

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

FINANCE COMMITTEE MEETING

Tuesday, September 19, 2006

A Finance Committee meeting was held on Tuesday, September 19, 2006. Chair John P. Rigas called the meeting to order at 7:34 a.m. in the Board Room. Committee members present were: Jacques A. Conway, Barbara P. Fernandez, Valerie J. Fisher, Dr. Barry S. Greenwald, Dr. Dietra D. Millard, Yasmin A. Ranney 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; James Paul Hunter, F.S.E.C. Chair; Lori Cerceo, Supervisor of Finance; and Tim Keeley, Purchasing Coordinator.

Acceptance of the August Minutes

Hearing no amendments to the August Finance Committee minutes, the Committee accepted them as presented.

Construction Update

Regarding the installation of boilers, Mr. Lanenga reported that it was necessary for him to authorize an unexpected \$4,500 for the shoring up of the roof to insure there would be no collapse and allow for the breach through which the boilers would be brought into the building. It was thought that the roof consisted of concrete reinforced construction in the designated area, but it turned out to be metal construction. This delayed the installation of the new boilers. Mr. Lanenga was confident that at this time of year, the one big boiler still in operation would provide adequate heat for the building until the new boilers were installed.

Mr. Lanenga reported that he would withhold payment from Jansen, the installers of the new windows, as there were a significant number of windows that had not arrived or been installed; only forty percent of the windows ordered have been installed. Mr. Lanenga will also contact the bonding company for Jensen about this company's failure to perform the services for which they were contracted.

Skyward Update

Mr. Lanenga reported that the response to parental access to electronic data had been positive. Families have been informed that if they have technical difficulties or questions for the teachers, they may use either phone or email to obtain answers and the response time should be within one school day.

Mr. Lanenga informed Mr. Rigas that a dean counselor's comment about not being able to see a student's history of attendance was untrue and that Skyward personnel were working with the dean counselors on their issues.

Township Treasurer's Report

While communication has occurred with Mr. Sullivan, the Treasurer's office, and O.P.R.F.H.S.'s audit firm, no progress had been made on the reconciliation of accounts. The final audit report will be delayed until the audit firm is able to confirm cash balances with the Township Treasurer's office. District 97 is now fully engaged in the situation and is expressing concerns. She concluded that all communication between the Business Office of O.P.R.F.H.S. and the Treasurer's office had broken down; phone calls and emails were not being returned.

Mr. Rigas instructed the O.P.R.F.H.S. staff to document their attempts to make contact. Ms. Witham affirmed that written communication was documented. Ms. Witham noted that the Township Treasurer's fee for this year was left unpaid, because no progress had been made in reconciling the accounts.

Ms. Fisher added that the president of the District 97 Board of Education desired communication between District 97 and 200 regarding these financial concerns and to brainstorm on this and other situations. It was suggested that Ms. Witham, members of the Boards of Education of Districts 97 and 200, and District 97's finance manager be the participants. Ms. Witham stated that these types of discussions had already occurred.

Mr. Rigas stated that he spoke with Mr. Sullivan. Mr. Rigas suggested the following people meet to brainstorm on ways to resolve this situation: Mr. Sullivan, Senator Harmon, Ms. Witham, District 97's Business Manager, Dr. Greenwald, and the president of District 97's Board of Education. The situation was out of control and only Senator Harmon had the ability to make changes; the school does not.

The issue of governmental cooperation in sharing of information concerning the timing of referendums and cost savings ideas was also discussed at a meeting in which the taxing bodies of the Village of Oak Park attended. O.P.R.F.H.S. volunteered to be the host of monthly meetings with the fiscal managers of the Oak Park taxing bodies.

Ms. Witham added that providing food service to District 97 has been a positive experience and that expanding the service to other District 97 schools might be sooner than originally considered. All of the taxing bodies were talking about economy of scale

ideas, i.e., energy costs, sharing of fiber optics, District 97 is interested in revisiting the TIF, buildings and grounds services, computer networking, etc. Discussion did not include joint purchasing; the high school is included in the State of Illinois' purchasing program. Ms. Witham will facilitate the exploration of forming a cooperative to increase buying power in order to reduce health care costs. District 90 has been invited to participate, but no response had been received, although District 90 previously stated that there was no interest in the exploration of co-oping health care.

Final Budget

Ms. Witham announced that she would note the highlights of the Final Budget at the Public Hearing scheduled for September 28, 2006, during the regular Board of Education meeting. The following informational items have now been added to the Budget: special education historical cost analysis, the goals for the 2006-07 school year, the School Improvement Plan, and the Student Achievement Initiatives. Ms. Witham was able to use District 97's print shop to produce the document in its final form at a lesser cost than could be done in-house—another example of the sharing of resources.

She offered this opportunity for the Board of Education members to make final comment. No further discussion ensued.

Dr. Greenwald noted that the O.P.R.F.H.S. Budget was a remarkable document and on behalf of the Board of Education, offered appreciation. Ms. Witham noted that she would continue to gather historical data to include in future budget documents.

Five-Year Plan Assumptions

Ms. Witham asked the Board of Education for direction on assumptions for the Five-Year Plan.

Consumer Price Index (CPI). The CPI drives the revenue side and the expenditure side. It is presently set at 3 percent, but for the first seven months of 2006, the actual CPI figure was 4.8 percent. If the CPI were estimated too high, the revenue could be overestimated. Mr. Rigas suggested staggering it over the five years, i.e., 3.5 percent, 3.5 percent, 3.0 percent, 2.5 percent, and 2.5 percent. He felt that much of the CPI increase was due to energy costs. Ms. Witham added that most of O.P.R.F.H.S. expenditures were embedded in salary and benefits. Mr. Rigas did not foresee CPI staying at its present level, as it was being driven by the cost of oil.

EAV Increases. Ms. Witham informed the Committee members that the seven percent cap for homeowners was due to sunset. **The seven percent cap had not affected a large percentage of the taxpayers—the long-term homeowner exemption sunset, thereby creating a catch up for the long-term homeowner, which was why some property taxes went down and others doubled, even when the existing structures remained unaltered. O.P.R.F.H.S. will revert to the historical trend pattern of a nine percent increase in the triennium reassessment, a one percent decrease the following year,**

followed by another one percent increase. This impacts the maximum amount the District can levy in the individual funds.

S.B. 1682. Ms. Witham informed the Committee members that SB 1682 Property Tax Extension Limitation Law (PTELL) permits the District to take advantage of the statutory limits rather than the District limits for each fund. However, the total levy will still be limited to the increase in CPI plus new property, not to exceed five percent. Ms. Witham provided the following chart indicating the new rates:

| Levy Purpose | District Current Rate | Statutory Rate |
|--------------------------|------------------------------|-----------------------|
| Educational | 2.92 | 3.50 |
| Special Education | .02 | .40 |
| Operation & Maintenance | .25 | .55 |
| Transportation | .12 | .20 |
| Working Cash | .05 | .05 |
| Fire Prevention & Safety | .05 | .10 |
| Tort | As needed | As needed |
| IMRF/SS | As needed | As needed |

The increased rate in the Fire Prevention & Safety and the O&M Funds could allow the District to rethink the allocation of levy revenue by fund. The District will now be able to use the rate of 55% in the O&M Fund and allow the moving of the utilities from the Education Fund to the O&M Fund sooner. Ms Witham suggested that shifting utilities out of the Education Fund provided better financial data comparison to other districts statewide.

Life Safety Fund. The rate has risen to ten percent versus the previous five percent. O.P.R.F.H.S. had issued \$8.4 million bonds for the roof replacement. The District now has the opportunity to levy more in this fund due to the rate increase. While this will not increase the total extended levy dollar amount, the District can put more money into Life Safety for projects such as boilers, windows, etc., rather than take the money for these expenses out of the O&M fund.

All of this is an effort to accurately reflect expenditures in the proper funds and categories. This will help the Board of Education in its decision-making. All the expenditures will be made from the correct and appropriate funds. Then, the District will be able to divide the Education Fund by the number of students enrolled at O.P.R.F.H.S. to accurately reflect how much it costs to educate students at O.P.R.F.H.S. and how that compares to other districts in the state.

Health Insurance. Health Insurance is projected at ten percent increases per year. O.P.R.F.H.S. is exploring new ideas as to how to provide the best benefits in the least expensive way, including that of self-insurance and the possibility of cooperating or

collaborating with other districts on insurance. O.P.R.F.H.S.'s annual insurance premium is over \$5 million.

Staffing. B.A.T.'s Learning Team has discussed the Special Education model and how it estimates what is needed for Special Education students for both in and out of the classrooms. Further exploration will occur. B.A.T. hopes to share its discovery with the Board of Education and to develop a better model. Ms. Ranney stated that Special Education was an area in which she felt the high school could make better projections. Mr. Rigas remarked that a significant number of District 97 students were enrolled at the high school that did not have an IEP at District 97 and yet O.P.R.F.H.S. subsequently identified them as needing Special Education services

The five-year plan calculates staffing levels that maintain the current level of class size from year to year; the plan includes all teachers, whether they are in the classroom or are not. The Plan does not currently distinguish between in classroom and out of classroom certified staff. Nor does it distinguish between special education and regular education certified staff. The District has consistently exceeded the budgeted staffing levels using this model. The Bat Learning Team is exploring the possible revision of the model.

State Aid. The State Aid Revenue is presently limited to the hold harmless level plus transition aid, which is approximately \$3,000,000 currently. Ms. Witham noted that this was not the case for District 97.

Ms. Witham summarized that the planned changes to the March 2005 Five-Year Plan for October 2006 included the following:

| | |
|---|------------------------------|
| CPI | 2005 Levy amounts |
| Enrollment projections as of October 2005 | 2006 Levy estimates per fund |
| Approved facility projects | Retirement plan estimates |
| Utility costs moved to O&M | Staffing estimates |
| 2005 year-end results and 2007 budget | EAV |

Levy Timeline

Ms. Witham provided the timeline for the levy as follows:

| | | |
|-------------|----------------------------|---|
| October 17 | Finance Meeting | Present Preliminary Levy |
| October 26 | Board of Education Meeting | Present Preliminary Levy |
| November 9 | Finance Committee Meeting | Preliminary Levy Update |
| November 16 | Board of Education Meeting | Adoption of Levy |
| November 17 | | Preliminary Levy on Display |
| December 13 | | Notice of Truth in Taxation Public Hearing in local newspaper |
| December 21 | Board of Education Meeting | Truth in Taxation Public Hearing |
| | | Final Adoption of Levy |

December 22

Board of Education Resolution filed
at the Cook County Clerk's Office

Ms. Witham reported that over the past several years, the levy had included the phase in option. That is no longer available and the District will rely solely on the increase in CPI, new property, and TIF carveouts.

No further discussion ensued.

Monthly Financials

It was the consensus of the Committee to approve the monthly financials at its regularly scheduled business meeting in September.

Adjournment

The Finance Committee adjourned at 8:11 a.m.