

Spotlight on the Board

Notes from the District 15 School Board Meetings

February 11th, 2009

This was a Regular Board of Education meeting. Six Board members were physically present to establish a quorum so that Board member Nancy Lee Carlson could be present telephonically.

ED-RED Council/Legislation

Ref: ED-RED (Education/REsearch/Development) www.ed-red.org

IMRF – Illinois Municipal Retirement Fund www.imrf.org

TRS – Illinois Teacher Retirement System <http://trs.illinois.gov>

Board member Sue Quinn – (Board representative for ED-RED) - There is new leadership in the Illinois State Senate on both sides of the aisle so there is new hope to tackle the economy and school funding, which will probably be on the docket for this spring. As everyone with a 401K knows, the returns for the past year have been poor. That will impact District 15 in a number of ways. One is the IMRF (Illinois Municipal Retirement Fund). It is a retirement fund that District 15 pays into for employees that do not participate in the TRS (Illinois Teacher Retirement System). The IMRF had a negative 26% return (-26%) last year and that means District 15's contribution rates (into the fund) will go up substantially in 2010. Quinn thinks the district should be putting that in their budgeting forecast. The district's current contribution rates are about 9% and they will go up to approximately 17%. We need to keep an eye on that and give the IMRF some input so we do not get the "sticker shock" all in one year. That increased contribution will be an additional cost to the district.

Board President Gerald Chapman – The same is true in the TRS fund which is funded by a combination of teacher contributions and State contributions, compounded by the fact that the State has not been making their contributions.

Committee of the Whole Agenda – February 25th

Quinn – She would like to add class sizes to the agenda. It is something that has been brought up by parents and the Board discussed it in the fall. Since the agenda includes looking at the 2009/10 Staffing Report, the Five Year Financial Projections and we already have our budget for next year, she would like to get some numbers from the administration. Looking at the preliminary Student Assignment Plan for next year, our enrollment is declining and we are cutting a small number of staff. It is less than those that are retiring. It tracks with the decline in our enrollment, so our class size averages that the Board has given to the administration are the same (as this year).

This year we had some higher class size in the lower level grades (1st through 3rd). It changes every year. From the projections for next year, Whiteley and Sanborn will have some high class sizes in the lower grades. Quinn would like to see (from the administration) a dollar figure attached to "How much would it cost if we looked at just the lower grades and took the average down one or two students? How much would it cost and how does it change what it looks like on the Student Assignment Plan?"

We should have all of the rest of our budget numbers at that point to decide if it is something we can afford to do, not only now but in the future because it is not a one time thing, it occurs every year. She would like some projections and have the Board talk about it to see if it is something to pursue.

Chapman – Thinks it is a little bit dangerous to presume given relative to the freeze in our income. He thinks it is something the Board can look at but doesn't want to give the impression that it is something we can do. It is highly unlikely that the district would be able to afford to do that. HE doesn't object to looking at any of this but keep in mind that we don't have the money at least in the short term.

Quinn – Agrees that the answer is that we probably don't have the money, but she would at least like to have the numbers so we can say this is how much it costs.

Board Vice President Kelly Keenan – She knows that our projected enrollment is declining but she thinks the district will see an increase of students from the private schools. Also if the Board is going to look at lower class sizes in K through 2nd, she would like to look at all of the grade levels. The junior highs have very large class sizes.

Quinn – Has no objection to that. Also wants to say that she would like to keep intact the district's site-based decision-making as it is. Each school has the flexibility of putting staff where it needs to go.

Superintendent Daniel Lukich – Said that it is manageable that this information could be available for the February 25th Committee of the Whole meeting.

Board member Tim Millar – Regarding the agenda item of "Review 5 year Financial Projections", he would like different scenarios so the Board knows of different options going forward. He would also like to add the projected capital expenditures because in the list from the last COW meeting, there was no capital projected in the model after next year (2009/10). We know we have some roofs (to do). He would like it put in from the Life Safety which ones are the critical items.

New Business/Other – Board members' requests for information

Keenan – Wanted to bring up a topic that goes back to the whole timetable and making sure the Board is getting information when they are supposed to be getting information. The Board was supposed to get the five-year budget projections in January. One of the Board members has been asking to get them and Keenan would like to know why the Board doesn't have those projections.

Asst. Superintendent for Business Rebecca Allard – In November when the original Budget Calendar was presented, it was accepted by the BOE pending a review of the financial projections. It was determined during that process discussion that Board Committees would not be reinstated but we would have Committees of the Whole. At the first COW meeting, the Board would review assumptions that would be built into the financial projections and revise the calendar again. That came to the COW meeting January 28th and the Board reviewed the assumptions and a modified calendar. In that modified calendar, it said the financial projections would be brought back to the COW February 25th.

Keenan – The five year budget should be there always, it is a living breathing document, you make a change and it will completely update. If a Board member requests it, a Board member should get it. It shouldn't be "we will get it to you next month, or if and when assumptions change, we will then give it to you." The Board is responsible for overseeing the finances (of the district) and understanding what is going on. If we request a document, then we should be given the document. If he asks for it, he should get it.

Second, the Board approved the document; it wasn't approved pending this or that. We approved the budget process at the November 2008 meeting. We said we wanted the five year projections for the January meeting. In the COW meeting, there are no votes. In November, we voted that we wanted the five year projections in January. She understands that you want to change it in the COW meeting but there was no vote. The vote from November still stands. Legally we are entitled to have the document. If you want to make adjustments to it at different times, that is great but it is a living breathing document, all you have to do is pull it up and hit print.

She is sorry to be so stern or seem to attack anyone personally, but she feels strongly that we have to do this job (Board member) and it is imperative that we have the information we need to do this job and information should not be withheld.

Board member Wendy Rowden – Thinks that this goes to a bigger issue. If a Board member needs information, there should be nothing stopping a Board member from getting it immediately. They shouldn't have to wait for any period of time for anything that has to do with the finances or anything needed to make a decision. We shouldn't have to wait for a Friday Packet, we shouldn't have to wait period unless it is something covered under "rules and regulations" that protect the privacy of somebody. She is not aware of this issue (that Keenan is referring to) so she is not weighing in on that but she is saying that she has been in that place where Board members have sought information and have been given the runaround. It is very important that that not happen. She is disappointed that it is happening.

Chapman – He agrees that if there is information, it should be made available to Board members upon their request. The only caveat he has is that if it is a report that requires some work to generate, that is different. **Rowden** – Agrees with Chapman’s caveat. What she is saying by a request for information that should be accessible, it is not the same as a Board member issuing a directive on behalf of themselves. But clearly a financial report is something that is current and should be ongoing. She agrees with Keenan particularly the five year projections even though they are constantly changing. **Keenan** – It is a living document, if the projections change – the document updates itself. There should be no reason why we should have that document ahead of time.

Consent Calendar - Treasurer’s Report

Ref: PMA Financial Network <http://pmanetwork.com>

IASB – Illinois Association of School Boards www.iasb.com

Illinois Association of School Business Officials www.iasbo.org

Illinois Association of School Administrators www.iasaedu.org

Millar – Would like to see if he could direct staff to bid out the top item (on the report) for PMA. He said that with the current environment, he looked at their Web site to see what their rates are and they are about 80 basis points below what some of the local banks are offering. There are different types of funds, would like that looked at. The way that organization works is that they do take 25 to 30 basis points which is .35 off the rate and we end up with about 28. Last month, it was about \$19M so it is substantial amounts of money. The district has used this group for many years; it looks like this is a liquid account. He would like to open that up to other banks to bid.

Chapman – Asked if there was any objection to that? **Lukich** – He did not. It is his understanding that we do open it up to banks. So we are doing what we have always done and asked if he was right.

Allard - There is a liquid fund within PMA that we can certainly look at. It is needed for payroll.

Keenan – She asked who comprised PMA. **Allard** – PMA is an organization that markets and offers banking services to school districts. It represents the ISAB (school board association), school administrators and school business officials association. **Keenan** – She has a problem with that. It probably is only appearance but for the business officials and administrators to put money into funds that they benefit from in the long run, she has a problem with that.

Chapman – No, let me clarify. This is not privately held, this is a firm privately owned. There are no business officials. This is just like a private bank.

Millar – PMA and some of these organizations do give marketing fees back to the organizations.

Keenan – If there are any kickbacks in any way shape or form in terms of marketing to the business officials to school administrators, they she does not think we should have any part of it. It gives a very bad appearance of how we are managing our funds.

Allard – The only way PMA receives funds is if PMA can give us the greatest return on investment.

Keenan – She isn’t sure that that matters. If somebody gives you their funds and you are giving them a kickback – even if they are the lowest. They are called marketing fees, it gives a very bad appearance. The people making the decisions – their business organizations are getting fees. She doesn’t think that is how we should be placing our funds even if they are the lowest.

Allard – PMA recently, about 3 or 4 years ago, took over the marketing of the liquid asset fund. Allard said that prior to that a company called Cogray of NY did the marketing. It just so happens that currently the company PMA is representing us in placing CDs and offering banking services. They are very competitive.

Keenan – That doesn’t matter. They are taking fees. Business officials and administrators are making the decision as to where to put the money and then those companies are taking fees and feeding it back into the business officials, administrators and superintendents’ associations. Even if they are the lowest one, it doesn’t look good. They are not even the highest right now. It is just not right.

Allard – On the day that the \$5M CD was placed, the term of that investment they (PMA) were the highest. **Keenan** – Go for a shorter term or longer term. That was a 10 day differential.

Allard – It covered payroll. **Keenan** – She doesn't think that is justification. It is almost like you are making the terms to fit their highest rate.

Chapman – Wants to interject. If it is the sense of the Board that we want to change the direction we are giving on how this is done, then we need to put that on our agenda next time. He doesn't personally have any trouble with PMA; we are obligated to get the best return on our CDs.

Rowden – Thinks it should be on the agenda. The Board should vote to have a procedure in place or expectation in place based on whatever the majority of the Board decides on going forth in doing these kinds of things. **Chapman** – Then we can get some background information.

Quinn – If you look on the IASB Web site, they have a listing of all of their sponsored organizations that provide services.

Consent Calendar - Fund Raising Projects

Quinn – Said that her question goes back to the policy that was just approved by the Board last month. She has the same objection that she had when the Policy came to the Board. Quinn had said that she thought the Board would receive a lot of fundraising projects that the Board didn't need to approve. For example, the projects the Board has to vote on tonight include: 25 cent candy grams, No Excuses University t-shirts, the 6th grade celebration – these are all wonderful projects. Another is fundraising for the American Heart Association; the money doesn't even come to the district. She said that the Board doesn't need to approve all of these. She would like the Policy rewritten so it can be more narrowly constrained to projects which the original issue brought to us. It was a large fundraising project for substantial amounts of facility technology that was going to be a substantial gift to the district. That type of project needs to come to the Board for approval.

Chapman – Can we ask that that Policy be put on our agenda and ask for administrative review. He agrees that there needs to be some latitude. **Rowden** – She would add that once a Policy is developed and it works – everyone has to be equally informed because the examples given to the Board tonight are going on everywhere yet the Board is only getting a few requests. Probably not intentionally, but people probably don't know that they need to submit them.

Freedom of Information Act Requests (FOIA)

Ten FOIAs were received during the month of January. Specific information sought is available on the district's Web site and can be downloaded. They include:

January 9th – A request from Jennifer Kurrie of Palatine seeking information on the rules and policies related to observing a student in his classroom environment as it pertains to parents, therapists, paraprofessionals and concerned citizens. Information was sent to Kurrie on January 20th.

January 13th – A request from Mary Vanek of Palatine for several items:

- 1) Bills, invoices and other information regarding check #709701 paid by D15 in or about the month of December 2006.
- 2) Emails and other correspondence from the law firm of Hughes Socol Piers Resnick & Dym Ltd. regarding three different various invoices and a copy of those invoices.
- 3) All emails and correspondence to and from any D15 School Board member/employee to/from attorney Jose Behar or Mary Rowland of the law firm mentioned in #2 above between August 1, 2006 through January 30th, 2007.
- 4) All emails, etc. in connection with any request by any D15 School Board member/employee requesting the services performed by the law firm mentioned in #2 above under invoices 94542, 94671 and 94672.
- 5) All emails, etc. regarding any investigation by any D15 School Board member/employee into the actions of the organization known as "District 15 Concerned Parents" during the time period of August 1, 2006 and January 30th, 2007.

- 6) All emails, correspondence, etc. regarding any investigation by any D15 School Board member/employee into the actions of any member of the organization "District 15 Concerned Parents" between August 1st, 2006 and January 30th, 2007.
 - 7) Same as #6
 - 8) All emails, etc. regarding any investigation by any D15 School Board member/employee into the legality of any group of citizens expressing their opinions in public regarding the threaten teachers' strike during the time period between August 1st, 2006 and January 30th, 2007.
 - 9) All emails etc. including school board meeting minutes regarding the approval by the D15 School Board into the investigation into D15 Concerned Parents or any member thereof.
- A response was sent to Vanek on February 3rd. www.fcwpta.org/pdf/Vanek_FOIA_d15response.pdf

January 21st – A request from Mary Vanek of Palatine for the nominating papers of Board Candidates who filed as of that date. A response was sent to Vanek on January 27th.

January 21st – A request from Mary Vanek of Palatine for the rules, procedures and guidelines regarding the Ethics and Gift Ban section of the Policy manual and any information regarding the dissemination of that Policy section as well as the name of the district's Ethics advisor. A response was sent January 29th.

January 22nd – A request from Nancy Groch of Palatine requesting transcripts of all Board member emails, using the district's network from June 8th, 2008 through June 20th, 2008. A notification for an extension of time was sent to Groch on February 2nd, indicating that the information will be made available or denied by February 11th, 2009.

January 27th – A request from Marc Singer of Buffalo Grove was received for the names and addresses of the BOE Candidates. A response was mailed January 27th.

January 27th – A request from Mary Vanek of Palatine for the nominating petitions of BOE candidates with the exception of ones already received and a request for Candidate Nancy Lee Carlson's Statement of Economic Interest Receipt. The information was picked up on January 28th.

January 27th – A request from Kim Pohl of the Daily Herald names, addresses and phone numbers of the BOE candidates. The information was sent January 27th.

February 3rd – A request from Douglas Conte of Corsair Systems, Cary for the names and addresses of the BOE candidates. The information was sent February 3rd.

February 3rd – A request by Susan Spengler of Palatine for the names, addresses and phone numbers of the BOE candidates. Information was provided February 3rd.

Adjournment

The Board went into Executive Session at approximately 8:20 p.m. and returned to open session to vote on the Personnel Report at 8:55 p.m. It was approved 5:1 (Rowden voting No and Keenan abstaining).

Summary of Board Actions

For this meeting and most past Board of Education meetings can be found at:

<http://www.ccsd15.net/AboutDistrict15/BoardOfEducation/HTML/BOEMeetingDates.html>

Official minutes, including vote counts, are posted after they have been approved at a Regular Board of Education meeting.

Board Meeting DVDs Available to the Public

A DVD of the Regular and some Special meetings will be available for checkout typically the Monday following the meetings. To request a copy of the meeting DVD, please contact June Becker, Board of Education Secretary at beckerj@ccsd15.net or 847-963-3208.