

November 10, 2015

A special meeting of the Board of Education of the Oak Park and River Forest High School was held on Tuesday, November 10, 2015 in the Board Room of the high school.

Call to Order

President Weissglass called the meeting to order at 8:41 p.m. A roll call indicated the following members were present: Fred Arkin, Jennifer Cassell, Thomas F. Cofsky, Dr. Steve Gevinson, Dr. Jackie Moore, Sara Dixon Spivy, and Jeff Weissglass. Also in attendance was Dr. Steven T. Isoye, Superintendent; Tod Altenburg, Chief School Business Official; Sheila Hardin, Faculty Senate Executive Committee Chair; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors

Ron Johnson, Director of Purchasing and Transportation (attended telephonically); John Phelan, Joel Connell, Peter Ryan, and Monica Sheehan, community members, Elizabeth Hennessey of William Blair; Lisa Yefsky of Gallagher Bassett; and Michael Romain of the *Wednesday Journal*.

Public Comments

John Phelan informed the Board of Education that he had written a letter to the editor of the *Wednesday Journal* concerning Steven Jackson. He stated that Mr. Jackson was terminated by Township because it said that he had a conflict of interest in a business that Mr. Jackson had started. Mr. Phelan noted that Mr. Jackson excitement to help students, having turned his own life around, and had devoted himself to helping students who are where he was change their path. Mr. Jackson was grateful for his position at OPRFHS and he put up a website and made business cards so that he could help other students take a positive path. One of the vendors put Mr. Jackson's name on a proposal and that vendor was asked to immediately correct its records. Mr. Phelan and many other community leaders and interested citizens put together an action Stephen Jackson Clemency so that he will continue to be allowed to make connections with students. He asked that the Board of Education read his letter and thanked them for their time and support.

Adoption of Preliminary Levy

Mr. Weissglass moved to approve the Preliminary 2015 Levy as presented; seconded by Mr. Cofsky. A roll call vote resulted in all ayes. Motion carried.

Mr. Altenburg reviewed the packet of information. In this Levy, the District is going back to the 2012 level and not capturing CPI (.08% or \$520,000) or new growth. Typically in this community there is not much new growth unless a TIF were coming off.

Dr. Gevinson moved to amend the motion to approve the Preliminary 2015 Levy to increase it by CPI and new growth; seconded by Mr. Cofsky.

Discussion ensued. The administration will clarify whether the FAC model

included CPI increases. The rationale for not including the CPI was to minimize the increase in the tax rate. The FAC recommended bringing down the fund balance to a target of under 100% within 4 years and 40% in 8 to 10 years which would then cause the District to go for a referendum. In year 3, the estimate says the total savings would be \$72 million over 10 years. The FAC had included a series of assumptions of where the District should be. The model had not included the \$250,000 additional for the second year decrease, which was done to make sure the District adhered to the law and executing.

A question was asked about CPI and the pool and whether that was included in the FAC model. This has to do with whether the current fund balance is \$5 million below where it was projected to be at this time per the FAC model or \$8 million below because the FAC overstated the peak.

The Board of Education can lower the levy in December if desired. The FAC always thought that the Board of Education would look at the facts on the ground.

One member was against adding CPI as it went against decreasing the fund balance.

The information regarding the amount of new growth and CPI will be provided to the Finance Committee and then to the full Board of Education in December.

**Resolution for
Emergency
Transportation
Contract**

Dr. Moore moved to approve the Resolution for Emergency Transportation Contract, as presented; seconded by Mr. Arkin. A roll call vote resulted in all ayes. Motion carried.

**Emergency
Transportation
Contract**

Mr. Weissglass moved to approve the Emergency Charter Contract with Chicagoland Transportation Solutions as presented; seconded by Mr. Cofsky. A roll call vote resulted in all ayes. Motion carried.

Mr. Cofsky noted that this contract was for services to supplement the existing transportation contract for the 3:15 to 3:45 p.m. window, at a premium, driven by a national issue of driver shortage. While the district has no other choice for transporting students during this time period, it is looking at a longer-term approach. As time goes by, the situation will become more severe. Mr. Weissglass stated that this is a portending of shortages in other areas as the economy improves.

**Resolution
Declaring the
Intention to Issue
\$17,500,000
Working Cash Fund**

Mr. Weissglass moved to approve the resolution declaring the intention to issue \$17,500,000 moved to approve the Working Cash Fund Bonds for the purpose of increasing the District's Working Cash Fund and directing that notice of such intention be published in the manner provided by law; seconded by Mr. Arkin. A roll call vote resulted in all ayes. Motion carried.

Bonds

At the October 14, 2015 Special meeting, the Board of Education adopted a funding resolution for the aquatics center using \$20 million from the District's fund balance and bonding \$17.5 million. At this time, the Board of Education must declare its intention of issue the bonds and notice will be published in the Wednesday Journal.

Ms. Hennessey reviewed the financing schedule. OPRFHS is authorizing up to \$17.5 million of working cash bonds and approving the resolution to issue the bonds which will require notice and a petition period. If 10% of the voters sign a petition, it would require to be voted on in a referendum. A Public Hearing on the \$17.5 million bonds will be held at the Board of Education's regular December 17 meeting. This resolution will allow the District to issue these bonds within 3 years. If it did not, the District would have to go through this process again. The current interest rate is 3%. The interest rate will be carefully monitored for change if the economy begins to get stronger and rates begin to rise. Now the recommendation is for the District to use its cash beginning this summer as it has outstanding bonds until 2016. The recommendation was to approve a resolution in December which would issue the bonds in December 2016 and January 2017 so that the funds are available for the 2017 construction of the pool. The District can bond for any portion of the \$17.5 million.

A roll call vote resulted in all ayes. Motion carried.

Medical, Dental Life Insurance for the 2016 Calendar Year

Mr. Weissglass moved to approve the renewal of Medical, Dental and Life, Insurance, as presented; seconded by Ms. Spivy.

Mr. Cofsky explained that the Finance Committee had not completed its discussion of this agenda item and thus it was held over for further discussion at this meeting as it needed approval.

While the medical had increased 3.9%, the District's internal Insurance Committee, made up for faculty and administrators, members of all of the bargaining units, and the consultant, recommended holding individual premiums flat and utilizing existing fund balance for both health and dental. The Insurance Committee has been working to keep costs and plans at an effective rate. The cost of the health plan is \$7.4 million and with employee contributions of just under \$900,000, the actual cost is lower than the line budget of \$6.7 million.

Ms. Yefsky reviewed the insurance spreadsheets with the Board of Education.

Discussion ensued regarding the differences between HMO and PPO plans. In the HMO plan, all services are covered by one global fee and the discounts for hospital services are greater. That is why it is important to keep the integrity of the HMO and PPO plans. If there is an 8% increase in a Cadillac plan, a tax is levied against the entity. The HMO plan is where the employee and the district

save money. No longer are their restrictions on services in the HMO plans. The state did away with having to call a doctor's office before getting service. The HMO plan is rich and the premise is that the doctor is coordinating one's health care. BCBS is very competitive.

In the future, a preliminary renewal proposal may be brought in August or September and then the Board of Education can ask questions and be educated, i.e., an insurance retreat in which Gallagher can provide benchmarking studies, both nationally and data cuts by segment, etc. Final renewal happens later because of the work with BCBS. OPRFHS does not have a Cadillac tax as the insurance committee is mindful of that. Benchmarking is not relevant to individual renewals because it is one's fixed expenses and claims and relative to costs next year. Forecast 5 has survey information as well.

Gallagher, noting that projecting claims was not an exact science, stated that they were based on past experiences and standards in the industry. Discussion ensued as to how employees can validate their medical bills. Ms. Yefsky said that recovery programs went away because of the systems in place. BCBS does audit bills, different levels of claims, and has computer programs that look at codes and appropriateness. The District could hire a company to do a claim audit, as the average person would not be able to have an understanding of their bills. Gallagher has not seen a recovery program and there is a philosophical issue as to whether people should be paid to do the right thing.

One member felt strongly that the Board of Education should not supplant the current process.

A roll call vote resulted in 6 ayes and 1 nay. Mr. Cofsky voted nay. Motion carried.

Adjournment

At 10:25 p.m., Mr. Weissglass moved to adjourn the Special Board Meeting; seconded by Dr. Moore. A voice vote resulted in all ayes. Motion carried.

John Weissglass
President

Sara Dixon Spivy
Secretary

Submitted by Gail Kalmerton
Clerk of the Board