The Board of Education, Community High School District 99, met in regular session at 6:30 p.m. on Monday, May 18, 2015 at the Administrative Service Center.

Upon the Secretary's roll call, the following members answered present: Nancy Kupka, President; Terry Pavesich, Vice President; and Members Julia Beckman, Michael Davenport, Rick Pavinato and Don Renner. Member Deb Boyle was absent.

Also present were Mark McDonald, Superintendent; Pete Theis, Assistant Superintendent for Human Resources; and Juli Gniadeck, Secretary.

1. **CLOSED SESSION**

Member Beckman moved and Member Pavinato seconded that the meeting be adjourned to closed session for the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the District or legal counsel for the District, including hearing testimony on a complaint lodged against an employee of the District or against legal counsel for the District to determine its validity. 5 ILCS 120/2(c)(1), as amended by P.A. 93-0057.

Upon the Secretary’s roll call, Members Beckman, Pavinato, Davenport, Renner, Pavesich and Kupka voted AYE. The President declared the motion carried.

2. **RECONVENE TO REGULAR SESSION**

The meeting was reconvened in open session with the following members of the Board of Education in attendance: Nancy Kupka, President; Terry Pavesich, Vice President; and Members Julia Beckman, Deb Boyle, Michael Davenport, Rick Pavinato and Don Renner.

Also present were Mark McDonald, Superintendent; Gina Ziccardi, Assistant Superintendent for Student Learning; Pete Theis, Assistant Superintendent for Human Resources; Scott Wuggazer, Assistant Superintendent for Special Services; Mark Stachlinski, District Controller; Jim Kolodziej, Director of Physical Plant and Operations; Rod Russeau, Director of Technology & Information Systems; Jill Browning, Communications Director; Scott Kasik, North High Principal; Ed Schwartz, South High Principal; and Juli Gniadeck, Secretary.

There were ten visitors.

(A copy of the Visitor Roster is attached.)

3. **APPROVAL OF MINUTES**

Member Beckman moved and Member Davenport seconded that the Board of Education approve the minutes of the May 4, 2015 Special/Workshop Meeting; the May 4, 2015 Board Reorganization/Workshop Meeting; and the May 11, 2015 Recognition/Open House Meeting.

Upon the Secretary’s roll call, Members Beckman, Davenport, Renner, Pavesich, Pavinato, Boyle and Kupka voted AYE. The President declared the motion carried.
4. RECEPTION OF VISITORS – PUBLIC COMMENT

There were no visitors.

5. FOUNDATION GRANT AWARDS

District 99 Education Foundation President Eric Olson and Foundation Member Martha Merilos presented grants from the Foundation, worth more than $19,000 in aggregate, to successful teacher applicants. Mr. Olson stated grants enabled teachers to push forward and grow the curriculum. The Board thanked the Foundation.

6. 2014-2015 SCHOOL CALENDAR CHANGE

Dr. McDonald stated that during the Consent Agenda the Board would be voting to approve the final calendar for the 2014-2015 school year. He shared that when the calendar is first developed five emergency days are built into the calendar. In 2014-2015 three of the emergency days were used. Mark McDonald said the last day for students is June 8 and the last day for teachers is June 9, 2015.

7. DISCIPLINE CODE REVISIONS

Mark McDonald stated that the deans and associate principals review the Student Handbooks every year, specifically the areas of student discipline, attendance and code of conduct and make recommendations for changes, if appropriate. The recommendations are then vetted with stakeholder groups including students, parents and administration before being presented to the Board. Dr. McDonald stated there are no recommended changes to the Athletic and Activity Code. Kristin Bormann, North High Assistant Principal, reviewed the recommended new or revised language in the discipline code which is a result of new legislation or revisions to better reflect current practices.

8. FREEDOM OF INFORMATION REQUESTS

Dr. McDonald reported that the District received one Freedom of Information Act request that was fulfilled at the time of posting the agenda.

9. PUBLIC HEARING ON THE APPLICATION FOR WAIVER OR MODIFICATION OF STATE BOARD RULES AND/OR SCHOOL CODE MANDATES

Dr. McDonald explained that the waiver will allow the District to charge up to $350 for driver education. He stated the current law allows the District to charge up to $250 for driver education, but does not allow the District to use the fee to offset costs. Mark McDonald explained that the waiver is for five years and the District is seeking the waiver to charge up to $350, to allow for future flexibility.

President Kupka opened the Public Hearing and asked if there was anyone who wished to address the Board on the Waiver or Modification of State Board Rules. No one came forward to address the Board. President Kupka closed the Public Hearing.

10. PUBLIC HEARING ON PROPOSED INTERFUND TRANSFERS

Mark Staehlin reviewed the information presented at the last Board meeting regarding the three Resolutions to be voted on and stated that the Working Cash Fund will be abolished effective in June.
President Kupka opened the Public Hearing on the Interfund Transfers. Mr. Scott O'Connell of Downers Grove addressed the Board and distributed a written copy of his testimony. A copy of his testimony is included. There being no further comments, President Kupka closed the hearing.

11. **CONSENT AGENDA**

Member Pavesich moved and Member Davenport seconded that the Board of Education approve the Consent Agenda as presented.

Upon the Secretary's roll call, Members Pavesich, Davenport, Renner, Pavinato, Beckman, Boyle and Kupka voted AYE. The President declared the motion carried.

12. **APPROVAL OF SUBMISSION TO THE STATE BOARD, FOR TRANSMISSION TO THE GENERAL ASSEMBLY, OF THE WAIVER OR MODIFICATION OF STATE BOARD RULES AND/OR SCHOOL CODE MANDATES TO ALLOW COMMUNITY HIGH SCHOOL DISTRICT 99 TO CHARGE UP TO $350 IN FEES FOR STUDENTS IN DRIVER'S EDUCATION.**

Member Pavinato moved and Member Beckman seconded that the Board of Education approve submission to the State Board, for transmission to the General Assembly, of the waiver or modification of State Board Rules and/or School Code Mandates to allow Community High School District 99 to charge up to $350 in fees for students in driver's education.

Upon the Secretary's roll call, Members Pavinato, Beckman, Boyle, Davenport, Renner, Pavesich and Kupka voted AYE. The President declared the motion carried.

13. **APPROVAL OF THE ATTACHED RESOLUTION AUTHORIZING THE TRANSFER FROM THE EDUCATION FUND AND THE TRANSPORTATION FUND TO THE OPERATIONS AND MAINTENANCE FUND.**

Member Pavesich moved and Member Beckman seconded that the Board of Education approve the Resolution of the Board of Education directing the school treasurer to permanently transfer moneys from the Education Fund to the Operations and Maintenance Fund and from the Transportation Fund to the Operations and Maintenance Fund.

Upon the Secretary's roll call, Members Pavesich, Beckman, Boyle, Davenport, Renner, Pavinato and Kupka voted AYE. The President declared the motion carried.

14. **APPROVAL OF THE ATTACHED ABATEMENT RESOLUTION AUTHORIZING THE ABATEMENT OF THE $10.6 MILLION OF WORKING CASH FUND MONIES TO THE OPERATIONS AND MAINTENANCE FUND AND $200,000 OF THE WORKING CASH FUND MONIES TO THE IMRF/SOCIAL SECURITY FUND.**

Member Beckman moved and Member Pavesich seconded that the Board of Education approve the Resolution of the Board of Education directing the school treasurer to abate and permanently transfer moneys from the Working Cash Fund to the Operations and Maintenance Fund and the IMRF/Social Security Fund.
Upon the Secretary's roll call, Members Beckman, Pavesich, Pavinato, Boyle, Davenport, Kupka and Renner voted AYE. The President declared the motion carried.

15. **APPROVAL OF THE ATTACHED RESOLUTION AUTHORIZING THE TRANSFER FROM THE OPERATIONS AND MAINTENANCE FUND TO THE CAPITAL PROJECTS FUND.**

Member Pavesich moved and Member Davenport seconded that the Board of Education approve the Resolution of the Board of Education directing the school treasurer to transfer funds from the Operations and Maintenance Fund to the Capital Projects Fund.

Upon the Secretary's roll call, Members Pavesich, Davenport, Renner, Pavinato, Beckman, Boyle and Kupka voted AYE. The President declared the motion carried.

16. **APPROVAL OF STUDENT DISCIPLINE CODE**

Member Pavinato moved and Member Davenport seconded that the Board of Education approve the changes to the Student Discipline Code as presented.

Upon the Secretary's roll call, Members Pavinato, Davenport, Renner, Pavesich, Beckman, Boyle and Kupka voted AYE. The President declared the motion carried.

17. **AWARD OF BID – CAPITAL IMPROVEMENT**

Mr. Kolodziej reviewed the scope of the four projects for summer work at North High, which include HVAC work, door replacement to meet Fire Protection Code, softball field netting and kitchen warmer replacement. Mr. Kolodziej stated that all bids came in within budget.

Member Boyle moved and Member Pavinato seconded that the Board of Education approve the award of bids to the low acceptable bidders as presented for the 2015 Summer Projects in the amount of $535,396.64.

Upon the Secretary's roll call, Members Boyle, Pavinato, Beckman, Davenport, Renner, Pavesich and Kupka voted AYE. The President declared the motion carried.

18. **OLD BUSINESS**

None.

19. **POLICY COMMITTEE REPORT**

Dr. McDonald stated the last Policy Committee meeting involved review of school level processes. Former Member Matune had asked that the Academic Integrity Policy be reviewed, which resulted in the changes to the Discipline Code reviewed earlier in the meeting. President Kupka had expressed concerns regarding exclusion of students who were not vaccinated. Dr. McDonald said the Policy Committee believes that based on current practices, and direction provided by the DuPage County Health Department, the District’s current procedures address Dr. Kupka’s concerns and that no Policy changes should be made.
20. **Early Fall Board Retreat**

Dr. McDonald shared that Members Kupka and Davenport spoke with him regarding scheduling a retreat for the Board in early fall, prior to beginning the substantive portion of the superintendent search. Dr. McDonald received available dates from Barbara Toney, facilitator from the Illinois Association of School Boards, and suggested the October Board Workshop be used for the retreat. After discussion, the Board decided to postpone a decision to a future date.

21. **Early Graduation for Students Competing in IHSA State Series**

Mark McDonald said that District 99 is very fortunate to have many exceptional athletes. He went on to say that in some sports, state final competitions necessitate seniors missing the graduation ceremonies; and therefore each building has a special graduation ceremony for seniors involved in state final competitions. Dr. McDonald shared that the North High special ceremony will be May 26 at 3:30 in the auditorium and the South High ceremony will be in the library or little theater, depending on the number of athletes, on June 1.

Dr. Kupka asked Board members to let Juli Gniadeck know if they will be attending either of the ceremonies.

22. **June 1, 2015 Workshop**

Dr. McDonald stated there are currently no agenda items for the June 1, 2015 Workshop meeting. At this point in time Dr. McDonald recommends cancelling the June 1 meeting unless pertinent agenda items come forward by early next week. The Board agreed with Dr. McDonald’s recommendation.

23. **Reception of Visitors – Public Comment**

There were no visitors at this time.

24. **Communications and Announcements**

Dr. Kupka thanked the Board members for agreeing to serve on the various committees and shared the following committee assignments:

- LEND – Don Renner
- SASED – Julia Beckman and Terry Pavesich
- District 99 Education Foundation – Terry Pavesich
- IASB – Deb Boyle
- Policy Committee – Mike Davenport and Rick Pavinato
- Finance Committee – Mike Davenport


Dr. McDonald stated there is no report for LEND. He shared that Ms. Agnos, the lobbyist for LEND, has been in Springfield.
26. **REPORT ON SCHOOL ASSOCIATION FOR SPECIAL EDUCATION IN DUPage COUNTY (SASED)**
Member Beckman reported that SASED enrollment is down by thirty students and that enrollment in the alternative program is up to the point of having to limit enrollment and look at options for additional space. She also reported there will be a small increase in fees due to inflation.

27. **REPORT ON ILLINOIS HUMANITIES COUNCIL**
Member Beckman reported the Illinois Humanities Council met in Springfield to lobby for money. Ms. Beckman said the Council receives $700,000 from the State each year and that they recently held a successful fundraiser lunch and raised $200,000.

28. **REPORT ON DISTRICT 99 EDUCATION FOUNDATION**
No report in addition to the grants awarded earlier in the meeting.

29. **REPORT ON ILLINOIS ASSOCIATE OF SCHOOL BOARDS (IASB)**
No report.

30. **UPCOMING BOARD OF EDUCATION MEETINGS**
President Kupka announced the following meeting dates:

- May 29, 2015: Graduation. The Friday mailing will contain graduation instructions for the Board.
- June 1, 2015: Workshop cancelled. South High special graduation.
- June 15, 2015: Regular Business Meeting – 7:30 p.m. – Administrative Service Center

31. **ADJOURNMENT**
There being no further business or discussion, Member Beckman moved and Member Davenport seconded that the meeting be adjourned. Upon the unanimous voice vote of the seven members in attendance, the President declared the motion carried. The meeting adjourned at 8:56 p.m.

__________________________  _______________________
Nancy Kupka, President          Juli Gniadek, Secretary
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<thead>
<tr>
<th>Name</th>
<th>Address</th>
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<tbody>
<tr>
<td>Martha Merilos</td>
<td>3513 Saratoga Dr</td>
</tr>
<tr>
<td>Leslie Miller/Dan Miller</td>
<td>302 Carnegie Hill Rd</td>
</tr>
<tr>
<td>Karen Brown</td>
<td>18W334 Holly Dr</td>
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<td>Lisa MacArthur</td>
<td>DGS</td>
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<td>Patrick Murphy</td>
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<td>Kim Jaros</td>
<td>1153 Greensfield Dr. Naperville</td>
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<td>Lisa Mangelosdorf</td>
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<tr>
<td>Mrs. &quot;Buzz&quot; Howell</td>
<td>5917 Lee Dr DG 60515</td>
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<tr>
<td>Karen Eder</td>
<td>DGS</td>
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</tbody>
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**PUBLIC HEARING TESTIMONY – 2015 PERMANENT TRANSFERS**

May 18, 2015

Community High School District 99
Administrative Service Center
ATTN: Board of Education
6301 Springside Avenue,
Downers Grove, IL 60516

Via e-mail:
Nancy Kupka, President -- nkupka@csd99.org
Rick Pavinato, Vice President -- rpavinato@csd99.org
Julia K. Beckman -- jbeckman@csd99.org
Deborah Boyle -- dboyle@csd99.org
Michael Davenport -- mdavenport@csd99.org
Donald E. Renner III -- drenner@csd99.org
Terry Pavesich -- tpavesich@csd99.org

Cc: Mark McDonald -- mmcdonald@csd99.org
Mark Staehlin -- MStaehlin@csd99.org

RE: PUBLIC HEARING COMMENTS ON THE PROPOSED PERMANENT TRANSFERS

Dear Trustees:

Please consider the following to be my written testimony on the proposed permanent transfers as found within Agenda items 9(B), 9(C) and 9(D).

Tonight’s scheduled Public Hearing offers the public the opportunity for 1) Questions & Answers between the district’s expert witnesses and members of the audience and/or board of education, 2) Cross-examination of the district’s expert witnesses by all those present, and 3) Presentations by members of the audience who are either in favor of or against the proposed transfers of CASH between the various operating funds and trust funds.

As a foundational matter, I believe it is important to clarify the amount of CASH and INVESTMENTS contained within each of the operating funds or non-operating trust funds as of April 30, 2015. This matter is greatly simplified due to the fact that all CASH totals for each of the operating funds and all of the various non-operating trust funds have a single bank statement as their source document. In addition, the same
clarification should be able to be performed for the most recently available bank account balances as well.

As Trustees of the various operating funds and explicit trusts, each board member has a fiduciary duty to oversee the handling of the moneys entrusted to him or her. During the course of this Hearing, I ask that each member of the board review the testimony given and the disclosure of facts, or lack of disclosure of facts, through a focused and critical microscope. As part of your fiduciary duty, it is important that each trustee ... no matter if you have been on the board for 14 years or only 14 days ... maintain a vigilant and watchful eye for any possibility of conversion, illegal diversion or misappropriation of public trust fund moneys.

It should be a chilling reminder to every seated trustee, that if some part of a trust fund should be lost, there would be a serious question whether, because of an individual trustee’s failure to perform his or her duty as a trustee, that trustee directly becomes liable to the beneficiaries for such negligence.

Being a Trustee is a very serious matter. I know from personal experience having been a school board member for four years. If, during the course of this Hearing, a question is asked that you feel is relevant to you as a trustee, I ask that each of you do everything within your power to ensure that the public record of this Hearing contains a satisfactory answer.

This testimony, in its essence, is a prayer for the protection and preservation of the trust funds maintained by the seven board members acting as trustees and created in accordance with the statutes of the State of Illinois for the protection of bondholders, Illinois Municipal Retirement Fund employees, Social Security participants and the beneficiaries of your largest trust fund ... the $13,400,000 Working Cash Fund trust.

It is my belief that each of my questions should be able to be answered not only by the administrators of this public body but by each and every Trustee here this evening. They will not be difficult questions. At any given moment, each of you should be able to turn to a published report currently in front of you, find the answer, and educate those in the audience with a complete and factual answer.

With that preamble now complete, I will turn to my questions.

1) Madam President, to whom should I address my questions regarding the amount of cash and investments in each of the district’s individual operating funds or trusts as of the end of April 2015?

(Answer: _______________________________)

Page 2 of 6
2) As of the 30th of April of this year, what was the bank balance for the account maintained at MB Financial Bank containing the monies of the operating funds and the various trust funds?
(Answer: ________________________________ )

3) As of the 30th of April of this year, what was the NET total of adjustments made during the bank reconciliation against the bank statement’s balance for deposits in transit, checks which had been issued and not cleared, and other deposits or withdrawals which were not properly itemized within the bank statement for the operating funds and the various trust funds?
(Answer: ________________________________ )

4) As of the 30th of April of this year, what is the amount of "CASH" on deposit with MB Financial Bank for the...

A) Educational Fund? (Answer: ________________________________ )
B) O&M Fund? (Answer: ________________________________ )
C) Transportation Fund? (Answer: ________________________________ )
D) Debt Service Trust? (Answer: ________________________________ )
E) The IMRF Trust? (Answer: ________________________________ )
F) The Social Security Trust? (Answer: ________________________________ )
I) The Land Sale Trust? (Answer: ________________________________ )

5) As of the 30th of April of this year, please identify which fund or trust held the $3,915,000 of TAWs as an "INVESTMENT".
(Answer: ________________________________ )

6) As of the 30th of April of this year, please identify which fund or trust held the $975,900 Certificate of Deposit as an "INVESTMENT".
(Answer: ________________________________ )
7) As of the end of business today *(or the most recent date available)*, what was the bank balance for the account maintained at MB Financial Bank containing the monies of the operating funds and the various trust funds?
(Answer: ___________________________)

8) As of the end of business today *(or the most recent date available)*, what was the NET total of adjustments made during the bank reconciliation against the bank statement's balance for deposits in transit, checks which had been issued and not cleared, and other deposits or withdrawals which were not properly itemized within the bank statement for the operating funds and the various trust funds?
(Answer: ___________________________)

9) As of the end of business today *(or the most recent date available)*, what is the amount of **CASH** on deposit with MB Financial Bank for the...

<table>
<thead>
<tr>
<th>Fund Type</th>
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<tbody>
<tr>
<td>A) Educational Fund?</td>
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<td>B) O&amp;M Fund?</td>
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<td>C) Transportation Fund?</td>
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<td>D) Debt Service Trust?</td>
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<td>E) The IMRF Trust?</td>
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<td>F) The Social Security Trust?</td>
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<td>G) The Working Cash Fund Trust?</td>
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<tr>
<td>H) The 1998 Referendum Bond Trust?</td>
<td>(Answer: ___________________________)</td>
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<tr>
<td>I) The Land Sale Trust?</td>
<td>(Answer: ___________________________)</td>
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</table>

10) As of the end of business today *(or the most recent date available)*, please identify which fund or trust held the $3,915,000 of TAWs as an **INVESTMENT**.
(Answer: ___________________________)

11) As of the end of business today *(or the most recent date available)*, please identify which fund or trust held the $975,900 Certificate of Deposit as an **INVESTMENT**.
12) **Question:**
As of the date of this hearing, are there any Working Cash Fund loans made in accordance with Section 20-4 that are outstanding? If so, what is the amount (or amounts) and to which funds?
(Answer: ___________________________)

13) **Question:**
As of the date of this hearing, are there any loans between any funds that are outstanding? If so, what is the amount (or amounts) and to which funds?
(Answer: ___________________________)

14) **Question:**
It is proposed within lawful orders “9B” and “9C” that $17,140,000 of **CASH** is to be transferred between various operating funds of the district as well as the Working Cash Fund trust.

The school district’s treasurer (Mr. Wagner) has certified that the “Total Cash in Bank” as of April 30, 2015 for the operating funds and various trust funds is **$14,879,422.20**. (See signed Treasurer’s Report dated May 11, 2015.) It is presumed that the “Total Cash in Bank” is the amount after a reconciliation takes place between the actual bank statement for April and all deposits not yet in the account as well as all checks that have been issued but have not cleared.

Since April 30th, there have been two **large** employee payrolls (May 1, 2015 and May 15, 2015). It is presumed that each payroll consumes approximately $2,300,000 **CASH** from the bank account and are reductions in the amount of **CASH** for the Education Fund, O&M Fund and the Transportation Fund. Therefore, without any additional CASH deposits into these three operating funds or any other disbursements, the bank balance as of close of business today (May 18, 2015) is estimated to be **no greater than $10,300,000 in CASH**.

While there appears to be enough **CASH** to effectuate the “9B” lawful order, it appears that the Treasurer will have to wait until June to execute the “9C” lawful order ($10,800,000) when cash will be available from the 2014 levies. However, the “9C” lawful order states that the “transfer [is] to be made effective as of the date hereof.” Clearly, this transfer cannot take place at this point in time because the overall size of the transfer is **GREATER THAN** the total amount of cash in the bank account!

By the time the Trustees reach the first transfer resolution, the Board will have further reduced the amount of available **CASH** due to the approval of the
April bills. ($1,412,749.21). This would leave a CASH balance of only $9,000,000 in MB Financial.

My question is ... How can the Treasurer execute the two lawful orders ("9B" and "9C") moving $17,140,000 of CASH between funds when there is probably no more than $9,000,000 of CASH in the bank account at MB Financial as of the time of the first transfer?

(Answer:

In conclusion, it would appear that the transfer resolutions are not, in fact, permanently transferring any actual CASH or even assets such as INVESTMENTS or IOUs. It would appear that the Trustees are being asked to RATIFY by three board votes this evening numerous diversions that have already taken place over the course of many, many years.

Given the lack of disclosure, I strongly encourage the Trustees to conduct an actual ACCOUNTING of each fund and trust prior to authorizing any transfers that do not involve any actual assets.

Thank you.

Scott O’Connell