

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

**Finance Committee Meeting Minutes  
November 3, 2015**

A Finance Committee meeting was held on November 3, 2015. Chair Cofsky called the meeting to order at 5:30 p.m. in the Board Room. Committee members present were Thomas F. Cofsky, Fred Arkin, and Sara Dixon Spivy. Also present were Dr. Steven T. Isoye, Superintendent; Tod Altenburg, Chief School Business Officer; David Ruhland, Director of Human Resources; Sheila Hardin, Faculty Senate Executive Committee Chair; and Gail Kalmerton, Clerk of the Board.

**Visitors:** Tom McMullen of the Hayes Group and Steve Miller of PMA Financial Network (departed at 5:44 p.m.)

**Public Comments** - None

**Discussion of Preliminary Levy**

It was the Mr. Altenburg read from *The Property Tax Extension Limitation Law, A Technical Manual* the following: "If during the previous levy year, a taxing district had a decreased aggregate extension compared to the preceding levy year, the aggregate extension base is the highest aggregate extension in any of the last three preceding levy years. The provision applies to any reductions in extensions, including abatements."

In 2012, the levy was \$65,019,413. The Finance Advisory Committee then reduced the Levy by \$10 million in 2013 and another \$10 million plus an additional \$250,000 in 2014. Last year was the lowest in the 3 years. 2015 Levy will still add up to \$65,019,413, but it will be allocated to different funds to align with the PMA projections. The expected bounce back to the 2012 Levy level was communicated to the community. Mr. Altenburg reviewed the timeline of events included in the packet. At the Special Board meeting on November 10, 2015, the Board of Education will adopt a resolution to put the Levy on display. The District would be allowed to capture new EAV and CPI, which is .08%, which would generate approximately \$525,000 in additional revenue. A chart showing the anchor of the FAC Option 5 with the levy at the 2012 level in red.

One Committee member noted that the fund balance is \$5 million below the projections after 2016 and \$8 million below from the peak, which means an increased rate of depletion of the fund balance due to both revenues and expenses. The FAC recommendation was to bounce back. If the District added CPI to the red line, it would be more even. If the current levels are kept, the downward slope will increase.

More information will be brought forward at the regular Finance Committee.

**Compensation Philosophy**

The Finance Committee was charged with developing a draft compensation philosophy to return to the full Board of Education on how the District handles compensation. A compensation philosophy or statement or strategy can be one paragraph or 25 pages depending on the organization. The philosophy should be about

what drives compensation so that it has enough content to make it meaningful and provide guidance. The committee chair saw the process as follows:

- 1) Identify the critical questions in the policy;
- 2) Determine, who is the best person to provide the answers to the questions; and
- 3) Present to Human Resources to put together in a final document.

The starting point was the document presented by the Hay Group at the June meeting. One member noted that the hiring philosophy should dovetail with compensation and recruitment.

Mr. McMullen stated that the philosophy should include input from involved stakeholders, i.e., Board of Education, leaders, managers, and employees. Content is essential, and the process used for getting the words is necessary in order to make sure people are aligned.

Discussion ensued about the questions that needed to be answered by the philosophy. The number items are from a worksheet that had been provided to respond to these issues, and the members matched the questions with the responses to it.

- A. Mission, vision, values. The administration will write the mission, vision, and values, that reference and reflect the strategic plan
  4. Be internally fair and consistent in its design and application. Meaning that compensation will be consistently administered around job responsibilities and pay for performance (starting in 2016). In principle, job performance will drive individual pay decisions.
    - The District achieves this by having a compensation and benefits philosophy, compensation policies, and compensation guidelines aligned between the Board and leadership with input from key stakeholders (employees, managers, leaders and the Board) and is rooted in the common and best organizational practice.
- B. What is comp?  
All aspects of financial compensation
- C. Purpose
  1. Focus on attracting and retaining exceptional talent by offering a competitive compensation program, creating an engaging work environment and providing meaningful work opportunities.
  2. Directly linked to accountabilities, complexity and skill requirements of jobs by providing compensation opportunities that increase as the size and impact of jobs increase. Job size if expressed in terms of job grades. Jobs of similar size, impact and complexity are evaluated at the same rank.
  6. Encourage and reward taking on new responsibilities by providing promotions that reflect an employee taking on a larger size job. The amount of the promotional increase will vary based on the difference in the size between the previous role and the new role.
- D. How does OPRFHS compete? With whom does it compete? (Internally and externally)  
Where does the talent go? From where does talent come? The District will focus on the external factors.

## WHO

- Administrator staff base salary range midpoints are set between the 50th and 60th percentile of the local high school education market as represented by the Northwest Personnel Association (NWPA).
- Non-Affiliated staff base salary range midpoints are set at the 60th percentile of the local Chicago area general industry market as represented by the Hay Group's general industry survey.
- Provided benefit programs and values are consistent with common market practices within the local high school education market (as represented by NWPA) and Chicago area general industry market. Benefit values are consistent with 50th to 60th percentile values of these markets.

## HOW

- Administrator staff base salary range midpoints are set between the 50th and 60th percentile of the local high school education market as represented by the Northwest Personnel Association (NWPA).
- Non-Affiliated staff base salary range midpoints are set at the 60th percentile of the local Chicago area general industry market as represented by the Hay general industry survey.
- The 50th to 60th percentile positioning strategy generally aligns with the District's general organization performance against the peer group across a number of performance metrics.

## E. How do we evaluate effectiveness?

8. Be practical and reflect best organization practices by benchmarking OPRFHS's compensation and benefits practices, policies and pay levels against relevant comparators on a periodic basis.
9. Evolve as our needs and strategy change over time by Board and Leadership review of our compensation and benefits strategy and program design on a periodic basis.
10. From worksheet Balance the ability to attract and reward talent with fiscal effectiveness by annually reviewing the competitiveness of our compensation and benefits program with the District's ability to fund these programs.
11. The Board will be accountable for establishing and refining the compensation and benefits philosophy as needed to meet best the needs of District 200 stakeholders (i.e., students, employees, leaders, community).
  - The Board will also be accountable for periodically evaluating the effectiveness of the compensation and benefits philosophy, program design and administration.
  - The D200 Superintendent will be accountable to the Board for the adoption and consistent administration of the compensation philosophy and framework within standards of good governance in aligning the community's values, business requirements, and stakeholder needs.
  - The Human Resources function will be accountable for the proper administration of compensation programs across the institution.

## F. How do we evaluate effectiveness?

8. Be practical and reflect best organization practices by benchmarking our compensation and benefits practices, policies and pay levels against relevant comparators on a periodic basis.

9. Evolve as our needs and strategy change over time by Board and Leadership review of OPRFHS's compensation and benefits strategy and program design on a periodic basis.
  10. From worksheet Balance the ability to attract and reward talent with fiscal effectiveness by annually reviewing the competitiveness of OPRFHS's compensation and benefits program with the District's ability to fund these programs.
  11. The Board will be accountable for establishing and refining the compensation and benefits philosophy as needed to meet best the needs of District 200 stakeholders (i.e., students, employees, leaders, community).
    - The Board will also be accountable for periodically evaluating the effectiveness of the compensation and benefits philosophy, program design and administration.
    - The D200 Superintendent will be accountable to the Board for the adoption and consistent administration of the compensation philosophy and framework within standards of good governance in aligning the community's values, business requirements, and stakeholder needs.
    - The Human Resources function will be accountable for the proper administration of compensation programs across the institution.
- G. What do we want to reward?
2. Directly link to the accountabilities, complexity and skill requirements of jobs by providing compensation opportunities that increase as the size and impact of jobs increase. Job size if expressed in terms of job grades. Jobs of similar size, impact and complexity are evaluated at the same rank.
  5. Directly link to demonstrated individual performance results (starting in 2016). The District achieves this by providing base salary increases that are a function of performance and competitiveness of pay relative to external markets.
  6. Encourage and reward taking on new responsibilities by providing promotion increases that reflect an employee taking on a larger size job. The amount of the promotional increase will vary based on the difference in the size between the previous role and the new role.
- H. What are the roles of the Board of Education, administration, Human Resources, other stakeholders?
11. The Board will be accountable for establishing and refining the compensation and benefits philosophy as needed to meet best the needs of District 200 stakeholders (i.e., students, employees, leaders, community).
    - The Board will also be accountable for periodically evaluating the effectiveness of the compensation and benefits philosophy, program design and administration.
    - The D200 Superintendent will be responsible to the Board for the adoption and consistent administration of the compensation philosophy and framework within standards of good governance in aligning the community's values, business requirements, and stakeholder needs.
    - The Human Resources function will be accountable for the proper administration of compensation programs across the institution.
- I. How often is it reviewed?
9. Evolve as our needs and strategy change over time by Board and Leadership review of OPRFHS's compensation and benefits strategy and program design on a periodic basis.
  11. The Board will be accountable for establishing and refining the compensation and benefits philosophy as needed to meet best the needs of District 200 stakeholders (i.e., students, employees, leaders, community).

- The Board will also be accountable for periodically evaluating the effectiveness of the compensation and benefits philosophy, program design and administration.
- The D200 Superintendent will be responsible to the Board for the adoption and consistent administration of the compensation philosophy and framework within standards of good governance in aligning the community's values, business requirements, and stakeholder needs.
- The Human Resources function will be accountable for the proper administration of compensation programs across the institution.

J. Is it equitable, defensible, compliant, and fiscally sensitive?

12. Look at the Michigan Document. Comply with State and Federal regulations.

K. How is it communicated?

7. Be understandable and clearly communicated to employees and managers. The District will achieve this by providing a clear understanding of the compensation and benefits OPRFHS's program in its employee handbook and by providing employees periodic updates regarding the strategy and design of the compensation and benefits program via 1-1 and group meetings as well as regular email communications. This is the macro. Statements should be given to individuals as to what it means. Include where to go for answers.

#### **Closed Session**

At 7:35 p.m., Ms. Spivy moved to enter closed session for the purpose of discussing Collective negotiating matters between the District and its employees or their representatives or deliberations concerning salary schedules for one or more classes of employees. 5 ILCS 120/2(c)(2); seconded by Mr. Cofsky. A roll call vote resulted in all ayes. Motion carried.

At 8:21 p.m., the Board of Education resumed the open session.

#### **Adjournment**

At 8:22 p.m., on November 3, 2015, Mr. Cofsky moved to adjourn; seconded by Ms. Spivy. A voice vote resulted in motion carried.

Submitted by  
Gail Kalmerton  
Clerk of the Board of Education