Spotlight on the Board

Notes from the District 15 School Board Meetings
March 10th, 2010

This was a Regular Board of Education meeting. All Board members were present.

Presentation – District Bonding Capacity

Presentation from Wm. Blair and Company – Liz Hennessy, School District Division
www.spotlightontheboard.org/foia/d15_27Mbondissue_presentation031010.pdf

Questions from the BOE after presentation

Board member Tim Millar – Why wouldn't we just put it into the Life Safety, any capital projects instead of transferring it from the working cash into the Ed fund, etc.?
Hennessy – The only fund that you can put into Life Safety are funds that either come from the Life Safety levy or the bond issues that you have.

Millar – Because right now, I don't believe we have $16M of capital projects slated – thinks we only have about $7M maybe that would actually be expended that we have slated. It has to be really spent by 3 years – doesn't it? **Hennessy** – When you issue bonds, they are either tax deductible for capital opportunities. We have given you the maximum over 20 years. If you say, "are capital projects are only $21M over the next few years, or $18M whatever that number is, we would reduce the size of the issue to accommodate . . . (speaker drifts off on DVD).

Millar – You mentioned about putting them into Working Cash as opposed to using TAW (Tax Anticipation Warrants). But the problem with the current interest rate in the banks right now, we are getting a little over ½ percent. The negative on this is huge. The taxpayers are really taking it on the short side – a ½ percent in the bank and paying 5%.
Hennessy – That is in the option for the $10M. It is important to remember that the payment that the taxpayers are making is an extension of the payments they are making right now. It is the same payments they are making right now for a longer period of time to get that money. It is not like the interest earnings you are earning are going to be able to offset the interest cost. The interest earnings that you make in the Working Cash fund will stay in the Operating Funds. You (Millar) are right, the interest rates are very low right now – only 0.75% in a money market. However rates are expected to go up in the next several years and IF the District holds on to that Working Cash fund as an enhancement to its fund balance, it will have the opportunity to take advantage of those future interest earnings and keep them within the Operating Fund. TAWs – the interest rates are low for those but it has to be done every single year if you are low on your fund balance. That is an annual borrowing; a cost to issue each time you borrow and the costs come out of your Operating Funds.

Millar - He doesn't believe that the money will be repaid into the Working Cash fund. Judging from past history, he doesn't see those types of tough decisions being made. In our forecast, we run out of money relatively quick. History has taught him that it probably won't happen; it will be used for expenditures and financing electric bills or salaries over 20 years – which is not a good investment strategy. The other challenge he has is – we talk about "it is not a tax increase". Well, it is a tax increase, a future tax increase because we now don't owe that debt. With this, you are looking at doubling our debt from about $64M up to $124M – towards the payout debt. That is huge. In his business, he wouldn't take out a loan for 5% to get a ½ percent in the bank. He would still go for the TAW (Tax Anticipation Warrant) and use that for my cash flow and FIX the fundamental business problem that we have, that we haven't addressed. We are still paying out way more than we are getting in – even by historical CPI averages. We are not solving the fundamental problem.
He doesn't see that this money will be here for that long.

Hennessy – Public accounting is a little different than a business where you offset your interest payments with your interest earnings. You have tax capped property funds and . . . (drifts off).
Millar – It is still the same pool of money. It is the taxpayer who is footing the bill. They are paying 5.5% instead of going to a TAW during those periods of times. It will cost a little more out of the operating, understands that, but we are the owners of this company. If this was a business, a stockholder would be pretty upset at that type of financing.

Board member Sue Quinn - Agrees with Millar. In all of the 2 ½ proposals that the BOE was given include "refunding" of our 2001 Capital Appreciation Bonds (CAB) – that is because we essentially do NOT have enough bond funding capacity to issue the full $26M approximately bonds. Refunding means you are basically refinancing your house to extend it another 10 years so you can have lower interest payments – so now we can afford a bigger house. That is essentially what it is. Quinn's question is: If you did not do the refunding piece of that, how much (instead of $26M) would we be able to borrow?
Hennessy – I will have to get back to you on that and run that for you.
Quinn – Just a guess. **Hennessy** – It will be substantially less. **Quinn** – Right, I am guessing less than half probably. **Hennessey** – She thinks that is a good guess, but like she said, I'll get back to you.

Board President Gerald Chapman – (to Hennessy) Can you explain the rationale as to why we would take your recommendation on the refunding? **Hennessy** – Well, in order . .
Chapman – (interrupts) because there is some savings there right?
Hennessy – Well, let's put it this way. The 2001 bonds – Capital Appreciation Bonds – and their rates are high, 5.6%. We are going to be refunding them at a lower rate in the 4% range. But we are still stretching them out because we need room to pay the interest on the newer bond. So it is NOT a savings per se because we are stretching that debt out. The question really is – the need – the challenges you are facing right now. We can go out less than 20 years and reduce the size of that refunding, or get rid of it all together – maybe get $5M or $7M, something like that. So she will run that number for you to consider but you need to look at your overall picture – where are your needs? What are your facility needs? What are your cash flow needs? Cash flow needs are really front and center right now. The State has their problems and the delay of Cook County tax payments.

Chapman – If we pass the resolution before us tonight – that can be adjusted prior to moving forward?
Hennessy – Absolutely.
Chapman – Your suggestion is the one that would maximize . . . that could be adjusted? Okay.

Chapman – Any other comments? **Millar** – Again, just regarding our bidding policy. We are not having any other firms come in with proposals or options or anything else. He has a concern about that because again we have a one horse race to the end here. He would like to see it opened up for other options, other suggestions and more information. He is concerned that once we start the process, the process won't be slowed down or stopped. He went through this a few years ago with the bonds we are talking about refunding. He would like to get it right before we take those steps – especially for the public. They have 30 days to do something if they don't like it and we may not even be telling them what we are doing in the end. That is very disconcerting for him – the process.

Chapman – Any other comments? **Board member Peggy Babcock** – Asked Merilee McCracken (Interim Business Manager) and Hennessy: "you have heard some of the cons to this whole thing. What is your strong suggestion? Are you still very comfortable with what you are recommending?"
Merilee McCracken Interim Business Manager – "I am – the seat that I sit in, I feel like you hired me to try to lead you down a financial path that is a solid one. School districts don't really have many places to go when they need more money." "I do believe, we have looked at the financial projections. If we do nothing and of course, we won't do nothing. But if we were to do nothing, next year we start deficit spending. And it goes downhill very rapidly." "So, in her opinion, I think to set this district and we have a really good opportunity right now because at the end of this fiscal year, we will be in very strong financial shape for a VERY short period of time. We will have a nice cash balance, a nice fund balance. It is a good stepping off point for future financial security." "I truly believe that a $10M Working Cash Fund and the rest of the money put in capital improvements to continue to fund those

improvements that need to be done to our schools." "While you haven't seen long term what continues to need to be done, I am sure over time there are many things we can be doing to improve our buildings and we could use that $15M or $16M dollars." "So, I am very comfortable with the recommendation that I have made. I feel that it is her duty to bring it forward. As a Board you need to get comfortable with how you want to move forward." "The other point I want to make and Liz (Hennessy) you can respond too. Adopting or passing the resolution tonight doesn't obligate the Board to really do anything, it merely gives us the opportunity to explore our options."
Millar – But the Public does not have an option to stop it after the 30 day period from tonight if we adopt the resolution. **McCracken** – That is correct. They (only) have their 30 day window.

Chapman – Any other comments? **Superintendent Daniel Lukich -** One question: How important is timing in regards to the Build America Bonds? How important is for a BOE to consider that as a part of securing a financial future? **Hennessy** – Thinks it is a really unique opportunity. We have never seen issuers be able to take advantage of 20 year debt at around 3 to 4%. We have never seen long-term debt with that type of return. **Millar** – On the Build America Bonds, he is adverse to those. He is disappointed that we didn't make good business decisions to this point to need those – but for capital improvements, he is not opposed to that type of funding. It is a good rate as long as we do the projects on a timely basis – he is not opposed to that.
Chapman – Okay, Liz thank you very much.

NOTE: There were no questions/comments from members **Jim Ekeberg, Mark Bloom or Rich Bokor** after the presentation.

Expenditure Reduction for 2010-2011 and Ensuing Years

Lukich – This topic is not recent, it has been discussed since last spring (2009) beginning with the former business manager and again this fall. We have been discussing this in earnest as we looked at numbers and projections and so on. The presentation tonight has been reviewed by the Cabinet, the district leadership team. We have also done a one hour meeting with the presidents of the five unions (in the district) – just to give them a heads up in terms of what we would be talking with the Board about tonight but in no great detail. This has not been an easy discussion for any of us – him, building principals and so on - because it begins to cut at the heart of providing an outstanding educational program. What we have attempted to do is do everything BUT get at the educational program.
The whole problem is very simply this: the revenue line we can't control. But what we ATTEMPT to control in this district is the expenditure line. What you are going to hear from us is what some of our best thinking is in terms of *attempting* to control the expenditure line. This district has a very fine financial reputation. We chose a target of 30% cash balance for years out. That could be raised by the Board or lowered if you want less cash balance and want to do less in terms of *cuts*.

Asst. Superintendent Jim Garwood – As the district leadership team, we began to look at what some of the efficiencies we could put into place to slow down our expenditures. We wanted to develop a philosophy of what would help guide us in this discussion to brainstorm – what were some things we felt that we could live without or reduce.

Couple of the points that were really key are:
Maintain the integrity of the instructional program by keeping "cuts" away from students
Keep the district's and Board's goals in mind.
Recognizing that the most effective "cuts" are not one-time "cuts" – they are "cuts" of things that are cut the following year and NOT come back. You can save more money that way.

Finally, as a leadership team, we want to look at developing a "cost containment culture" mentality. Always looking out for opportunities as they arise where we can save a little money here (or there) where it wouldn't hurt the instructional program. This is a way we can save a little bit more money for the future. It is not just a one-time here's our brainstorm of ways we can reduce, it is trying to develop a culture of "let's really watch our purses and make sure we are not overspending if we don't have to."

Garwood (continued) - We went through quite a process between Cabinet and leadership, many meetings and long hours. What we came up with are 3 different scenarios of fund balance targets – a 30% scenario, 25% and 20% scenarios. McCracken will present those in a few minutes to the BOE. We had extensive discussions between Cabinet members and the leadership team creating a menu of possible efficiencies, we have done some prioritization there. Once we get some direction from the BOE as to what level of fund balance that you would like to see us keep over the next five years, we have a menu of options that we can go back and make some final decisions upon on which of those efficiencies we would start putting into place for next year.

McCracken – (spoke to slides on the screen) *First slide* – 5 year forecast as the Board has seen it before assuming we are doing nothing. She is putting it up there as a baseline. The only things that are different here, from the forecast shown last month, is that there is a reduction in Ed Fund expenditures. Millar and she had gone back and forth about his concern about the expenditure side being inflated. In fact, as she looked at that, it WAS inflated. There is a contingency amount in the Ed Fund that she should not have projected out. It did appear to her that there was some supply money, based on history, which should also not have been projected out. So, she did in fact reduce the expenditure in this (on the screen) five year forecast by $1M dollars each year going out. This is a baseline. It shows that we are going to end up this year with Recognition Status (by the State) with a 36% fund balance, which is an admirable and good solid number.

If we do nothing differently, we will maintain that Recognition Status but we will start the spending down of the fund balance (reserves) and really, it is significant – it is about $7M dollars.

2nd slide - This slide shows that if we are determined to keep a 30% fund balance (reserves). What does that look like in terms of expenditure reductions (cuts)? Next year (2010/2011), we would need to reduce our expenditures by $1.4M, maybe even a little less. The following year (2011/2012) it would be $3M in reductions (cuts) and you can see as it goes out (over the ensuing years). The good news is if we were to do this in all of those years – theoretically we could maintain that Recognition Status with the State which is a very positive thing.

Chapman – Following your logic, if that 2010/2011 budget reductions is implemented to $1.5M – as Garwood pointed out, those are carried through each year – recurring. Correct?
McCracken – The assumption is that those reductions continue every year thereafter.

McCracken – *3rd slide* - We also looked at a fund balance of 25%. The Cabinet recommends around 30%. As you look at the 25% targeted fund balance, again we would stay in Recognition Status, we actually wouldn't have to make any reduction in the 2010/2011 fiscal year. But then it does get a little steeper as you go out (over the ensuing years). Definitely there would be cost reductions/efficiencies that would have to be made. *4th slide* – Shows a 20% fund balance level whereby, we wouldn't have to make any changes in the next couple of years. But then it would get a little harder as we go out (over the years). But with 20%, we do drop down with the State Board of Ed profile into a Review Category. We are not really recommending this but are giving you the different options.

Lukich – Is it true that in each of these scenarios, we are not talking about any transfer for capital improvements? **McCracken** – That is true. This assumes that if we are going to continue to do improvements to our buildings, there will be some sort of bond sale as a revenue source by which we could do that. **Chapman** – So in the absence of that, it becomes much more . .
Lukich – Current spending each year by the Board is about $2.5M dollars (on capital improvements).
Chapman – so the direction from the Board you need is, what target fund balance?

Quinn – Asked McCracken to go back to the 30% fund balance slide. Asked the Board for a moment, let's step back and look back at what was just presented to us. Prior to this (presentations), we were told we needed to issue bonds so that we could raise an additional $10M dollars in Working Cash to make sure that our fund balances don't dip so low so that we don't have to get Tax Anticipation Warrants (TAWs). And yet here (referring the slide), we are going from this year to next year – we are spending from 35.7% as a fund balance (reserves) down to 32%. We are spending about $5M dollars in the next year in our fund balance – as we are basically deficit spending. And that is with the $1.5M dollars of cuts we are making. So we are essentially going ahead and spending the money that we are asking the bonds to be issued for. She thinks that the right approach for us (Board) is to at least have 30% as a good balance to have, thinks that in general is fine. But if we are having an episode of terrible Cook County financial management, which we all believe is probably going to happen – then trying to maintain our 35% fund balance at least for this year is not a bad idea. We should strive to get in that direction.

She would suggest to the BOE that we would want to at least do the 30%. We would want to do the budget reductions that we can without impinging on students, as we all do not want to do that. IF we are prudent about it, as we show in this graph, we can maintain reasonable fund balances without having to do the bond issuance.

(to McCracken) Sees that McCracken has reduced this from the original $1.4M. The original total recommended reductions was $2.7M dollars.

Chapman – Wants to go back, is a little confused about this. **McCracken** – She has not assumed a Working Cash fund at all in her projections. **Chapman** – So that could ENHANCE our position. But I am not advocating at all that that money to be used to be spend down (the fund balance).

Quinn – Money is fundable. It is going into that $50M pot and become $60M and we are going to spend it out the other end. It doesn't matter if you say it is the Working Cash fund or not. You're right, the very bottom $10M dollars we won't spend, she hopes. And if we do, we will end up in Tax Anticipation Warrants. Whether we spend off the top or off the bottom, it doesn't matter.

Basically, our staff has already identified $2.7M dollars of cuts that they can make and she would even say back off of that, and don't do your Priority 2 (cuts). That brings you down to $2.5M dollars. Since this BOE has supported staff development very consistently, we would suggest not cutting that.

Chapman – What I understand that the administration is asking is "Give us a target" then we will come back and tell you what impact that will have. Then we would do the kind of thing you are talking about – what the specifics would be.

Quinn – I agree that we would get the specifics later but at the same time that we give direction about the 30% - she would set a goal of 35% and still strive for the $2.7M of cuts that you have already identified. Still strive to do as much as you can.

Millar – (to McCracken) Still confused on the budget reduction number. At 30%, you had $1.4M, next year you have $3.2M. Is the $1.4M (2010/11) in the $3.2M (2011/12) or is it additional? If 50 staff is $1.4M, are we going to have to reduce another 50+ to get to the $3.2M the following year?
He is not sure how she is adding.

McCracken – The $1.4M continues in every year AND in every year, we need to cut another $3.2M to $4.4M. **Millar** – That's what I was afraid of. **McCracken** – That's what that chart says (30%).

Millar – that is where I agree with Quinn, we need to even this out as much as possible because those are going to be horrible cuts. **McCracken** – You are absolutely right. Let's keep this in mind. These are projections. They are our best guess at this point in time. She is focusing on the 2010/11 and 2011/12 school years because those numbers are the best numbers out there. Hopefully, by the time we get to some of those "out" years, the revenue picture might change a little bit; the interest earnings might be a little more. Yes, if our revenue projections are correct and I hope they are not – because they are conservative. Yes, we will have to cut another $4.3M. But they are just projections. Once we get another year or two into this, it will be much clearer what the other years hold.

Millar – Those are really stiff reductions. **McCracken** – They are – yes, it is not pretty. It's not!
Millar – I guess our other option would be to ask to open contracts (with the unions). That is never a pleasant conversation that would be another way to meet these needs.

Chapman – The meeting is – how are we going to do it. The question is "what is a reasonable target?" The issue is the fund balance that is the direction that we need to give. When we revisit this issue next month, we will have a direction. He thinks 30% is a reasonable target.
Quinn – Agrees but would like to caveat it with because in our chart we go 35.7% then 32%, 30%. Over the course of two years, we go past the target. She would like to see that slower. She would like us to cut as much as we can without massive pain each year just to slow the bleed down to 30%.

Chapman – That is what we are going to visit at the next meeting. Here are the potential cuts and here is the impact that they will have. We will have to visit those. **Lukich** – Thinks that the strategy will be once the BOE establishes a target; we will come back with reductions for BOE approval or some modification.

Lukich – The thing that bothers him the most about all of this leaves CCSD15 facilities as they are. Little or any improvements to the major capital projects. We have taken that out. Last year, we did roofs and driveways, mechanical and electrical – we would be able to do a little but this will not allow for major projects. **McCracken** – Right.

Chapman – Would there be some projects taken out of this list that could be funded from the bond sale? That would put us in a better financial condition here? I don't know how this breaks down.
McCracken – In my mind, in this year 2009/10 – we are still scheduled to do a transfer of fund balance from the O&M fund to capital improvements to fund some of those projects that we have actually done and are working on right now.

If we were to sell bonds before June 30th, we would not have to use fund balance in that transfer, we could use the bond money. To me, it saves money in the fund balance to keep that fund balance up higher. That is one of the reasons I like the schedule of the bond sale that is out there.

Chapman – You would have the funds by next year to fund the projects that we are planning to do?
McCracken – yes
Quinn – She would agree in spite of her objections to the Working Cash fund. Agrees with McCracken completely. The proper way to fund all of these capital projects that we have to do is through bond sales NOT through having to spend down our reserves unless we have to. But if we have the option.

Chapman (interrupts) but if we don't, and then we have other decisions to make. If we are not going to take care of the buildings, where is that money going to come out of? 80% of it is teacher salaries.
Quinn – We just end up paying for it later.

Chapman- Exactly but we will visit that at the next meeting. (to McCracken) So you have a direction as to where we would like to be and you will come back with some recommendations relative to that.

Asst. Superintendent Mary Zarr – Another thought and point that we would like to leave with the Board and Community with is that the list (of cuts) that the BOE has with the Cabinet's #1 and #2 rating – we chose NOT to put on the screen tonight because there are many of those cuts that will NOT take place. But many of those really don't fall under the word "cut". Although we cannot say that items listed as #1 won't invoke some sort of pain, many on the list that were ranked #1 – really have to do with the "cost containment" mentality (mentioned by Garwood earlier). (Zarr started to explain to Quinn about perceived cuts to staff development.)
Chapman (interrupts) – Let me respond to that. That's fine, but that is not our purpose tonight. When you come back with the cuts (next meeting), if we could be told it is being offset by something else and/or this is a one time occurrence, thing like that. But that would be good for us to get in some

kind of form before the BOE meeting so we are not sitting here looking at the rationale so at least we have an understanding of that. **Chapman** – Thanks, that was great.

NOTE: There were no questions/comments from BOE members **Peggy Babcock, Rich Bokor, Jim Ekeberg or Mark Bloom.**

Citizens Address the Board

Jane Van Wolvelear – Palatine resident
With regard to the bond issue, you are asking for $27 million dollars in bonds. That $27M compounded over 20 years – reality of it is – you are asking the taxpayers of Palatine for $54 million dollars over the next 20 years for cash flow purposes. Most often when a school district or municipality issues bonds, it is to finance a new building, or permanently improve the structures that they have. It is NOT to pay day-to-day operating expenses. We, as a district, are in this dilemma because this Board chose to approve two union contracts this past year that we don't have the money to support. When these agreements were signed, you knew that you did not have the money coming in to support these raises. This is NOT a surprise that has come up because of the current national economic crisis. I am well aware that this is basically the American Way – "I want it now but I can't afford it so I'll bring in my credit card and I'll worry about the credit card bill next month." We must all stop this way of thinking. This is exactly why we are in the economic trouble we are as a country. We may have to ask the unions to reopen their contracts. We may have to lay some people off. I hope not. We may have to stop buying for awhile. We, as taxpayers, need to hold those we vote into office to be more accountable to those that voted them in. Our school district is the most basic level of government. If we can't be assured that you (Board) will be held accountable and represent the best interests of the taxpayer – then we as a country are headed for a much more bleak future of our children than we grew up with. Borrowing $27M dollars to pay day-to-day operating expenses is not the long-term solution to our problem. Don't allow our school board to place a Band-Aid over a life-threatening wound – and hope that nobody notices it until they are gone. If you believe that borrowing $27M dollars is NOT the solution, please speak up. The children deserve more responsible actions from their parents, schools and political representatives. School Board Members – if you honestly care about the children of District 15 – you will not be pressured into taking out a loan.

Eric Anderson – Palatine resident
He is troubled by the proposed actions contemplated by the Board later in the agenda. Since a key goal of the district is to encourage constituent involvement and satisfaction, he is choosing to address the Board this evening. For the past 19 years, he has been a municipal bond investment banker, just like Ms. Hennessy (from Wm. Blair and Co.). He has subject matter expert understanding of what is being proposed here this evening. That my firm was not provided an opportunity to respond to the district's financing needs, I am not here to take issue with that. Nor am I here to criticize the outcomes of the presentation provided by Ms. Hennessy. She delivered on the policy provided to her by administration. What I do wish to do is alert the BOE and the community that pays taxes to District 15 of the very costly financial plan being considered by the Board this evening. Borrowing of $10 million dollars of working cash will cost the district $7.9 million dollars of interest. While the capital project debt will cost over $13 million dollars of interest if borrowed at $15.9 million dollars. Further, because there is refunding involved, there will NOT indeed be any type of savings as was "hinted" earlier. There would be indeed a $5.2 million dollar loss on that refunding. Add that to the total cost. That is all on page 17 of the report this evening. As further stated in the presentation (from Wm. Blair and Co.) on page 11, the district's prior insurance commitments would need to be addressed likely requiring additional refunding of the Series 2000 bonds. Or as Ms. Hennessy suggested – an additional fee paid to the insurance provider. The 2000 bonds also, because of its bond structure, would likely need to be refunded adding to those refunding losses.

Under Option 2, the proposed redirection of Build America Bonds subsidies to the district operating funds is a de facto back door operating referendum – which is expected to raise over $6M dollars in funds to bolster the general fund. This action flies in the face of the voters' actions in 2005. In 2005, they rejected the tax rate increase referendum proposed by the Board. The district will subject itself to over $14M dollars of risk in the coming 18 years by anticipating future Consumer Price Index increases that is tied to its debt service obligation. If CPI proves to be low for an extended period, the district's operating funds will be required to make payments of this debt service.

He knows that his time is nearly up and he hasn't said anywhere near what he would like to say. But what I would do – I would like to say that there are other solutions. He urges the Board to consider them for the sake of the future students, teachers and taxpayers of District 15. I ask you to table Agenda Item 10-332 and contemplate other actions in regards to managing your working cash flow and funding your capital projects so that this district does not mimic the State of IL and promote bad policy in misallocating its future capping capabilities in order to address its current financial challenges.

Action Item – Resolution – District Bonds

Chapman – Can we have a motion relative to the intent to issue Working Cash fund bonds? Ekeberg made the motion/Babcock seconded it. **Chapman** – Discussion?

Quinn – We have talked about this before and she would like to reiterate – she thinks it is very important for us to take care of our property, our buildings and keep them maintained. So using these bonds to get that extra $2.5M or whatever per year that we are going to need going forward is really an obligation that we have to do. On the other hand, she is very much against the Working Cash fund. She would like to make an amendment to the motion.
Amendment to the motion – That we consider issuing an intent for the bond issue for restricting it that there is NO refunding. That the subsidy goes to debt repayment so that we can get that lower interest rate. That we do not issue Working Cash bonds but restrict it to the Capital Bonds up to whatever our debt limit is as set by law. Bloom seconded the motion.

Chapman – Discussion?
Millar – I am concerned again about doing this so fast, giving the authority to do it and not having the public really know exactly what we are trying to do. On the Capital Project list, to say that we are going to out and get $16M dollars and we still don't really know the full cost, he doesn't feel comfortable with the full cost. We do not have projects that we have defined for that amount of money.
Quinn – But with the amendment she just made – restricting it to NO refunding – the amount would be much reduced. So we are only talking $6M or $7M dollars perhaps. Ms. Hennessy didn't give us a firm number, but it is a much smaller number. **Millar** – So you are just looking at capturing the CPI increase of 1.5% amount as opposed to . .**Quinn** – Exactly, no refunding. **Millar** – Okay

Motion on the amendment.
Roll call – **Quinn** YES, **Babcock** NO, **Bloom** AYE, **Bokor** NO, **Chapman** NO, **Ekeberg** NO,
Chapman – Okay, the amendment fails. Can we have a roll call on the original? . .
Millar – That would be a YES. **Chapman** – What? **Millar** – I said, I would be a YES.
Bloom – He didn't get to vote. **Chapman** – Oh, I'm sorry. I thought you voted. Oh, well did it still fail? **Millar** – yes, 4:3 **Chapman** – I apologize.

Chapman – May we have a roll call on the original motion please?
Roll Call – **Millar** NO, **Quinn** NO, **Babcock** YES, **Bloom** NO, **Bokor** YES, **Chapman** AYE, **Ekeberg** AYE **Chapman** – Motion carries. Again, that is an issue that we will visit at our next meeting.

Next Board of Education Regular Meeting – Wednesday, April 14th, 2010

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