A Finance Committee meeting was held on Tuesday, March 15, 2011. Co-Chair McCormack called the meeting to order at 7:34 a.m. in the Board Room. Committee members present were Terry Finnegan, Dr. Ralph H. Lee, Amy McCormack, Dr. Dietra D. Millard, and Sharon Patchak-Layman. Also present were Dr. Steven T. Isoye, Superintendent; Michael Carioscio, Chief Information Officer; Amy Hill, Director of Assessment and Research; Philip M. Prale, Assistant Superintendent for Curriculum and Instruction; Nathaniel L. Rouse, Principal; Lauren M. Smith, Director of Human Resources; Cheryl L. Witham, Chief Financial Officer and Treasurer; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors included Kay Foran, James Paul Hunter, FSEC Chair; Doug Wiley, OPRFHS Supervisor of Finance; Robert Zummallen, Director of Buildings and Grounds; Tim Keeley, Purchasing Coordinator; Mike Bernstent of Henry Bros.; John Phelan and Christopher Wildman, community members; Jay Green of Miller, Hall & Triggs, LLC and Valerie J. Fisher, educational consultant.

**Approval of February 15, 2011 Finance Committee Minutes**
It was the consensus of the Committee members to accept the February 15, 2011 Finance Committee minutes, as presented.

**Pekron Asbestos Contract**
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the Asbestos Removal Consulting Contract with Pekron Consulting at its regular March Board of Education meeting under the consent agenda. The final consulting contract amount will be dependent on the final bid amounts, but it will not exceed $31,500. This is a separate contract and not supervised by Legat Architects or Henry Bros. The actual removal will be $79,000.

While Dr. Lee questioned the actual danger of asbestos in the schools, the state would need to change its laws and administrative rules and regulations for the school not to remove it. Mr. Zummallen explained that as long as floor tiles are not in a friable state, no hazard exists, and every six months he identifies areas that are friable. A sampling is then sent to the laboratory for testing and the result informs the abatement contractor. Pekron Consulting will determine how to remove it and monitor air quality and the environment. Pekron Consulting will inform the District when the standards come into play. There is significant floor tile yet to be removed and sometimes asbestos is found when a ceiling is opened.

Pekron Consulting was recommended by the Legat Architect and the only company who submitted a proposal.
Construction Update
Mr. Mike Bernstent from Henry Bros. presented information regarding the summer 2011 construction projects. Henry Bros. is currently working on defining the scope of the work and preparing documents for the bid packets. The projects are on track, the scope as been included in bid documents, and a menu of bids has been created in order to stay within budget. He anticipated a minimum of three bids on each project. In public bidding, questions from bidders must be submitted in writing and responses are given to all via an addendum.

Life Safety Amendment
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the Life Safety Amendment #21 at its regular March Board of Education meeting under the consent agenda. The projects for this summer include:

- Removal and replacement of existing ceiling system and light fixtures;
- Removal of existing galvanized steel domestic water piping and replace with copper piping;
- Removal and replacement of vinyl asbestos floor tile.

Technology FY 2012 Budget Request
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the unmet expense of the proposed technology items, totaling $340,570, from the River Forest TIF funds at its regular March Board of Education meeting.

The summary of the proposed projects included:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless</td>
<td>$110,000</td>
<td>complete instructional space</td>
</tr>
<tr>
<td>Projectors</td>
<td>$150,000</td>
<td>½ of classrooms</td>
</tr>
<tr>
<td>Content filter</td>
<td>$55,000</td>
<td>Emergency upgrade</td>
</tr>
<tr>
<td>Tablets</td>
<td>$86,000</td>
<td>1/4 of faculty</td>
</tr>
<tr>
<td>Website redesign</td>
<td>$50,000</td>
<td>Phase 1 – navigation</td>
</tr>
<tr>
<td>VOIP</td>
<td>$75,000</td>
<td>Pilot</td>
</tr>
<tr>
<td>Total</td>
<td>$526,000</td>
<td></td>
</tr>
<tr>
<td>Available funds</td>
<td>$185,430</td>
<td></td>
</tr>
<tr>
<td>Unmet Funding</td>
<td>$340,570</td>
<td></td>
</tr>
</tbody>
</table>

Mr. Carioscio reviewed his budget; Account 404 focuses on divisional/ requests/program and Account 405 servers, network, etc. Mr. Carioscio had asked the Board to approve $55,000 for the amended budget for FY 2011 and the balance for FY 2012.

Mr. Carioscio stated that these items are for what is termed foundational technology, the foundation for putting instructional technology in place. Classrooms will be a first priority as well as Room 174, the Library, etc. The useable life of these items could range between 18 months to 10 years. The computers are the property of the school and will be transferred to the next person; some schools collected them at the end of each year. He reviewed 2011-12 budget categories excluding projects.
A pilot of VOIP telephony and computers integration will be conducted in one division. The current phone system is over 12 years old and needs replacement.

The rationale for eventually installing projectors in each room is 1) an assumption has been made that it was a necessary precondition for teachers to use technology, 2) it allows flexibility in the scheduling of teachers/divisions; and 3) it is safer than having carts with cords and wires where someone may trip and fall. Some districts have upwards of 90% of teachers using the technology. If the District is serious about looking at different types of textbooks, teachers have to understand the technology. These projectors will be able to connect to student laptops as well. Mr. Finnegan suggested forming a quality review committee or for DLT to tease out the expected outcomes regarding usage and expectations, i.e., student performance, to determine how well the money was spent.

Ms. Patchak-Layman noted that New Trier set up a classroom outfitted with technology so that it could provide feedback; the outcome was the expense of furniture and the placement of screens. Those are the secondary costs involved. Should the district also be looking at reconfiguration as well as equipment needs? It was reported that in-house committees now exist for technology, online textbooks, web-design, and working groups. Feedback is being sought.

While Ms. Patchak-Layman asked if other suggestions had come forward from other divisions to use these funds, e.g., a reading program, and an interest within the parent community in terms of substance abuse and programming, it was reiterated that the funds from River Forest TIF were a one-time infusion of funds and these were one-time activities.

**Illinois Central Bus Contract for Special Education Transportation**

It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the contract with Illinois Central Bus for the District’s Special Education Transportation at the regular March Board of Education meeting under the consent agenda. The contract will be for the period August 15, 2011 through August 14, 2014.

The contract with Illinois Central prohibits it from transporting students of other districts with OPRFHS students. It also mandates that attendance be taken every day. Some buses have aides and all buses have video cameras. The tapes are only requested if an incident occurs and they are confidential.

**Illinois Central Bus Contract for Field Trip/Extracurricular Transportation Services**

It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the contract with Illinois Central Bus for the District’s Field Trip/Extracurricular Transportation at the regular March Board of Education meeting under the consent agenda. The contract will be for the period August 15, 2011 through August 14, 2014.

The District determines if adults are allowed on the field trip buses.
2011 – 2012 Athletic Uniform Bid
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the following at its regular March Board of Education meeting under the consent agenda.

- Award the Girls’ Field Hockey, Boys’ Lacrosse and Boys’ Volleyball products to Salkeld; as the lowest responsible bidder, Advantage, did not provide a product that meets the bid specifications;
- Award the Girls’ Golf, Boys’ Basketball and Girls’ Gymnastics products to Salkeld, the lowest responsible bidder.
- Award the Boys Golf, Boys’ Tennis and Girls’ Softball products to Advantage Team Sales, the lowest responsible bidder.

The Cheer Warm-ups will be re-quoted to achieve a more favorable value.

Substitute Rates for FY 2012
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the certified substitute pay for the 2011-2012 as follows at its regular March Board of Education meeting.

$100 per day
$176.50 per day, after 20 days with no retro pay

Ms. Smith surveyed what other NWPA schools paid their substitutes and found that the median NWPA rate was $95 and that the average daily rate was $94.74. OPRFHS had been paying $117.50 per day. The District could save $85,000 next year with this decrease.

For specialty classes such as Spanish there is a more stringent interview process. Note, after 20 days, these substitutes are long-term subs for the present assignment only.

Instructional Materials Fee
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the Instructional Materials Fee of $320 per student beginning with the 2012 school year at its regular March Board of Education meeting under the consent agenda.

Ms. Witham noted that the proposal that came before the Board of Education in February was for $340 per student. At that meeting several concerns were raised regarding the legality and the cost of the system. The District explored the legality with its attorney and the administration is now assured that the proposal is within the law. The District also found additional sources of revenue which will slightly reduce the cost per student. The District believes this model is the most cost effective and instructionally sound.

While offering an opt-out option of allowing families to purchase items other than from the school was suggested, it was rejected because 1) some materials were not available for outside purchase, and 2) this model provides instructional materials just-in-time, not just textbooks. Ms.
Witham presented the proposal to Citizens’ Council and asked for additional input, but received no additional comments.

Ms. Patchak-Layman did not believe fee-paying students should be paying for non-fee paying students. She asked if the fee were morally ethical. Next year the state textbook loan program will be defunct and the District will have to buy a new computer program. She asked why some of the Bookstore fund balance of $700,000 was not included in the proposal. Ms. Witham noted that the fund balance was not all cash, it was inventory plus cash. By June 30, the District will need to buy a large inventory of books and supplies, some for summer school. In addition, the Bookstore needs its cash in order to be able to buy as many books back from students as possible. Cash is also needed for cash flow purposes. The District may keep the books that were state-loaned, but there are changes in some of the math core classes and the books will need to be replaced.

Ms. Patchak-Layman repeated her objection to the implementation of a fee structure that mandated that students who paid their fees were paying for non-paying students. The District has the obligation of the General Fund, not for the students who are unable to pay. She continued that the attorney cautioned that people must understand that there is no benefit for one group or the other with this fee. Ms. Witham assured her that the committee reviewed many formats and it felt this was the best for all.

**E-Commerce**

It was the consensus of the Finance Committee members to recommend to the Board of Education that it authorize the District to commence e-commerce at its regular March Board of Education meeting under the consent agenda.

OPRFHS had been offered the opportunity to gain additional revenue by providing books, music, and movies through a linked website run by Majors Educational Services, known as My Books and More, as well as OPRF logo merchandise through Skor. By adding this e-commerce solution to the Bookstore’s operations, the goal is to use the additional revenue to help offset costs and help to contain the Instructional Materials Fee. The first year revenue is estimated to be $5,000. A review of both Majors Educational Services and Skor was provided. Over 150 college bookstores now do this and National Association of College Stores (NACS) is offering books.

Boosters would not be precluded for doing anything similar to this. The benefit to OPRFHS is that there is only a nominal set up fee and the discounts are larger than anyone else.

**Finance Advisory Committee Update**

A monthly update on the activities of the Finance Advisory Committee was provided. The activities for February were as follows:

- The communication sub-committee met once to discuss the educational and communication recommendations from FAC.
The topic of professional development time for the financial information as discussed at Instructional Council. It was decided that professional development time this spring is not available.

The District Leadership Team discussed the timeframe for the educational plan since professional development time is not available this spring. It was decided that the subcommittee should rethink the model.

Ms. Foran and Ms. Witham created the education plan outline and document in draft format for review by the sub-committee.

The next meeting of the Finance Advisory Committee is scheduled for March 15.

Authorization to Commence FY 2011 Audit
It was the consensus of the Finance Committee members to recommend to the Board of Education that it authorize the Chief Financial Officer to commence with the annual audit for fiscal year ending June 30, 2011 at the regular March Board of Education meeting on the consent agenda.

Crowe-Horwath provided the District’s audit services for fiscal year ending June 30, 2011 and this will be the third year of a three-year contract.

Board of Education FY 2012 Budget
The Board of Education continued its discussion of its budget for the FY 2012 school year. A copy of last year’s budget was included. Decisions need to be made on earmarking funds for the Policy Manual of approximately $8,000 and Strategic Planning of approximately $15,000 plus travel, estimating $22,000.

The legal fees are for general legal services related to policy or employment issues (contracts, personnel, general questions regarding Special Education). Anything related to litigation is accounted for in the TORT Fund. The District seems to be moving to attorneys with expertise in the fields, rather than a general firm. Because the Board of Education does not have a formal process for obtaining legal counsel, Ms. Witham, Ms. McCormack, and Mr. Allen will develop such a format for the Board of Education to review. Dr. Isoye suggested surveying the NWPA schools to see what their processes are. The IASB has stated that the District does not have to have an attorney of record. Mr. Finnegan felt it was more of a qualitative than quantitative question.

Ms. Patchak-Layman wanted to maintain the line item of special projects with a minimum of $35,000 to use for items that may come as a result of the Board of Education’s retreat or, perhaps, the substance abuse discussion. Discussion ensued and it was the consensus of the Committee to continue this discussion at the Board of Education meeting on March 24, 2011, so that it could be finalized before the spring break deadline.

The Committee recessed at 10:12 a.m. and reconvened at 10:20 a.m.
**Monthly Financial**
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the February Financial Reports at its regular March Board of Education meeting as presented.

**Treasurer Reports**
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the February Treasurer’s Report at its regular March Board of Education meeting.

**Legal Services for Human Resources**
It was the consensus of the Finance Committee members to recommend to the Board of Education that it approve the use of the legal firm Miller, Hall & Triggs, LLC to provide supplemental legal services for the Human Resource department at its regular March Board of Education meeting.

Miller, Hall & Triggs is located in Peoria, IL. Hourly costs range from $138 to $199 per hour. The senior partner, Dennis Triggs, was instrumental in creating the local bar association diversity committee approximately eight years ago. Ms. Smith worked with this firm in the past on issues of discrimination, contract violations, policy implementation, and other labor issues.

Mr. Green responded to a question about how the firm looks at management rights, saying that while there are technical issues such as management’s right clauses, it is a question of how to get the union’s cooperation. Each fact pattern would influence the answer. If it is not written in a specific law, one does not have to do it. However, it is a philosophical issue. Mr. Green has negotiated 40 to 50 contracts and was trained by the partner Dennis Triggs who has negotiated more educational contracts than anyone in the state. The firm’s philosophy for the long term is to develop relationships with the unions and the employees. His firm believes that best run Districts are the ones in which the administration and the union leaders have strong relationships. He counsels people that cooperation is needed and when problems arise it should be looked at as an opportunity to solve those problems. One has to analyze the problem and make a decision about the end product. He does most of his work in his own office, as he is a transactional and labor attorney. He did not believe that any travel would be necessary for his work at OPRFHS. If OPRFHS had litigious work, then use of his firm would not be cost effective. His firm has experience with other districts in Cook County. Half of the firm’s school clients are located in the tri-county region. The most common format in the negotiation process is that there is a two- or three-member team with one board member but some Districts, the entire Board wants to participate in the process. He has also used the interest-based bargaining model. Only one of his 75 clients has a portion of their fees based on a retainer based on the need for his attendance at its board meetings. The concern with having a retainer is the issue of fairness to both the District and the attorney. The District will receive an itemized bill. The most recent kinds of questions coming from school Human Resources departments in February and March included layoffs, teacher evaluations, etc.
When asked how he would handle a difference of opinion between the administration and the Board of Education, as the Board of Education hires the law firm, Mr. Green stated that the Board of Education should go through the administration but with specific concerns, it could contact the attorney directly through protocol.

While the Committee recommended that the Board of Education approved this firm at its regular March meeting, Mr. Green was informed that the Board of Education would be putting together a proposal to solicit legal services.

**Adjournment**
The Finance Committee meeting adjourned at 10:39 a.m.