

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

Finance Committee Meeting Minutes
June 14, 2016

A Finance Committee meeting was held on June 14, 2016. Chair Cofsky called the meeting to order at 6:40 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; Dr. Gwen Walker Qualls, Director of Pupil Support Services; and Gail Kalmerton, Clerk of the Board.

Public Comments

None

Compensation Philosophy

Due to a question being raised about merit, Mr. McMullen will be scheduled to present the pros and cons of the merit structure, under the guidance of the full board. Finance will monitor its progress.

Cost Containment – PMA 2015 vs. Anchor

No discussion occurred.

Financial Metrics

The Finance Committee unanimously recommended moving the Financial Metrics report to the Board of Education for action, as amended, at its regular June Board of Education. The amendments were as follows:

- 1) Remove Barrington School District, because it is a unit school district.
- 2) Order the tax burden on a \$400,000 home numerically

The Committee received financial metrics that compared OPRFHS to other school districts in the Northwest Personnel Association. The statistical data came from the 2014 Ed.dat Databook Volume II: School Finance Data and PMA's 5Sight database. The metrics were grouped into three categories:

1. Operating Expenses per Pupil
2. Fund Balance as a Percent of Expenses
3. Tax Burden on a \$400,000 Home

The tax burden in 2015 is still \$200 larger than in 2012 because the county multiplier is different.

Discussion ensued about using the graduation rate versus a measurement of achievement as a metric. One member felt the graduation rate did not provide useful information, and another member felt it was important because the District wants students to graduate. A suggestion was made to determine how the graduation rate was determined by the providers of the data, as every school has its story.

The Board of Education should discuss how it will use these metrics as guidance, as they are not only financial metrics. Will they be shared and how will they be used in goal setting? Dr. Isoye suggested talking about ACT and SAT tests, as not all students will take them. Note: The State of Illinois is transitioning from one test to another.

PMA Key Assumptions

Mr. Arkin moved to approve the assumptions that should be used in the PMA model below; seconded by Ms. Spivy. A roll call vote resulted in motion carried.

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| 1) CPI | 7) CPA Salaries |
| 2) New Construction EAV | 8) B&G Salaries |
| 3) Enrollment | 9) TRS Contribution Rate |
| 4) Certified (Faculty Senate) Staffing | 10) Medical Insurance Trend |
| 5) Faculty Senate Salaries (base increase) | 11) Special Education Tuition |
| 6) Administrator Salaries | 12) Fees/Bookstore |

Comments:

- The 7% medical trend listed was lower than the actual figures, but the insurance committee did not want any surprises and built in a cushion.
- Special Education tuition was adjusted; the data is erratic. The District is evaluating programs and trying to control costs.
- Changes have been made that will generate a new projection model.
- The Medical Insurance Trend and the Special Education Tuition numbers offset each other.

These assumptions will be provided to IASB for inclusion in the Board of Education's policy book.

Contract/Renewals

Presentation of Prevailing Wage Rates

The Finance Committee unanimously recommended that the Board of Education approves the Prevailing Wage Resolution, as presented, at its regular June meeting. The Illinois Department of Labor requires local governmental bodies to adopt annually a resolution for prevailing wages to be paid to workers in certain job classifications.

Presentation of Hotel Contract for Prom 2017

The Finance Committee unanimously recommended that the Board of Education approves the hotel contract for Prom May 20, 2017, with the Hyatt Regency Hotel on Wacker Drive in Chicago, as presented, at its regular June Board of Education meeting.

Mr. Altenburg will research the reason for the 6.88% increase over last year's cost, but he noted that ticket sales would cover the costs. One member asked if other venues had been considered.

Presentation of Occupational Therapy Health Pro Contract 2016-2017

The Finance Committee members unanimously recommended that the contract with HealthPRO Rehabilitation for Occupational Therapy Services be forwarded to the Board of Education for approval at its regular June meeting, as presented. The IEP determines the amount of minutes of therapy and the District pays only for the time used. The IDEA grant pays for these services, and if additional funds are needed, the

District can amend the budget via the State of Illinois. Because the state audits for contracts over \$25,000, this contract has to match the dollar amount in the grant.

[Presentation of Physical Therapist Supplemental Health Contract 2016-2017](#)

The Finance Committee members unanimously recommended that the contract with HealthPRO Rehabilitation for Physical Therapy Services be forwarded to the Board of Education for approval at its regular June meeting, as presented. These services have increased significantly because the District is in a due process and mandated to give three days per week of therapy services. Many students with physical needs have enrolled this year. A suggestion was to present actual expenses expense versus budgeted expense.

[Renewal of Annual Property, Casualty, Liability and Worker's Compensation Insurance \(CLIC\)](#)

The Financial Committee unanimously recommended forwarding the renewal of the Annual Property, Casualty, Liability and Workers' Compensation Insurance to the Board of Education for approval at its regular June meeting.

One member asked 1) the District conduct research as to why claims dating back to 2011 and 2012 are still open. Also noted was the fact that additional losses occurred from December to June; 2) whether the workers' comp calculation was a rate per payroll, based on industry rate losses, and then modified by the experience, and 3) why does OPRFHS have significant debts to experience modification in the last two years. Mr. Arkin will speak with the representative from Gallagher about this and other questions.

[Presentation of Transfer of Operation & Maintenance Fund to Capital Projects Fund](#)

The Finance Committee unanimously recommended that the Resolution to Transfer Funds from the Operations and Maintenance Fund to the Capital Projects Fund be forwarded to the Board of Education for approval at its regular June 23, 2016 meeting.

[Presentation of FY2017 Board of Education Budget](#)

The Finance Committee unanimously recommended that the FY 2017 Board of Education Budget be moved forward to the Board of Education for approval at its regular June 23, 2016 meeting. When the Board of Education determines its goals for next year, it and the administration should determine what resources should be considered to accomplish those goals, i.e., cost of facilitators, etc. and add those costs to the budget. Raised was the question as to what was driving the increase in legal costs.

[Presentation of FY2017 Preliminary Budget](#)

The Finance Committee members unanimously recommended that the FY 2017 Preliminary Budget be moved forward to the Board of Education for approval at its regular June 23, 2016 meeting. The Business Office will revise, edit and fine-tune the assumptions that have been made during July and August. The preliminary budget will evolve into the Tentative Budget in August, at which time it will be presented at an August Board of Education meeting to approve putting it on display for public inspection. The Management Discussion and Analysis included explanations as to how the budget was aligned with the Strategic Plan, a detail of the revenues of \$80.8 million and expenditures of \$81.8 million, property tax receipts, other local revenue, state funding, and federal funding.

Property taxes will increase by 24.8%. Other local sources of revenue will decrease by \$84,979 or 3.6%. State sources are budgeted to decrease by \$345,509 or 10.8%, and federal sources are shown to decrease by 41.3% or \$847,354. Total revenues in the Education Fund will increase by \$9,046,130 or 18.4%. Finally, a

Technology Fee of \$50 was added for the 2016-2017 school year. The net effect of this generates \$142,750 in revenue.

Total expenditures in the Education Fund will increase approximately 3.5% over FY16, due mainly to increases in salary and benefit categories. The salaries and benefits reflect March 24, 2016, Board of Education approval of an additional 7.6 positions for the 2016-2017 school year. The District has a four-year contract with the Faculty Senate. The FY17 Budget is the third year of the agreement. It provides for step and lane advancement as well as a ½ of the CPI or 0.4% increase on the base. The school year 2015-16 is the fourth year of a four-year agreement with the Classified Personnel Association (CPA). Employees in this bargaining unit will receive salary increases of 2.5%. FY17 is the first year of a three-year contract with the Safety and Support Team. Employees in this bargaining unit will receive annual salary increases of 2.0%. FY17 is the first year of a three-year contract with Food and Nutrition Services. Employees in this bargaining unit will receive annual salary increases of 2.0%. The Buildings & Grounds and Custodial/Maintenance staff is in the first year of a three-year contract that expires on June 30, 2019. Annual salary increases for this unit range from 2.00% to 2.25% depending on the employee's' start date with the District.

[Presentation of Monthly Financials](#)

The Finance Committee members unanimously recommended moving the Monthly Financials forward to the Board of Education for approval at its regular June meeting.

Presentation of Monthly Treasurer's Report

The Finance Committee members unanimously recommended moving the Monthly Treasurer's Report forward to the Board of Education for approval at its regular June meeting.

Adjournment

At 7:32 p.m., on June 14, 2016, Mr. Arkin moved to adjourn; seconded by Ms. Spivy. A voice vote resulted in motion carried.

Submitted by
Gail Kalmerton
Clerk of the Board of Education