A Finance Committee meeting was held on Tuesday, January 14, 2013. Mr. Cofsky called the meeting to order at 5:00 p.m. in the Board Room. Committee members present were Thomas F. Cofsky (attended telephonically), Dr. Ralph H. Lee, and Jeff Weissglass. Also present were Dr. Steven T. Isoye, Superintendent; Tod Altenburg, Chief Financial Officer; Philip M. Prale, Assistant Superintendent for Curriculum & Instruction; Michael Carioscio, Chief Information Officer; and Gail Kalmerton, Executive Assistant/Clerk of the Board.

Visitors included Robert Zummallen, OPRFHS Director of Buildings and Grounds, Ronald Johnson, OPRFHS Purchasing Coordinator; Stacy Lenihan, OPRFHS Assistant Food Service Director; and Al Steffler of Henry Bros.

**Visitor Comments**
No visitor comments were received.

**Approval of Minutes**
Dr. Lee moved to approve the Finance Committee meeting minutes of December 10, 2013, as presented; seconded by Mr. Weissglass. A voice vote resulted in all ayes. Motion carried.

**Contract/Renewals**
Presentation of NIIPC Commodity Foods and Selected Commercial Foods Contract RFP
It was the recommendation of the full Finance Committee to move the recommendation for the NIIPC Commodity Foods and Selected Commercial Foods Contract forward to the full Board of Education for approval at its regular January meeting.

- Cereal Products to General Mills
- Asian Chicken Products to Schwan’s
- Rolls to Bake Crafters
- Mozzarella Sticks to Rich’s Products
- Boxed Juice Products to Country Pure
- Cheese Products to Land O Lakes
- Turkey Products to Jennie-O
- 108/3oz. Reduced Fat Cheese Stuffed Bread Sticks and the Mozzarella Stuffed Pizza Sticks to Cheese Schwan’s
- All other sizes of Cheese Stuffed Bread Sticks to Bosco
- Large Elbow Macaroni and Cheese, Queso Blanco Sauce, Broccoli and Cheese Soup and Reduced Fat Alfredo Sauce to JTM
- All Flavored 16.9oz Bottled Water to Nestles
- 6.5oz Bottled Water, 16.9oz Bottled Water, 20 oz. Bottled Water and 10oz Bottle Water to Absopure
- 4oz Yogurt to Dannon
- 8oz Yogurt and Bulk Yogurt to Upstate

Of note were the following:
1) Direct manufacturer items were bid.
2) Taste testing at 10 to 12 different districts proved an 85% student-acceptance rate of these products.

Presentation of RFP Results for Board Room Sound System
It was the recommendation of the full Finance Committee to move the administration’s recommendation to award Pentegra Systems the new Audio System for the Board Room forward to the full Board of Education for approval at its regular January meeting. Although there was some reluctance at having to buy a new system rather than replacing the old microphones, it was explained that the current system was failing at a rapid rate and could not be repaired nor expanded. The new system is digital, will expand up to 20 microphones each with different receivers, and will not have interference from different frequencies as does the current analog system. This new system will augment the old system and will phase it out as well as allow for future videotaping. The District had explored just purchasing additional microphones but that would not solve the issue of interference.

Presentation of Visual Image Photography, Inc. (VIP) Contract
It was the recommendation of the full Finance Committee to move the administration’s recommendation to award VIP a one-year contract extension for the 2014-15 school year to the Board of Education for approval at its regular January meeting.

VIP has provided excellent service and timely solutions to challenges common to school photography during the past three years. The original contract signed in 2010 allowed up to three renewal extensions. This is the third one-year renewal. Professional services are exempt from bid law, and thus the District had the option of continuing with VIP for another year. Contract law requires that this be brought to the Board of Education because of the profit potential. Other contracts with stipulated revenue-generating clauses include that of Coca-Cola.

Presentation of Henry Bros. Proposal for 2015
It was the recommendation of the full Finance Committee to move the administration’s recommendation to approve the Henry Bros. Contract for summer 2015 work forward to the Board of Education for approval at its regular January meeting.

Henry Bros. has been the construction management firm since 2010. Its proposed cost and services for 2015 include all construction managers’ fees, 2.5% of the estimated direct cost of the work. This is the same rate as the 2012 contract; all general condition fees are 7.9% of the estimated direct cost of work and the 2012 rate was 7.5%. The construction managers’ bond charge is .87%, the same as in the 2012 contract. The contractor’s work compensation insurance has increased from 1.0% to 1.2%. Henry Bros. was the low bidder for these projects three years ago and while it has increased the prevailing wage, it has not increased its percentage during that time.

Henry Bros has allowed the District to complete larger construction projects on time and within budget. HVAC and lighting improvements have created a healthier and safer environment for students and staff.

A suggestion was made to include the total cost at the beginning of the memorandum for all such reports.

Presentation of Legat Architect Proposal for 2015
It was the recommendation of the full Finance Committee to move the administration’s recommendation to approve the Legat Architect’s contract for summer 2015 work forward to the Board of Education for approval at its regular January meeting.
Legat Architects has been the District’s architect of record since 2010. It has proven to be an asset in providing accurate construction documents and drawings. Its accuracy and professionalism have enabled the District to complete summer construction projects on time and within budget. The fees and scope are comparable to previous years. The fee calculations, contracts, and supporting documents for the summer 2015 construction work were included in the packet.

Presentation of Pekron Consulting Proposal for 2015
It was the recommendation of the full Finance Committee to move the administration’s recommendation to approve the Pekron Consulting contract for 2015 work forward to the Board of Education for approval at its regular January meeting. Pekron has been the District’s environmental consultant since 2010. Since that time, it has shown professionalism and knowledge of its field. Pekron assists Legat Architects with construction documents for abatement as required by the Illinois Department of Health (IDPH). It has also provided valuable training to staff. The contract and supporting documents were included in the packet. The cost is consistent with previous years. Returned $20,000 as contract is states “not to exceed”.

Dr. Lee expressed his appreciation for the work involved in putting together the report on asbestos that he had previously requested.

Other
Authority to Commence Amended Budget 2013-14
It was the recommendation of the full Finance Committee to move the administration’s recommendation to approve the Resolution Authorizing the Preparation of an Amended Budget for FY 2013-14 forward to the Board of Education for approval at its regular January meeting. The amended budget will reflect new information, unplanned expenditures, and different decisions regarding some spending since it was prepared in the spring of 2013.

Authority to Commence FY 2014/15 Tentative Budget
It was the recommendation of the full Finance Committee to move the administration’s recommendation to approve the Resolution Authorizing the Preparation of a Tentative for FY 2014-15 forward to the Board of Education for approval at its regular January meeting.

Presentation of IMF Fee for 2014-15
It was the recommendation of the full Finance Committee to move the administration’s recommendation to approve the Instructional Material Fees (IMF) for the 2014/2015 school year, as presented forward to the Board of Education for approval at its regular January meeting. The recommendation is for the IMF fees to remain status quo at $320 for the 2014/15 school year. The cost of a five-year textbook rotational model and the amount needed on an annual basis remained cost neutral. Families may receive financial assistance if they qualify for the Free and Reduced Lunch Program.

2013 Construction Reconciliation
Included in the packet was a reconciliation of the budget versus actual in terms of the Summer 2013 construction projects. As of December 16, 2013, the District was $248,425 under budget. These funds will be reflected in the amended budget for the 2013-14 school year. Percentages should be added. This will be reflected in the budget.

Resolution to Transfer Funds from Operations & Maintenance Fund to Debt Service Fund
It was the recommendation of the full Finance Committee to move the administration’s recommendation to move the Resolution of the Board of Education Directing the School Treasurer to Transfer Funds from the Operations and Maintenance Fund to the Debt Service Fund forward to the Board of Education for approval at its regular January meeting. This transfer is simply a procedural movement of the funds so
that the accounting for the payoff of the debt certificates is accurate and in line with IPAM standards. The transfer of funds was intended to pay off the District’s outstanding debt certificates prior to maturity. Because there are no expenditure lines with which to record the actual payment of the principal and interest in the Operations and Maintenance Fund, a transfer is required to move the $5,025,000 for principal and $17,386 for interest to the Debt Service Fund.

Presentation of Monthly Financials
It was the recommendation of the full Finance Committee to move the administration’s recommendation to move the Monthly Financials forward to the Board of Education for approval at its regular January meeting. Notice was made that the TIF payment was lower than last year and a question was raised as to whether it was a timing issue. This will appear in the amended budget as favorable incremental revenue.

Presentation of Monthly Treasurer’s Report
It was the recommendation of the full Finance Committee to move the administration’s recommendation to move the Treasurer’s Report forward to the Board of Education for approval at its regular January meeting.

Presentation of Math Tutor Request
It was the recommendation of the full Finance Committee to move the administration’s recommendation to move the request for the hiring of a math tutor to work before school, during the school day, and after school forward to the Board of Education for approval at its regular January meeting under Personnel Recommendations. This would be a new position for the District. Financial specificity will be presented to the full Board of Education at its January meeting.

Additional Finance Matters for Committee Information/Deliberation
Role of Finance Committee
The role of the Finance Committee is a continuum of discussion. Once the document is posted, it will be discussed.

Financial Goals & Objectives Policy
The Committee was asked to review the document under V.C. Financial Policy Modifications: Budget, Long-term Projection Model, Spending Guidelines and Investing, and be ready to discuss it at the February meeting. The document was produced by FAC but it was not adopted by the FAC. While it may be helpful as guiding suggestions, the committee should not consider these recommendations of the FAC. A suggestion was made to discuss not only visible projections about revenues and expenditures, but also tax levies and what they should be in the future.

New Business
It was felt that the new business agenda item regarding special education would occur during the regular budget conversations and there was no reason for it to be a separate agenda item.

Adjournment
At 5:45 p.m., Dr. Lee moved to adjourn the Finance Committee; seconded by Mr. Weissglass. A voice vote resulted in all ayes. Motion carried.

By Gail Kalmerton
Clerk of the Board