

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

Finance Committee Meeting Minutes
August 18, 2015

A Finance Committee meeting was held on August 18, 2015. Chair Cofsky called the meeting to order at 7:55 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; David Ruhland, Director of Human Resources; Sheila Hardin, Faculty Senate Executive Committee.

Visitors: Christopher Thieme and Ron Johnson, OPRFHS staff members.

Public Comments

None

Minutes

Ms. Spivy moved to approve the June 16, 2015 Finance Committee minutes as presented; seconded by Mr. Arkin. A voice vote resulted in motion carried.

Contracts/Renewals

NIIPC Vending Machine Supplies RFP

The Finance Committee unanimously recommended that the Board of Education approve the NIIPC Vending Machine Supplies contract with Vistar Illinois as presented at its regular meeting on August 27, 2015.

All-ways Medical Carriers

The Finance Committee unanimously recommended that the Board of Education approve the All-Ways Medical Carriers Contract, as presented, at its regular meeting on August 27, 2015. The 2% increase is due to the Affordable Healthcare Act.

First Student Contract

The Finance Committee unanimously recommended that the Board of Education approve the one-year contract extension with First Student Bus Company at its regular meeting on August 27, 2015. This contract will serve over 700 athletic and student activities trips, as well as 740 curriculum-related field trips. The term of the contract is from July 1, 2015 to June 30, 2016. The cost increase from the previous year is 1.8%.

Speech Therapy Contract

The Finance Committee unanimously recommended that the Board of Education approve the contract with Second City Speech, LLC at its regular August 27, 2015 meeting. Language in the contract about background checks and insurance requirements were agreed to by Second City Speech. As such the contract is being updated and it will be presented to the full Board of Education. The increase is due to

increased enrollment of students needing this service, i.e., an additional 11 students. Twenty initial evaluations will be conducted by the speech pathologist.

Occupational Therapy Contract

The Finance Committee unanimously recommended that the Board of Education approve the contract with HealthPRO Rehabilitation at its regular August 27, 2015 meeting. Again, clauses were being added and deleted from the previous contract that had to do with compliance issues, i.e., automatic renewal, malpractice insurance of school districts, background checks and insurance requirements, i.e., professional liability insurance, etc.

Xerographic Paper Bid

The Finance Committee unanimously recommended that the Board of Education approve the bid award to Midland Paper at its regular meeting on August 27, 2015. Specifications were based on the 2014-15 school year paper usage and thus the contract price for the 2015-16 school year was 3.7% less. The term is from July 1, 2015 to June 30, 2016.

Out of State Conferences

The Finance Committee unanimously recommended that the Board of Education approve Dr. Isoye's attendance at the out-of-state conferences presented, at its regular meeting on August 27, 2015. Board of Education approval for out-of-state conferences is a requirement of Dr. Isoye's employment contract.

Homecoming DJ Contract with Boom Entertainment LLC

The Finance Committee approved a recommendation 2:1 to move forward the Homecoming DJ Contract with Boom Entertainment LLC to the Board of Education for approval at its August 27, 2015 meeting with the modification of the insurance requirement language. The \$20 price for tickets will cover the \$7,000 increase from last year to have an additional stage, etc. It is anticipated that 2,000 tickets will be sold. Students evaluate these services on their own. Students with needs work with their counselors on attendance at this event. Discussion ensued about insurance requirements. The District is only responsible for damage if it is found to be negligent. Any contract requires insurance of at least \$1 million and an umbrella policy of at least 3 million and \$5 million for the aggregate. One member was concerned that the amount of insurance was insignificant should a stage collapse, etc. Mr. Johnson will discuss this with the company.

Educational Technology Equipment Purchase

The Finance Committee unanimously recommended that the Board of Education approve the technology purchases as presented at its regular August 27, 2015 meeting. The expenditure of \$153,840 is included in the Tentative Budget in the Education Fund. This purchase represents part of the Phase II Pilot Program and part of the yearly purchase of Apple products. Note it is also time for the labs to be replaced.

Other

Tentative Budget

The Finance Committee was informed that the Tentative Budget for FY 2016 would be put on display for public inspection on August 19, 2015. He reviewed the changes since the Preliminary Budget was presented in June. At this time, no state budget has been approved. Generate State Aid is expected to be pro-rated at 92%. The District will receive \$67 million in review and has \$67.9 million in expenses. Mr.

Altenburg noted that OPRFHS would not experience a crash crunch immediately because of its Fund Balance. The funding it receives from the state does not impact daily operations.

Pacific Education Group Contract

The District works with Pacific Education Group (PEG) on its Beyond Diversity Workshop, a 2-day workshop, in the District's learning strand. Ms. Hardin is one of its leaders. Because the cost for the PEG facilities comes in under the \$25,000 threshold, it does not need Board of Education approval. The District may contract with PEG for other services and the aggregate amount may be over the \$25,000 threshold. This is an informational item only.

Resolution for Mass Transit Exclusion

The Finance Committee unanimously recommended that the Board of Education approve the resolution for the Mass Transit Exclusion for the District at its August 27, 2015 meeting. Per The State Code of Illinois, when a district has a public mass transit system within its boundaries, the district may elect to certify to the State Board of Education that adequate transportation for the public is available for students and no offer free pupil transportation.

Additional Finance Matters

Board/Finance FY 2016 Goals

Finance Metrics

The four Board of Education goals to be aligned with the Finance Committee are 1) establishment of financial metrics, 2) review of cost containment policies and procedures, 3) establishment of a compensation philosophy, and 4) execution of a long-term capital plan. Mr. Cofsky sequenced them as being 1) finance metrics, 2) compensation philosophy, 3) process and cost containment, and 4) long term capital plan.

One member asked if the IASB, other national association or other districts developed guidelines such as this. Is the committee revisiting this or is this new? It was noted that the philosophy of District finances has changed with the changing of the Board of Education members. Previous boards wanted to move the date of having to go to a referendum as far out as possible. The current philosophy of the Board of Education stems from the Finance Advisory Committee and what the four new Board of Education members from the community regarding the fund balance and how the District levies. The District previously practiced budgeting higher on the expenditures side and lower on the revenue side. This had caused large variances which made it difficult to make 5-year projections. This past year the variances were closer to reality. The goal is to have a full portfolio of the key metrics that the Board of Education can look to in order to see trends and track the health of the district.

The next step is to brainstorm about best practices. Next month a discussion about specific metrics will be valuable. Mr. Altenburg will be asked to do research on outside best practices.

Compensation Philosophy

The Committee members reviewed the documents that had been provided with regard to compensation philosophy and were asked for their input. Comments included:

- 1) While the outline made sense, it will take significant discussion. A compensation philosophy is not just about salary, it includes all benefits.

- 2) The human aspect must be addressed. Is the 50% to 60% being arbitrary? Or, should it be 75%? The performance aspect of 50% to 60% makes sure the evaluation process is being used and it is fair to the evaluation process, but that is unclear at this point. Evaluating someone is often the hardest part of a job.
- 3) The inclusion of the mission statement was appreciated.
- 4) Para 3; replaced “thought” with “through”

The next steps will be for the Committee to review the five framing questions in Section 3, No. 1. Determine the key questions to be covered in a philosophy. Spend time on framing the current philosophy. These metrics and philosophy should be brought to the Board of Education for the discussions about cost containment and the long-term facility plan.

Marginal Deficit

Due to time limitations, marginal deficit will be discussed at the next meeting.

Adjournment

At 9:07 p.m., Ms. Spivy moved to adjourn; seconded by Mr. Arkin. A voice vote resulted in motion carried.

Submitted by
Gail Kalmerton
Clerk of the Board of Education