

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

FINANCE COMMITTEE MEETING

Tuesday, June 19, 2007

A Finance Committee meeting was held on Tuesday, June 19, 2007. Mr. Rigas called the meeting to order at 7:35 a.m. in the Board Room. Committee members present were: John C. Allen, Jacques A. Conway, Valerie J. Fisher, Dr. Ralph H. Lee, Dr. Dietra D. Millard, Ms. Patchak-Layman and John P. Rigas. Also present were: Dr. Susan J. Bridge, Superintendent/Principal; Cheryl L. Witham, Chief Financial Officer; Jack Lanenga, Assistant Superintendent for Operations; Philip M. Prale, Assistant Superintendent for Curriculum and Instruction; 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; James Paul Hunter, F.S.E.C. Chair; and Wyanetta Johnson,

Acceptance of the May Finance Committee Minutes

It was the consensus of the Finance Committee members to accept the minutes of the May 8 and 10, 2007 Finance Committee meetings, as presented.

Construction Update

Mr. Lanenga reported that the mall was under full renovation.

Proposal for Security Services

It was the consensus of the Finance Committee members to recommend that the Board of Education award the contract for outside security to the lowest bidder, Continental Security. The hours of service will be from 10 p.m. to 6 a.m. during the week and on the weekend.

Ms. Patchak-Layman asked the following questions: 1) How many women and minority workers did the firm employ? 2) Does this contract follow the prevailing wage requirement? Are the employees trained in interpersonal relationships, etc? Ms. Witham was unaware of how many women and minority workers this firm employed. There is no prevailing wage requirement for security in the state of Illinois. O.P.R.F.H.S. employs its own facility personnel to work with outside vendors, students etc. The company hiring its personnel completes background checks on all of them. The contract is for one year.

A discussion ensued about Board of Education members' ability to know what the administration was asking for when it went out for bid. Ms. Patchak-Layman thought this would be helpful. She stated that bid law says that all criteria by which one is going to award the bid should be in the bid documents. Does O.P.R.F.H.S. use boilerplate language for bid terms, such as minority owned companies, sexual harassment, equal opportunity or background checks, etc? Because there are many bids, she felt that the language should be unique to the types of goods or services for which the District contracts. Other Board of Education members did not believe it was their responsibility to review the bid documents. Dr. Lee stated he, too, had more questions and had planned to call Ms. Witham to get more detail, but it was not detail for the entire board, just his own edification. He suggested Ms. Patchak-Layman do the same thing. Ms. Patchak-Layman agreed to call Ms. Witham for further clarification.

Property, Liability, and Student Accident Insurance and School Board Legal Insurance

It was the consensus of the Finance Committee members to recommend that the Board of Education renew the Property, Liability, and Student Accident Insurance and School Board Legal Insurance through the Collective Liability Insurance Cooperative (CLIC) at its regular June Board of Education meeting under the consent agenda.

CLIC has a membership of 149 districts in the state and insures approximately 500,000 students. Arthur Gallagher is the broker.

Dr. Lee learned that the 26 not-of-high school age students being insured were the children in the childcare center—the Huskies Pups. The two largest claims were due to the flood that occurred on the north side of the building in the 2003-04 school year and a student that was injured while crossing the street during a PE class in the 1995-96 school year.

Workers' Compensation Insurance

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the Workers' Compensation Insurance with the Collective Liability Insurance Cooperative (CLIC) at the regular June Board of Education meeting under the consent agenda.

Ms. Witham reminded the Board of Education that in December 2006 it had approved a resolution to withdraw from the School Employee Loss Fund (SELF), a self-insured pool of approximately 120 school districts in the state of Illinois. She restated the reason for approving this resolution. SELF had too many high-risk districts in this pool, prohibiting it from remaining competitive in premiums. A small majority of the districts defeated a non-renewal vote. As such, many districts withdrew; 50 gave notice to withdraw. Twenty of the districts moved to the CLIC pool. Because O.P.R.F.H.S. has a 1.01 modifier, meaning its risk factor is average, felt it should follow the districts with good claims experience.

PPS Services Contract

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the contracts with Pillars and Family Services to provide resources for Room 308. This staff meets with students four or five times and then, if necessary, refers them to positions in the community for continued counseling.

Dr. Lee noted that of the three contracts, two had specified names and the third were noted as being TBA. Was that an indication that the specific individual is not looked at or whether the agency was living up to the contract vs. the competency of the individual? Ms. Witham noted that O.P.R.F.H.S. personnel were part of the hiring and selection process, so it had the right of first refusal.

Mr. Rigas suggested replacing the term “Assistant Superintendent for Pupil Support Services” with the term “district administrator,” delineating the person who the outside agency would contact on a daily basis. Ms. Witham stated that the Business Office negotiates the contract. If problems arise, the administrator in charge will work with her, through the terms of the contract, to settle a disagreement.

When asked if the Community Support Program had been re-evaluated, Ms. Witham responded affirmatively, as recently as this past year. This contract represents a five-percent increase in salaries over last year.

Amendment of Food Service Intergovernmental Agreement

It was the consensus of the Finance Committee members to recommend that the Board of Education approve the amendment to the Food Service Intergovernmental Agreement with District 97 at its regular June Board of Education meeting.

The amendment was a further clarification for District 97 as to how many meals would be required to satisfy repayment of the equipment purchases. O.P.R.F.H.S. will receive an extra 11 cents per meal for initial startup and replacement costs. After that outlay is recouped, O.P.R.F.H.S. will adjust the price of the meal.

Township Treasurer Update

Ms. Witham stated that she had not had to attend any recent Township Treasurer’s meetings. The interim treasurer found the missing \$400,000—a couple of school districts have unrecorded off-balance sheet bank accounts. That is neither proper accounting nor is it legal. Morton, District 201, is self-insured and has a reconciling item relating to a separate bank account totaling \$236,000. Morton took that money out of the pool to pay claims instead of the separate bank account.

There has been no news about O.P.R.F.H.S.’s demand for the delivery of its funds. District 97 has passed a resolution to withdraw.

Financial Statements

Ms. Patchak-Layman asked if legal fees were paid out of the Tort Fund. Ms. Witham responded that Tort included the Board of Education and some regular and special education administration. Negotiation of contracts would be paid for out of the Education Fund.

Dr. Lee asked whether the 15 funds listed in the report were the sum total of the income O.P.R.F.H.S. had received. Did it include all of the districts' assets? Ms. Witham responded that the student activity accounts were listed separately, amounting to approximately \$800,000. Student activities' account is a separate accounting fund. It is described as a liability, i.e., the school is holding money on behalf of someone else. There are also convenience accounts that belong to staff, the PTO, etc. These reports list revenue and expenditures only. In addition, it does not include the building or land, because the Township Treasurer's Office holds the ownership of them.

Ms. Patchak-Layman asked whether there were any alerts or red flags on any of the funds. Ms. Witham stated that the transportation fund was monitored carefully. Ms. Witham reiterated the budgetary process: 1) approval of the original budget, and 2) amendment of the original budget as it is reviewed during the year.

Ms. Witham noted that expenditures were lower than budgeted and that the high school was on track with its five-year plan.

Adjournment

The Finance Committee adjourned at 8:25 a.m.