

**Official Minutes of the
Oak Park Board of Education District 97,
970 Madison Street, Oak Park, Cook County, Illinois
Meeting November 7, 2016**

President Gates called the meeting to order at 6:01 p.m.

Present: Gates, O'Connor (6:30 p.m.), Spatz, Spurlock, Felton, Brisben, and Datta (6:32 p.m.)
Absent: None
Also Present: Superintendent Dr. Carol Kelley, Assistant Superintendent for Finance and Operations Dr. Alicia Evans, Assistant Superintendent of HR Laurie Campbell, Chief Academic and Accountability Officer Dr. Amy Warke, Senior Director of Policy, Procedures and Communication Chris Jasculca, Sr. Director of Administrative Services Dr. Felicia Starks Turner, Senior Director of Technology Michael Arensdorff and Board Secretary Sheryl Marinier

ROLL CALL

EXECUTIVE SESSION

Spatz moved, seconded by Felton, that the Board of Education move into Executive Session at 6:02 p.m. to discuss (Residency Hearing 5 ILCS120/2(c)(10), Collective Negotiations 5 ILCS 120/2(c)(2), Probable Litigation 5 ILCS 120/2(c)(11)). Roll call vote.

EXECUTIVE SESSION

Ayes: Spatz, Felton, Brisben, Datta, O'Connor, Spurlock, and Gates
Nays: None
Motion passed.

OPEN SESSION

O'Connor moved, seconded by Brisben, that the Board of Education move into Open Session at 6:38 p.m. All members of the Board were in agreement. The meeting reconvened at 6:42 p.m.

OPEN SESSION

PUBLIC COMMENT

David Yamashita, an Oak Park resident expressed concern about teacher absences on the day the Cubs parade was held in the City and asked how many teachers were absent on that Friday; how many substitutes were available and what the cost was to the district?

PUBLIC COMMENT

2.1.1 RESIDENCY HEARING – FAMILY 11072016

Spatz moved, seconded by Spurlock, that the Board of Education, School District 97, approve the findings of the Residency Hearing for family 11072016 and direct administration to request tuition payment from the family for the time student 11072016 was attending Oak Park schools and not a resident of the district. Roll call vote.

ACTION ITEMS

Ayes: Spatz, Spurlock, Felton, Gates, O'Connor, and Brisben
Nays: None
Abstained: Datta
Motion passed.

2.1.2 APPROVAL OF THE OAK PARK EDUCATIONAL SUPPORT PROFESSIONALS COLLECTIVE BARGAINING AGREEMENT

Felton moved, seconded by Spurlock, that the Board of Education of Oak Park District 97, approve the terms of a new three year collective bargaining agreement between the Board of Education and Oak Park Educational Support Professionals (OPESP) Collective Bargaining Agreement. Roll call vote.

The negotiations team was acknowledged for their efforts on this project.

Ayes: Felton, Spurlock, Spatz, O'Connor, Brisben, Gates, and Datta
Nays: None
Motion passed.

REPORTS

FORECAST5

Steve Miller and Howie Crouse from Forecast5 came to the table. Miller explained that Crouse will be the district's representative moving forward.

REPORTS

They noted that their projections are based on the Operating Fund Balances from June 30, 2016, reviewing the fiscal year 2017 budget in the General Ledger and considering some assumptions provided by the district.

FORECAST5 (Continued)

They shared that the Key Revenue Assumptions include;

- Existing EAV flat in LV16 (Levy year), LY17 is a reassessment year and begins pattern of 10 percent increase, 0 percent, 0 percent
- New construction projected at \$1,500,000 per year (each \$1,000,000 of new construction generates approximately \$40,000 additional operating tax revenue)
- TIF expiration included as new construction in LY18 (\$17,500,000) and LY19 (\$62,800,000)
- TIF distribution in FY18 and FY19 estimated at \$2,200,000; \$1,100,000 in FY20, then \$0
- CPI is .7 percent for LY16, projected at \$1,500,000 in LY17, and 2 percent in subsequent years (each .5 percent CPI change equal \$260,000 of operating tax revenues)
- GSA remains at \$6,119 Foundation Level and 100 percent proration (each 1percent proration equals \$100,000)
- One-time adjustments

Key Expenditure Assumptions included;

- Salaries subject to negotiations (new contract provisions included, each 1 percent of total salary equals \$560,000)
- Medical insurance increasing at 8.5 percent per year, dental 4 percent per year and 403b changes tied to salary projections
- Purchased services, supply and other objects expenditures increasing at CPI projected increases (1.5 percent then 2 percent)

It was reported that members Spatz and Brisben reviewed the data last week, along with FORC chairman Bruce Ulrich.

Board comments included noting that the GSA is expected to be fully funded this year. It was shared that the way the current state aid formula is, the state dollars are going down on an absolute basis, as we get new property tax, and we lose 42 cents of it. When the Downtown TIF expires, the district will lose about \$1,000,000. Interest was expressed in knowing if other districts are using any methods that might be of interest to District 97.

President Gates left the meeting at 7:14 p.m.

REFERENDUM DISCUSSION

Member Brisben share a PowerPoint presentation. He began by sharing the recent history of the district's financial status, noting that in 2011, the district sought its first operating fund referendum in 20 years. The district had successfully extended resources to the maximum extent possible before unacceptable program cuts would have been required. He reported that all employees, including bargaining partners, shared the sacrifice by freezing salaries. He noted that the timing of the referendum was less than ideal as it was following the recession, but the referendum passes with 54 percent of the 11,172 votes cast. He reported that the financial and enrollment projections were used to "size" the referendum to bridge the district to around 2018, when the 1999 capital referendum ("middle school") bonds will be fully paid. He noted that the 2011 referendum was a "stopgap" – the Board projected that a new referendum would be required in the 2017-2019 timeframe.

Brisben reported that the District's enrollment is above the projections with about 1,000 children more than in 2007. He noted that this is the first time in over 40 years that the enrollment is over 6,000; however, he noted that the revenue has not increased.

Brisben share a visual that showed how the expenditures would have looked if they were adjusted for inflation and enrollment (\$79,266,051), but the district actually spent \$77,509,308. He explained that the external drivers are out of the district's control. Therefore, it requires assumptions and forecasts to be made in order to size the referendum.

Brisben explained that the key factors that the Board must consider are;

- The duration of the referendum
- The programming that will be affected, (staffing ratios, classroom sizes, non-core instruction, co-curricula's, etc.)
- Tax levy increase "ask" of the community
- Coordination with possible Capex/facilities referendum

Dr. Alicia Evans reported that administration is compiling a list of changes that are currently being made, prioritizing them, and assigning costs to each. She is also considering staff reductions or reallocation of staff.

REFERENDUM DISCUSSION (Continued)

Board comments included the need to better understand trajectory of salaries. Interest was expressed in considering the cost if people were not grandfathered in and comparing the data to the peer districts. Member Spatz will take this request back to the work group for consideration.

Interest was expressed in understanding what administration’s desired budget level would be that would allow it to implement the programs and staffing needed to execute upon the District vision? Or, what combination of initiatives support attainment of the vision at the best cost/benefit ration?

Framing a hypothetical operating funds referendum size was discussed. Revenue/expenditure projections were shared and samples were given. It was noted that the two new properties in Oak Park have not been included in the shared table.

Referendum scenarios were considered. Brisben noted that Life Safety is an ongoing mandated requirement. Currently, the district has \$16,000,000 of mandated life safety work for the 2017-2018 school years, and will be using DSEB for this purpose.

He reported that the increased enrollment is causing some capacity problems. He noted that the district could consider temporary structures, building construction, etc. He shared that in order to evaluate and prioritize projects; FAC has analyzed and grouped projects according to need and relative urgency.

Other capital improvements where shared for consideration.

Referendum options were shared and pros and cons of each were considered.

Options shared;

- Run a Cap ex referendum along with the sizing referendum in 2017
- Defer considering funding strategies for the projects until after the operating funds referendum is decided upon by voters
 - Risk – even though we would have additional time to study the capacity, the numbers may not be any clearer than they are now
- Decide that no work needs to be done that cannot be funded by DSEB

Another work/study session was suggested prior to winter break to ensure that this work is completed prior to the January 17, 2017 deadline.

A spreadsheet was shared that identified community entities. The Board members were asked to review the list and add any organizations that might be missing.

Brisben noted that during the November 15, 2016 Board meeting, the Board will be asked to decide if they will pursue a Cap Ex referendum in April, 2017. They were asked to send any questions they might have to member Spatz and Dr. Evans. Interest was expressed in asking William Blair and Forecast5 to share how often referendums are run together in other district.

BOARD RESPONSE TO PUBLIC COMMENT

Dr. Kelley will ask an administrator to respond to Mr. Yamashita’s questions.

Dr. Kelley reported that the YMCA is hosting their annual gala on November 12, 2016. She is unable to attend and extended the invitation to the Board members.

ADJOURNMENT

There being no further business to conduct, President Gates declared the meeting adjourned at 9:05 p.m.

ADJOURNMENT

Board President

Board Secretary