

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

Finance Committee Meeting Minutes
January 21, 2016

A Finance Committee meeting was held on January 21, 2016. Chair Cofsky called the meeting to order at 7:02 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; Dr. Gwen Walker Qualls, Director of Pupil Support Services; Michael Carioscio, Chief Information Officer; and Gail Kalmerton, Clerk of the Board.

Visitors Jackie Charrette-Bassirrd, Director of Bookstore, Randy Braverman, Director of Campus Security, and Anna Gaeke, Assistant Food Service Director

Public Comments

None

Minutes

Mr. Arkin moved to approve the minutes of November 3, 2015, as presented; seconded by Ms. Spivy. A voice vote resulted in motion carried.

Mr. Arkin moved to approve the minutes of November 10, 2015, as presented; seconded by Ms. Spivy. A voice vote resulted in motion carried.

Mr. Arkin moved to approve the minutes of December 8, 2015, as presented; seconded by Ms. Spivy. A voice vote resulted in all ayes. Motion carried.

Contracts/Renewals

Presentation of NIIPC Commodities RFP

The Finance Committee unanimously recommended moving forward the NIIPC Commodities RFP to the full Board of Education for approval of all cheese products to Land O'Lakes and all tomato products to Red Gold, LLC, at its regular January 28, 2016, meeting.

Food & Nutrition Director Micheline Piekarski is also the director of NIIPC, as OPRFHS is the administrative district for this consortium. OPRFHS derives no tangible or ancillary benefit from being the administrative district for NIIPC. More information was desired as to the actual time being spent on this endeavor and its actual cost to the district, as the Food and Nutrition Department is to be self-sufficient.

Presentation of NIIPC Selected Commercial Foods RFP

The Finance Committee unanimously recommended moving forward the NIIPC Selected Commercial Foods RFP to the full Board of Education for approval as noted below at its regular January 28, 2016, meeting.

- MCFI - breakfast kits with cereal.

- Champion Foodservice - breakfast kits without cereal.
- Tyson Foods-Sara Lee Foodservice (State Fair) - all corn dog products.
- ConAgra Foods (Krusteaz) - all bulk pancake/waffle products.
- Nestle - all bottled water products.
- General Mills - all bulk yogurt products.

Presentation of Video Archive Storage System RFP

The Finance Committee unanimously recommended that the Board of Education approve the contract with Eagle Security for a Video Archive Storage System at its regular January meeting. Current camera storage is limited. This system will switch from Analog to IP which means taking up more storage. The District is working toward a 5-year plan of IP cameras, and this system will support that requirement. This solution will allow for scalability and additional storage can be added without replacing the unit. Videos will be able to be stored for longer than 30 days.

Presentation of Projector Product and Installation RFP

The Finance Committee unanimously recommended that the Board of Education approve the contract with CDW-G for projector product and installation at its regular January meeting. Although \$100,000 was budget for this project, the contract total was \$75,702.31. This is a replacement program as well as equipment for 2 new areas. Classrooms with broken projectors now use a cart. The cabling solution and the amount of hours estimated to do the job were the reason for the disparity in price.

Preparation of an Amended Budget for FY 2016

The Finance Committee members recommended 2 to 1 that the Board of Education approve the resolution authorizing the preparation of an amended budget for FY 2016 at its regular January meeting. The timeline for this process was presented. Amending the budget is only required if expenditures are in excess of 10% of the budget, which is rare. Mr. Cofsky did not favor this process because of the amount of administrative work involved to true up the budget. He felt that because this committee and the Board of Education had updated the fund balance policy and put in a recommendation to do a quarterly variance analysis, an amended budget was unnecessary.

It was explained that generally school districts do amended budgets. A suggestion was made to begin the process of a variance and continue the amended budget process so that the District can assure itself that there are no unintended consequences. Unexpected, non-budgeted items occur during the year, and the Board of Education has said that the District had to shrink the variance. Will there be any internal or external concerns if an amended budget is not completed? It was explained that the audit compares the budget to actual expenditures, and there would be no less transparency. However, when presenting the rough draft of the new budget, it helps the CSBO to have an idea of the exact amount of dollars. Some formula grants require or encourage the amending of budgets, i.e., Title I so that the expenditures can be matched. Not having an amended budget may limit the flexibility to change a grant, piece of equipment, conference, and expenditures change, etc. Some processes are necessary in order to access all of the monies from the federal government.

Preparation of a Tentative Budget for FY 2017

The Finance Committee members unanimously recommended that the Board of Education approve the resolution authorizing the preparation of a tentative budget for FY 2016 at its regular January meeting.

Stipend Assignments

The Finance Committee members unanimously recommended that the Stipend Assignment report be moved forward to the full Board of Education at its regular January meeting as an informational item. This report gives a reminder of the stipends in place. In March, the Board of Education will review and approve the activities/clubs and athletic stipends for next year. Categories range from 1-6 with each rating having their own criteria. Student participation is tracked and affects the amount of stipend and/or the continuation of an activity/club. A request was made to see the participation rate and the commitment of hours by the sponsors. Many of the stipends have been negotiated and are included in Appendix C of the Collective Bargaining Agreement. The criteria are based on level, years of experience and linked to CPI. While an A position, Level 1, warrants a certain rate and years of service, it does not regulate the number of stipended positions.

These positions are offered to internal faculty and staff first and then to external applicants. Stipends vary depending on the amount of experience one has. Some stipended positions are shared by two people, each falling into their own category, based on their level of experience.

Questions:

- 1) What is the net change and the details supporting, going up or down?
- 2) What is the process for soliciting applications, adding a club or activity?
- 3) What is the process used to added a club or activity?
- 4) What is the review process? How is a club or activity terminated?
- 5) How are new clubs or activities accounted for from a budgetary standpoint?
- 6) Which clubs or activities cut students?

Director of Student Activities Regina Topf monitors the participation in the clubs and activities and if that number is low would recommend terminating it. It was noted, however, that sunsetting a club or activity can be an emotional event and include a grieving process. The net impact of additions and deletions is what is reviewed by DLT, and then the stipends will be brought to the March Finance Committee. Additional information will be provided in the report to the full Board of Education.

Fees for 2016-17

The Finance Committee members unanimously recommended that the Board of Education discuss the administration's recommendation for the District to continue the practice of charging fees for current families of students at the high school, continuing the current practice of waivers based on federal free and reduced guidelines, and continuing the practice of assisting other families through payment plan options and spreading out the payments to address their financial considerations at its January meeting. Subsections of this agenda item included Discussion, Technology, and Instructional Material Fees.

While no policy or school code says one can charge fees, charging fees has been determined by case law and in law, and in policies, fees can be waived. A major rewrite of the Food Service policy accidentally omitted the line about Food Service being self-sustaining, and will be re-added to the policy at another time. The practice has been in place since 1968. Food Service is affected by the Free and Reduced population. In order to understand the maximum (what is currently in place) and the minimum effective (no fees at all, a projection model was presented. Students who qualify for FRE receive a waiver of materials fees and registration fees, but not the Instructional Materials Fee. If parents ask for a waiver, they must provide qualifying information. They will also be offered a payment plan.

Registration Fees

Class	Amount
Seniors	\$70
Juniors	\$35
Sophomores	\$220
Freshmen	\$50

The District has two separate processes for Food Service and the Bookstore, per state law. In order to qualify for FRE in the Bookstore, parents must bring in supporting documentation. Last year the Board of Education discussed having a sliding IM scale. In order to implement that process, every family who applied would be asked to verify their income.

One member noted that as a public school providing public education, the District is charging user fees to those students who are using their education, similar to funding of the pool, i.e., charging users in the future. If the District does not charge fees, then all of the taxpayers will pay for all of the education. Presently, those students who do not qualify for FRE are paying for all the fees.

Discussion ensued about adding a technology fee. The committee was asked for direction as to what the family's contribution would be when the District goes 1:1. A proforma analysis was provided as to the cost and the key assumptions were made: 1) the average cost of Chromebook (4-year life of the device). Students would be able to keep the device after graduation; 2) support for the device would be assumed by the District; 3) shared the cost of equipment, FRE, 3% damage, lost and stolen. The device can be managed if not returned. The net effect to the District with a \$50 technology fee would be approximately \$150,000 per year. It would be important to inform the public of this fee as soon as possible.

One member did not think students would want the device after 4 years and that the Chromebook the cost of the textbook of the future and found it difficult to treat this differently than textbooks. Students pay 100% of their textbooks. District 90 does not charge students anything, but it keeps the devices. District 97 charges a \$35 insurance fee and keeps the device.

Discussion ensued regarding the Instructional Materials Fee (IMF). During the 2010-2011 school year, a committee brought forth a recommendation to the Board of Education to address the dissolution of the state loan funds for textbooks. Additionally, the committee collected relevant data, initiated discussions within academic divisions and analyzed alternative methods of distributing instructional materials for all students in an equitable and cost efficient manner.

The following guiding principles were considered when the original committee discussed the recommendation of a more sustainable Bookstore instructional fee model:

1. Continue to provide necessary materials to sustain a high quality and comprehensive curriculum;
2. Develop a stronger consciousness;
3. Maintain affordability for all families;
4. Establish a rotation schedule for the purchase of new materials;
5. Incorporate use of technology;
6. Sustain a fair and equitable process that does not limit student access to rigorous courses due to the

- higher costs of instructional materials;
- 7. Build in green initiatives; and
- 8. Assemble a defined budgeting process approved by the Board of Education

Ms. Charrette-Bassirrd affirmed that the old system was difficult and unfair as some parents paid over \$600 a year for books with the fee being unknown until they reached the cash register. The district received only a few state-loan books and was paid \$34 per student every 3 years. With this change, textbooks were put on a 5-year rotation. Teachers are happy because all of their students have their textbooks. This system was part of the District conforming to NCLB; as long as the student was in class, he/she got whatever materials he/she needed.

The fee was intended to cover the cost of books and materials over a five-year cycle. The fee is calculated annually using a formula based on the cost of a five-year purchase plan of materials. This method moderates any increased fee year by year and avoids the need for a large increase in one particular school year. The five-year rolling fee covers all costs to run the Bookstore including salaries, benefits, supplies, and operational expenses. Board policy 4:142 states that the bookstore is expected to be self-sustaining in all areas of operation including but not limited to personnel and/or inventory and equipment. The IMF fee does not include calculators, carbonless notebooks for science, backpacks, PE uniforms or tests, except for the ACT for juniors. Software licenses are included. The 5-year average is \$320, and that is what students pay. A history of the IMF and a comparison of school fees was included.

The Instructional Material Fee (IMF) accomplished what it was designed to address:

1. Provides a consistent fee for all students covering all instructional materials;
2. Encourages students to select classes based on interest;
3. Eliminates the costs of materials as a barrier for financially disadvantaged students who want to participate in specific programs; and
4. Supports the use of online resources and initiated a process that encouraged the consideration of online textbooks and permits “just-in-time” distribution of kits and consumables directly to the classrooms. This increases instructional time by ensuring all students have the necessary materials in the classroom at the appropriate time

The administration will bring a final recommendation in April after working through the final sets of metrics. In March, the administration will bring forward FTE requests.

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 January meeting. It was noted that when this report comes forward is dependent upon the timing of the reconciliation process.

Cost Containment

The Finance Committee members unanimously recommended moving the updated Incremental Resources Scorecard forward to the Board of Education as an informational item only. It now better represents the actual incremental resources expenses and cost containment efforts. This work intends to show changes in cost that have occurred and both positively and negatively impacted the budget. This is not an accounting exercise; it focuses on decisions and choices made at the Board of Education table that a direct impact. The

Board of Education made decisions that total over \$6 million in incremental expenditures above the 2013-14 school year baseline and enrollment increased by only 31 students since then.

The Committee was asked to consider what policies regarding cost containment should be considered.

Compensation Philosophy

The Finance Committee unanimously agreed to discuss the compensation philosophy again at the February Committee meeting. Mr. Cofsky had noted the structural change in the first line, noting that it included both administrative and non-affiliated personnel and asked if there were any questions or suggestions.

- 1) Para 4, line 3, “through.”
- 2) It read well and reflected the committee’s sentiment.
- 3) Number 9 characterized healthcare and designed for a healthy workforce. However, the District’s program does not have health and wellness in its program. Is the real intent financial protection? One person noted that the intent should be for health and protection.
- 4) No reference was made to retirement. Note: administrators received a defined contribution and defined benefits plan.

Financial Metrics

Mr. Altenburg is working on the financial metrics.

New Business

None

Adjournment

At 6:57 p.m., on January 21, 2016, Mr. Cofsky moved to adjourn; seconded by Mr. Arkin. A voice vote resulted in motion carried.

Submitted by
Gail Kalmerton
Clerk of the Board of Education