A Finance Committee meeting was held on March 15, 2016. Chair Cofsky called the meeting to order at 8:50 p.m. in the Board Room. Committee members present were Thomas F. Cofsky and Fred Arkin. 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
Jeff Bergmann, OPRFHS Construction Manager

Public Comments
None

Minutes
Mr. Cofsky moved to approve the minutes of February 16, 2016, as presented; seconded by Mr. Arkin. A voice vote resulted in motion carried.

Board/Finance Committee
Compensation Philosophy
The Finance Committee unanimously recommended moving the Compensation Philosophy statement to the full Board of Education at its regular March meeting as a discussion item with the amendment below. This statement represents the Board of Education’s work with The Hay Group. This philosophy will serve as a foundation for establishing compensation parameters that will serve the District.

Page 2, Benefit Program Design, #9, 4 line: Replace the word “immediate” with “eligible.”

Cost Containment – PMA 2015 vs. Anchor
The Finance Committee will continue to discuss cost containment regarding its three suggestions as follows:
A) Revisit the timing of resource requests and the original budget approval, and structure so there is a discussion on all incremental resources as part of the budget approval. Cost containment should be broken down into FTE changes, special Education changes, technology changes, and others major resources needed.

E) Review current procedures requiring any incremental resource requests to complete financial implications as well as expected value and formalize procedure, if necessary. When incremental resource requests come forth outside of budgetary cycle, they should be evaluated in the context of the budgetary request (looking at both original and new requests combined), so to assure the committee is looking at the big picture versus a piecemeal approach when making decisions.

F) Formalize an audit process to review incremental resource requests, and compare actual deliverables as planned and use this information to adjust resources as needed.
Mr. Cofsky asked if there were any actions identified or information from the administration on the review on policy. The cost containment through Special Education was noted. As Mr. Cofsky reviewed the FTE recommendation, he saw that as a “true-up” to the PMA model and it was evidenced that the process was occurring. He asked for an administrative review of policies and procedures in the future.

Financial Metrics
The Finance Committee unanimously decided to continue to discuss the Financial Metrics at its April Committee meeting and to continue to use comparative data about enrollment, EAV per pupil and low-income percent. Since last month’s Finance Committee meeting, Mr. Altenburg compiled an additional set of Financial Metrics using the Forecast5/5 Sight database. This set of financial metrics includes three spreadsheets of data:

1. 2014 Per Student Spending by NWPA – this spreadsheet includes: a) All funds b) operating funds c) operating funds less transportation and d) Operating funds less low incidence Special Education students
2. 2014 Peer Group Data – this spreadsheet is composed of schools similar to OPRFHS regarding the number of students, low-income percentage, and EAV per student: a) all funds b) operating funds c) operating funds less transportation d) Operating funds less low incidence Special Education students
3. NWPA Schools filtered by low-income percentage, enrollment, and EAV per student.

Discussion ensued about whether to use Ed.Data or Forecast/5 data. Mr. Altenburg recommended using Forecast 5 as it is consistent with PMA. Note comparative transportation costs were just for Special Education. The Committee will continue to refine its questions before bringing this to the full Board of Education, i.e., what is the peer group? Are there alternatives? Should the cost piece for specific issues like Special Education or transportation be a sub segment?

Transfer to Capital Fund
Discussion ensued regarding the process that would be required to transfer funds from the Education Fund to the Capital Projects Fund. The process includes: notifying the paper 30 days in advance, holding a public hearing, approving the resolution to move the money from the Education Fund to the Capital Improvement Fund, and finally moving it to the Capital Projects Fund. The timeline for this approval to be in alignment with the 2016-17 budget would be June. Note: No assumption are included in the PMA model for this action, and one committee member felt it was premature to move the money at this time and suggested waiting until other factors unfolded.

Contract/Renewals
Presentation of PTAB Resolution
The Finance Committee moved to forward the PTAB resolution to the Board of Education for approval at its regular Board of Education meeting in March. Franczek Radelet P.C. will have the authority to file a Request to Intervene in Appeal Proceedings for the reassessment of property within the District. This resolution is approved annually.

Textbook Adoption Purchases
The Finance Committee members unanimously recommended that the proposed textbooks be moved forward to the Board of Education for approval at its regular March 24, 2016, meeting as a consent item. The purchase value is $155,060.46. The selection criteria included an academic/technical score and a cost score, and then a scoring matrix and summary of results. The textbook RFP Recommendation Summary was included in the report. These textbooks will provide accompanying ancillary support materials to give teachers comprehensive support in both print and digital format. Some cost scores were low in the matrix because the textbooks did not have the technology resources or supplementary materials. The cookbook was not offered by all of the providers and it was disqualified because it could not meet the desired needs of the curriculum.

Securatex Building Security Services Contract
The Finance Committee members unanimously recommended that the Securatex Building Security Services Contract be approved at its regular meeting under the consent agenda. This contract allows up to two extensions, and this is the third one. The district has been satisfied with the company’s services. The law allows the District to extend a contract on an annual basis until another firm solicits bidding on the service. To date, no solicitation has been received. The term of the contract is July 1, 2016, through June 30, 2017, and maintains the same $14.52 per hour expense. The estimated annual expense is $45,560. The scope of its work is on Saturday at 6:00 a.m. through Monday at 6:00 a.m. and to go through 60 checkpoints.

Life Safety Survey Contract
The Finance Committee recommended that the contract with Legat Architect be moved forward to the full Board of Education for approval at its regular March Board of Education meeting on the consent agenda. The ISBE requires all Illinois schools to have a licensed architect perform 10-year life safety surveys. Examples of this type of work include heating, air conditioning, plumbing, electrical, and structural and asbestos abatement. The last one was completed in November 2007 at a cost of $77,000. Any violations found will need to be completed within a specific period, depending on the severity of the violation. The cost will need to be added to the projected annual capital improvements budget but paid from the Life Safety Fund. The work should begin in the summer of 2018 and completed by the summer of 2022, and will be prioritized by the District’s construction supervisor and the District’s architect of record and will follow state bid law guidelines. The cost will be $32,000. The building has not changed, but the codes have changed. Legat is on site as the construction architects, they know the history of the building and have the drawings; West 40 must approve the work.

Presentation of Monthly Treasurer’s Report
The two remaining Finance Committee members unanimously recommended moving the monthly treasurer’s report forward to the BOE for approval at its regular March meeting. It was noted that when this report comes forward is dependent upon the timing of the reconciliation process.

The big change in capital and medical was for the transfer of money to complete the summer projects in July and August, leaving a cash ending balance to begin this year’s work. The chimney work is part of the $486,000. The medical is the employee portion of the insurance; the auditors’ requested that a journal entry is made to adjust cash, and it has to be done through accounts payable. It adjusts the liability. Previously it was $4 to $5 million and by the time the fiscal year ends it will be at the same level.
Adjournment
At 9:31 p.m., on March 15, 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