

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

**Finance Committee Meeting Minutes  
November 10, 2015**

A Finance Committee meeting was held on November 10, 2015. Chair Cofsky called the meeting to order at 7:35 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 Chair; and Gail Kalmerton, Clerk of the Board.

**Visitors** Ron Johnson, Director of Purchasing and Transportation (telephonically), John Stelzer, Athletic Director, Lisa L of Gallagher Bassett

**Public Comments**  
None

**Approval of Minutes**

Mr. Cofsky moved to approve the Minutes of October 13, 2015, as presented; seconded by Ms. Spivy. A voice vote resulted in all ayes. Motion carried.

**Presentation of Resolution for Emergency Transportation Contract**

The Finance Committee recommended moving forward the Resolution for Emergency Transportation Contract to the full Board of Education at its Special Board Meeting on November 10, 2015. This step is necessary before approving the attached contract.

**Presentation of Emergency Transportation Contract**

Mr. Arkin moved to recommend moving forward the Emergency Charter contract with Chicagoland Transportation Solutions to the full Board of Education for approval at its Special Board Meeting, following this meeting; seconded by Ms. Spivy. This contract covers supplemental transportation services. A nationwide driver shortage has directly impacted OPRFHS athletic teams. First Student who has the contract informed OPRFHS that it cannot provide service between 3:15 and 3:45 p.m. It has worked through its dispatch centers in the area and in the state. The majority of its operation managers are driving to and from routes. The earliest it is able to get to students at OPRFHS is 3:45 pm. Thus, Chicagoland Transportation Services will provide services between 3:15 to 3:45 p.m. The District has reached out to other bus providers and is planning to rent yellow buses from a bus company to fulfill its needs and to move away from contracted services. The issue will be to find a place to park them when not in use. The current need is for 2 to 3 buses between the times of 3:15 to 3:45 p.m., but the need will be much greater with spring sports.

The purchase of the additional activity bus saved the District \$36,000 this year, so the cost of these services will cause no amendment to the budget. If the District were to claim that First Student violated its contract because it was unable to perform the service between 3:15 and 3:45 p.m., First Student could pull

the entire contract and not provide any service. The value of the contract with First Student is \$311,000 for field, activity, and athletic trips.

### **Presentation of Insurance Renewals (Medical, Dental, Life & LTD)**

#### Medical, Dental and Life Insurance

The medical, dental, and life insurance, as presented, would include a renewal of 2.8%. The PPO plan had performed very well; the HMO Plan had one large claim, but the HMO experience had improved because of experience. The PPO and HMO plans are blended because of the group size; thus, it is better to keep the actuarial integrity of the two plans.

#### Dental Renewal

The dental plan renewal projection called for a 3.8% decrease in funding. The recommendation is to keep the current employer and employee premiums the same as last year.

#### Stop Loss

The current stop loss carrier is Blue Cross and Blue Shield and is managing the claim process. The current stop loss level is \$100,000 for individual coverage. The aggregate stop loss is set at 135% of expected claims. For the renewal, the recommendation was to increase the stop loss level to \$130,000, as it is more appropriate for the group size. Stop loss levels should be increased to keep pace with medical inflation. As a result of the increase, stop loss premiums went down and were offset by a rise in claims exposure. The net effect produced a positive impact on the renewal by \$149,144. While a larger stop loss level was considered, i.e., \$140,000 or \$150,000, the thought was that it was too big of an increase from the original \$100,000. Group size and risk tolerance had been considered. The District's stop loss coverage is cost plus not fully insured or fully self-funded because of physician fees.

#### Life and LTD

The Life, AD&D, Voluntary Life and Long-term disability coverage are with MetLife. There are no increases in premiums. No changes are occurring to the disability or vision programs, and it is a multiyear agreement.

The District recommended keeping employee premiums flat and spending down the fund balance, absorbing the increase to premium.

The Finance Committee members unanimously recommended moving this to the full Board of Education for further review at the Special Board Meeting on November 10, 2015, following this meeting.

### **Presentation of Preliminary 2015 Levy**

The Finance Committee unanimously recommended that the Preliminary 2015 Levy as presented be moved forward to the Board of Education for approval at its Special Board Meeting on November 10, 2015. The presentation of the Preliminary 2015 Levy is a legal, mechanical procedure. The Board of Education would have the opportunity to make changes to the Levy at the December 17 Board of Education meeting. The Levy will be placed on display November 11, 2015. The Board of Education will hold a Truth-in-Taxation Hearing on December 17.

The total 2015 Preliminary Levy request is an increase of 18.86%. For capped funds only, the levy request is an increase of 18.32%. For the non-capped funds (a.k.a. Bond and Interest), the levy request is a 0% increase. The amount of this increase is because the Board of Education resolved to abate the Bond and Interest Levy in full last year, and it is the Board's desire for that abatement to continue with the 2015 Levy. According to the bond and interest schedule for the 2015 tax year, this year's abatement is \$2,466,675. The administration is aware that the current CPI of 0.8% could be applied by law to the 2015 Preliminary Tax Levy. However, the FAC had not recommended such at the conclusion of its work in December 2013.

Mr. Altenburg reviewed the timeline and the allocation of the funds.

The Finance Committee members unanimously recommended continuing the conversation at the Special Board Meeting following this meeting.

#### **Presentation of Monthly Treasurer's Report**

The Finance Committee members unanimously recommended that the Monthly Treasurer's Report be forwarded to the Board of Education for approval at its regular November Board of Education meeting.

#### **Cost Containment - PMA 2015 vs. Anchor**

The Finance Committee members received as an informational item the PMA 2015 Financial Projections as compared to the Anchor FAC model that was used on December 2, 2013, as the Finance Advisory Committee was making its final recommendations to the Board of Education.

Some observations, analyses, and conclusions that can be drawn from comparing the PMA 2015 Financial Projections (red line) with the Anchor FAC model (blue line) are:

##### Revenues

- For the 2015 Levy, the FAC model assumed utilizing 2012 + CPI & New Construction while the current model assumes the 2015 Levy equal to the 2012 amount – Approx. \$600,000 annually; and
- The FAC model assumed the close-down of the Life Safety Fund as the Debt Certificates were retired early; however, the current model is assuming a continuation of approx. \$1mm of Life Safety levy to establish funds to address the pending 10-year survey.

##### Expenditures

- Increased staffing has personnel costs approx. \$850k above FAC for 2016, but the variance shrinks going forward as FAC assumptions for Faculty Senate were higher (2.5% + Step) than the current contract 50% of CPI + Step;
- Capital Outlay approx. \$800k above FAC amounts - Technology initiatives – 1 to 1;
- Other Objects approx. \$500k above FAC amounts - Special Education tuition; and
- FTE FAC vs. Current

The next step will be to continue this recap on a trend basis. Mr. Altenburg is working on a one-page summary to go along with the resource scorecard and the detailed pages. The Committee asked that the District differentiate between one-time expenditures from those that recur.

**Compensation Philosophy**

Mr. Ruhland reported that he and Dr. Isoye had met with Tom McMullen of the Hay Group last week on next steps.

**Financial Metrics**

Updated financial metrics may be presented at the December Finance Committee meeting.

**Third Draft of Fund Balance Policy**

The Finance Committee unanimously recommended that Policy 4:20, Fund Balance, be moved forward to the full Board of Education for amendment.

**Adjournment**

At 8:30 p.m., Mr. Cofsky moved to adjourn; seconded by Ms. Spivy. A voice vote resulted in motion carried.

Submitted by  
Gail Kalmerton  
Clerk of the Board of Education