

SPECIAL EDUCATION DISTRICT OF LAKE COUNTY
18160 W. GAGES LAKE ROAD ** GAGES LAKE, ILLINOIS 60030-1819
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Minutes

Special Meeting

SEDOL EXECUTIVE BOARD MEETING

April 13, 2017

CALL TO ORDER

The special meeting of the SEDOL Executive Board was called to order by President Joanne Osmond at 9:32 a.m. on Thursday, April 13, 2017, at the SEDOL administrative offices in Gages Lake, Illinois.

ROLL CALL

Board Members Present

Dr. John Ahlemeyer, Superintendent, Gavin District #37
Mrs. Carey McHugh, Governing Board Member, Wauconda Unit District #118 *(arrived 9:34)*
Mr. Jim McKay, Superintendent, Community High School District #117
Mrs. Joanne Osmond, Governing Board Member, Lake Villa District #41
Mrs. Odie Pahl, Governing Board Member, Gurnee District #56
Dr. Guy Schumacher, Superintendent, Libertyville District #70
Hon. Roycealee Wood, Superintendent, Lake County Regional Office of Education

Board Members Absent

Dr. Catherine Finger, Superintendent, Grayslake High School District #127
Mr. David Northern, Governing Board Member, Community Cons. District #46

Staff Members Present

Dr. Thomas Moline, Superintendent
Dr. Peggy Lynch, Assistant Superintendent for Human Resources
Ms. Barbara Watson, Assistant Superintendent of Business, CSBO
Mrs. Laura Wojcik, Director of Instruction, Curriculum and Assessment
Ms. Doris Marcinkus, Recording Secretary

Staff Members Absent

None

Guests

Mr. Ken Frank, Signature Development Corporation/Owner's Rep
Mr. Matt LaPierre, IFT Field Service Representative

ROLL CALL VOTE: Ayes: Dr. John Ahlemeyer Mrs. Odie Pahl
 Mrs. Carey McHugh Dr. Guy Schumacher
 Mr. Jim McKay Mrs. Roycealee Wood
 Mrs. Joanne Osmond

 Nays: None

 Absent: Dr. Catherine Finger Mr. David Northern

MOTION CARRIED.

Phase 2 Gages Lake Campus Road Improvements and Transition Center Parking Lot

Motion to Award Bid for Phase 2 Campus Road Improvements and Transition Center Parking Lot

Motion by Mrs. Carey McHugh, second by Dr. Guy Schumacher, to approve the bid by Maneval Construction Co. Inc. in the amount of \$1,254,783.90 and budget an additional \$62,000 for unknown conditions as recommended.

Administration reported that bids were received on March 22 for Phase 2 of the Gages Lake campus improvement project, which also includes much needed work on the parking lot at the Transition Center in Mundelein. Based on the recommendation of Gewalt Hamilton, Project Engineer, Administration recommended the Board approve the bid by Maneval Construction Co. Inc. in the amount of \$1,254,783.90 and that an additional \$62,000 (5%) be budgeted for any unknown conditions.

ROLL CALL VOTE: Ayes: Dr. John Ahlemeyer Mrs. Odie Pahl
 Mrs. Carey McHugh Dr. Guy Schumacher
 Mr. Jim McKay Mrs. Roycealee Wood
 Mrs. Joanne Osmond

 Nays: None

 Absent: Dr. Catherine Finger Mr. David Northern

MOTION CARRIED.

Gages Lake Road Project

Motion to Award Bid for Gages Lake Road Project

Motion by Mrs. Carey McHugh, second by Mrs. Odie Pahl, to approve the bid by Landmark Contractors, Inc. in the amount of \$739,288.75 and budget an additional \$37,000 for unknown conditions as recommended.

Administration reported that bids were received on March 22 for the improvements to the section of Gages Lake Road on the south side of the SEDOL campus. Based on the recommendation of Gewalt Hamilton, Project Engineer, Administration recommended the Board approve the bid by Landmark Contractors Inc. in the amount of \$739,288.75 and that an additional \$37,000 (5%) be budgeted for any unknown conditions.

ROLL CALL VOTE:

Ayes:	Dr. John Ahlemeyer	Mrs. Odie Pahl
	Mrs. Carey McHugh	Dr. Guy Schumacher
	Mr. Jim McKay	Mrs. Roycealee Wood
	Mrs. Joanne Osmond	
Nays:	None	
Absent:	Dr. Catherine Finger	Mr. David Northern

MOTION CARRIED.

TENTATIVE BUDGET

Board members received a draft of the FY18 tentative budget, along with an overview of the assumptions used to develop the budget. Ms. Watson reviewed each fund and highlighted items that impacted each fund.

Ms. Watson said one thing looming over our heads is the uncertainty of special education personnel reimbursement. The state has not made any payments this year, which is a concern going forward. She noted that the tentative budget does include all four payments.

Dr. Moline said it appears another campaign has to be waged as it was in 2012 when Judy Barr-Topinka visited Laremont School and then she convinced legislators that those payments needed to be made. We need to bridge a relationship with the new state comptroller. Melinda Bush and Sheri Jesiel have been very good about listening to the issues impacting districts and cooperatives.

Ms. Watson said just as every district has to make MOE, or Maintenance of Effort, so does ISBE; they cannot just walk away from making those payments, because it will jeopardize their ability to make MOE. SEDOL's budget includes \$3,750,000 in Personnel Reimbursement and \$775,000 in Transportation Reimbursement. If more than one year of payments is outstanding, it will greatly affect cash flow and SEDOL may need to look at establishing a line of credit to cover short-term borrowing needs. Unfortunately, it is a cumbersome procedure, but we may need to make it part of the budgeting process every year. Basically, after the Governing Board approves the budget, then each district must take a resolution to their board to approve the budget.

President Osmond said it's a good idea to put that process in place as soon as possible so it's there every year.

Ms. Watson continued her review of the budget, highlighting some of the factors that are part of Education Fund expenses, such as insurance benefits, reserve staffing units to cover expansion due to enrollment increases, professional development, interest on borrowing, and two permanent interfund transfers from the Education Fund to the Operation and Maintenance Fund to cover the cost of the classroom and pool-area build out at Gages Lake School and from the Education Fund to the Transportation Fund to maintain a positive balance.

Ms. Watson said for the next few years she thinks tuition rates can be kept at 3%. There are some things to talk about with regard to the new funding method. This is the first year to experience it, and there are some items that have come to light. Level 2 rates went up, and Level 3 rates went down, this caused the difference in rates between LASSO-2 and LASSO-3 to narrow. While this was expected, it has brought the need to reset tuition rates to the forefront.

Tuition rates have not been readjusted in a number of years, so that needs to be addressed. That's going to make some rates higher and some lower. For example, there are only four students in the VI Program, so that rate will go up greatly. However, with Level 2 and 3 where you only have "X" amount of IDEA funds, you are going to have those situations where rates will come closer.

The Long-Range Committee has continued to meet and the meetings have been opened up to everyone. The committee met in February, March and they will meet again next week. The topics are program design, funding and housing.

Dr. Moline said the group is about 40 people and just about every member district is represented by either the superintendent, special education administrator or the business manager. It's a good situation with regard to future planning for space and then to look at possibly tweaking the funding mechanism. It does give us the ability to hear directly from member districts about how SEDOL is serving and how they feel about costs.

Mr. McKay said he thought the real message is that tuition is going to be held to 3%.

Ms. Watson said yes, providing we get reimbursement payments from the state, which is about \$3 million. Another topic at small group budget meetings will be MOE. We talked last year about how districts need to be careful since they are receiving more IDEA funds. We did receive preliminary calculations on MOE. There are six districts that didn't make MOE and three of those are significant amounts. We will work with them until we find acceptable exceptions. Next year will be a telling year, as they will be comparing FY16 to FY17. Enrollment is staying pretty solid with the exception of a decrease in itinerant services.

There is a 3% increase in the assessment for the Operation and Maintenance Fund and looking to the future, we believe that will continue. We have capital outlay for projects that will be incorporated into the O&M Fund such as completion of Phase 2 of the campus road project, the new maintenance building and the Gages Lake School renovation.

The Debt Service Fund is used for remaining bond payments, which is the 2008 Laremont School bond that was refunded in 2015. There is a balance of \$163,000 in that fund and it should be zero. Ms. Watson said she went back to 2003 and couldn't figure out exactly where the balance came from. She did see in the past that SEDOL was leasing a building from Libertyville District #70 and paying \$175,000 in rent. There was a deal that the payment came from the annual housing formula, so maybe transfers from the fund were not made. She said she is going to try to work with the district's auditors to transfer those funds from the Debt Service Fund to the O&M Fund.

The only revenue in the Transportation Fund is from the transportation claim. There is a possibility that an interfund loan from the Education Fund may be required this June, if ISBE reimbursement payments are not received in time, as the fund cannot have a negative balance. Ms. Watson discussed this with the district's auditor and she stated it was acceptable to have the Board approve a loan in the amount necessary to make the fund whole, as the exact amount needed will not be known in June. This loan will be approved, if necessary, at the June Executive board meeting.

For the IMRF Fund – IMRF did notify us of the estimated rate for 2018, and it went down a little bit; it is in the 12-13% range.

Ms. Watson said there is nothing new with the Capital Projects Fund. Prior to the Laremont bond there was \$200,000 in that fund, but we're not sure what that balance was from. That fund should be closed out, so the remaining balance might be used for lighting.

Ms. Watson noted that the rest of the budget overview packet shows the staff included in the budget, enrollment figures, an overview of how member districts are billed for various services and other miscellaneous information related to the budget. The final version of the tentative budget will be presented for Executive Board approval at the April 27 meeting. There may be some minor revisions, but the bottom line should stay the same.

UPDATES

Live-Streaming Executive Board Meetings: Dr. Dr. Moline said he did make a commitment to the parent who addressed the Board at the March meeting with regard to her request to live-stream the Executive Board meetings. He asked for discussion from the Board so he could respond back to the parent.

Board members discussed the need to maintain confidentiality with regard to special education students and they questioned the amount of interest there would be in watching the meetings.

Consensus of the Board was to not live-stream the meetings.

Agenda for April 27 Meeting: Ms. Watson reported that due to the tight time lines for the bid process on the Gages Lake School renovations, the agenda for the April 27 meeting will include an action item for bid approval; however, the bid results and recommendation would not be available until after the bid opening on April 24. That information will be presented in the amended agenda, which will be posted and disseminated on the morning of April 25.

CLOSED SESSION

Motion to Enter into Closed Session

At 10:24 a.m., Mr. Jim McKay moved, second by Mrs. Carey McHugh, for the Board to enter into closed session to discuss the appointment, employment, compensation, discipline, performance or dismissal of specific employee and pending litigation.

ROLL CALL VOTE:

Ayes:	Dr. John Ahlemeyer	Mrs. Odie Pahl
	Mrs. Carey McHugh	Dr. Guy Schumacher
	Mr. Jim McKay	Mrs. Roycealee Wood
	Mrs. Joanne Osmond	
Nays:	None	
Absent:	Dr. Catherine Finger	Mr. David Northern

MOTION CARRIED.

Motion to Return to Public Session

At 10:52 a.m., Mrs. Carey McHugh moved, second by Mrs. Odie Pahl, for the Board to return to public session.

VOICE VOTE: Ayes, all. Nays, none. MOTION CARRIED.

While in closed session, the Board discussed the appointment, employment, compensation, discipline, performance or dismissal of specific employee and pending litigation.

Adjournment

With no other business for consideration by the Board, President Osmond adjourned the meeting at 10:52 a.m.

Respectfully submitted by,

Doris Marcinkus
Recording Secretary

Approved by:

President of the Board

Secretary of the Board