlement agreement between District 97 and the Village of Oak Park.

Ms. Witham noted the amount of money District 97 still needed is unknown.

Ms. Fisher asked what the Village was doing with the funds they were giving to the Park District. It was reported that only the elected officials of the taxing bodies were at the last OPCOG meeting, most business managers were absent. Dr. Greenwald stated that O.P.R.F.H.S. would not move ahead until those points were addressed. This agreement does not engage O.P.R.F.H.S. Ms. Witham stated that District 200 could do nothing about District 97's agreement with the Village. District 200 will lose its TIF distribution for two years. If District 200 wanted to sue under the same premise, it could, but it would lose because it is getting the same benefits.

Ms. Fisher did not object to creating some vehicle for District 97. However, this was being done based on a TIF district of which O.P.R.F.H.S. was supposed to be receiving a yearly report. O.P.R.F.H.S. is not aware of what the costs are, what they should have been, or how the Village is using these funds for its own costs. On the foundational issues, she objected. O.P.R.F.H.S. is being detrimentally affected and it is foregoing the possibility of taking action to prevent that from happening because of its solidarity with District 97. The Village has not lived up to the intergovernmental agreement. It has not been transparent. Mr. Rigas concurred and suggested having conversations with District 97 about this.

He suggested a joint board meeting regarding this and perhaps an initial meeting with a Board of Education member and the chief financial officers.

Dr. Greenwald was not on the Board of Education when the intergovernmental agreement on the TIF was put in effect, but he remembered there was to be yearly feedback. When that does not happen, why does O.P.R.F.H.S. not advise that it is not getting the report? Ms. Witham reported that there is the Joint Review Board, which just received the 2005 report. Staffing issues at the Village of Oak Park were the reason given for not providing the report earlier. The Village promised to get information about the costs when the lawyers were at the table, but that has not yet been provided. Dr. Greenwald stated that the first part of the agreement has had the lowest impact on District 200 and it is not a party to that or the purchase of the warehouse.

It was suggested that a meeting be set up between the two Districts.

Township Treasurer Update

Ms. Witham reported in her written material that Senate Bill 423, providing for the Cicero and Berwyn school districts to withdraw from the Cicero Township Treasurer's jurisdiction passed through the State House of Representatives and Senate and awaited the Governor's signature. In addition, a referendum to abolish the office appeared on the April 17 election ballot. There will also be four candidates for two open Cicero Township Trustee positions. The incumbent candidates are Louis Angeloni and Maureen Carroll Sherwood.

The District Business Office staff has met with staff in the Treasurer's Office and communicated frequently for the last month. They made significant progress in reconciling the June 30, 2006 balances and some of the monthly balances for the current fiscal year. An outstanding checklist needs verification. O.P.R.F.H.S. is ready to move cash balances to the new bank accounts as early as May 1, 2007. She credited Erica Cohen and Timothy Keeley for having worked daily on this in order to get this accomplished.

New banks accounts have been established with Harris Bank and Trust and an investment account has been established at PMA.

Ms. Witham provided the Finance Committee members with a copy of an Intergovernmental Agreement drafted by O.P.R.F.H.S.'s lawyer. This agreement was sent to the Trustees on March 26, but there has been no response. O.P.R.F.H.S. is poised to begin its own banking May 1. The trustees would like O.P.R.F.H.S. to wait until after the election today and then meet tomorrow evening. If the referendum passes, then the trustees will try not to sign individual agreements, but instead create just one for all ending the Office June 30, 2007. This is a complication for O.P.R.F.H.S. Ms. Witham noted that the legislation says O.P.R.F.H.S. can withdraw when it wants. Mr. Rigas suggested saying that O.P.R.F.H.S. will charge "x" amount for each day it does not get its money after it wants to withdraw and that it will sue the individual trustees. If the referendum does not pass, O.P.R.F.H.S.'s option will be cleaner. It can sign an agreement with the Trustees.

Mr. Rigas suggested that the lawyers talk further about this. O.P.R.F.H.S. has \$42 million, plus interest, with the Treasurers' Office.

Monthly Financial Statements

Mr. Rigas acknowledged the financial statements included in the packet. No discussion ensued.

Adjournment

The Finance Committee adjourned at 9:17 a.m.