

7:00 PM—Public Hearing—Bond Issuance Notification Act (BINA Notice)

COMMUNITY UNIT SCHOOL DISTRICT NO. 205

Board of Education

7:00 PM – Monday, March 14, 2011

932 Harrison Street—Galesburg, Illinois

Regular Meeting

Agenda

I. Call to Order

II. Roll Call

III. Moment of Silence/Pledge of Allegiance

IV. Recognition of Visitors

(This is the time when visitors may request to address the Board of Education on any item germane to the role and function of the Board of Education. When the Board President so directs, persons should stand, give their name and address and begin their statements. Persons are asked to refrain from making any personal comments regarding any individual. The Board President reserves the right to limit presentations to five minutes.)

V. Approval of Minutes

Approve Minutes of Regular Meeting of February 14, 2011, Special Meeting of February 23, 2011 and Committee of the Whole Meeting of February 28, 2011

VI. Approval of Payrolls and Claims

Reported by Member Harrison

VII. Approval of Consent Agenda

(All items listed under the consent agenda are considered to be routine by the Board of Education and will be enacted by one motion. There will be no separate discussion of these unless a Board member or citizen so requests in which event the item will be removed from the Consent Agenda and considered individually.)

VIII. Correspondence

IX. Committee Reports

A. Budget

B. Buildings and Grounds

C. Insurance

- D. Recruitment for Educational Diversity
- E. Student Council

- X. Instructional Presentation
 - A. GAVC: Innovation for Our Community

- XI. Old Business
 - A. Approve 2011-2012 School Calendar

- XII. New Business
 - A. Approve Personnel Agenda
 - B. Approval of Lombard Middle School Waiver
 - C. Approval of Churchill Junior High School Waiver
 - D. Approval of Mutual Medical Plans, Inc. Two (2)Year Contract Extension
 - E. Approval of German American Partnership Program (GAPP)—Student Exchange
 - F. “Operation Rebuild Achievement”
 1. Approval of Hutchinson, Shockey, Erly & Co as Underwriter and Stifel, Nicolaus & Co as Co-Manager of the District’s Phase I Operation Rebuild-Achievement Bond
 2. Approval of District’s Preliminary Official Statements (“POS”) for Phase I of Operation Rebuild-Achievement
 3. Approval of Revisions to Board Policy 430.05 Investment Policy (First Review)

- XIII. Administrative Reports
 - A. Director for Human Resources
 - B. Assistant Superintendent for Curriculum and Instruction
 - C. Knox-Warren Special Education Director
 - D. Assistant Superintendent for Finance and Operations
 - E. Superintendent

- XIV. Comments By Board of Education

- XV. Closed Session
 - A. Personnel

- XVI. Adjournment

Next Meeting will be April 11, 2011

Community Unit School District No. 205

March 14, 2011

Instructional Presentation X. A:

GAVC: Innovation for Our Community

Background:

Travis Davis and Mindi Ritchie from the Galesburg Area Vocational Center will make an instructional presentation to the Board about the programs that are in place at the GAVC. In the two years that Mr. Davis has overseen the program, a number of programmatic changes have taken place. Without exception, these programs have been community based and directed toward the needs of our students. Mr. Davis and Ms. Ritchie will bring the Board up to speed about the outstanding offerings of this great vocational program.

Recommendation:

No Action Required - Presentation for Information and Input Only

Community Unit School District No. 205

March 14, 2011

Old Business XI. A:

Approve 2011-2012 School Calendar

Background:

The 2011-2012 Calendar Committee, comprised of faculty, staff, and parents, has met twice and is ready to bring a recommendation to the Board. The committee has considered survey results, personal input from staff, and energy savings results for the District in making this recommendation. A complete calendar template will be shared with and explained to the Board at the March 14, 2011 meeting.

Recommendation:

Approve as Presented

Community Unit School District No. 205

March 14, 2011

New Business XII. B:

Approval of Lombard Middle School Waiver

Background:

Each of the middle schools, Churchill and Lombard, have conducted their annual staff votes to determine the continuation of the middle school model. The elections have been conducted following the waiver guidelines listed in the Teachers Contract, requiring at least 75% approval. The results are in and once again, the staff at each school has overwhelmingly supported the continuation of the middle school model. The GEA Executive Board has also voted to give approval. Actual results this year were:

Lombard: 45 for, 8 against – 85% approval

As I have stated in the past, the middle school model is a very significant factor in the high achievement of Lombard. One would be hard pressed to find a middle school in the state of Illinois with 70% or greater poverty that achieves at a higher level than Lombard.

Recommended Action:

Approve Lombard Middle School Waiver as Presented

Community Unit School District No. 205

March 14, 2011

New Business XII. C:

Approval of Churchill Junior High School Waiver

Background:

Each of the middle schools, Churchill and Lombard, have conducted their annual staff votes to determine the continuation of the middle school model. The elections have been conducted following the waiver guidelines listed in the Teachers Contract, requiring at least 75% approval. The results are in and once again, the staff at each school has overwhelmingly supported the continuation of the middle school model. The GEA Executive Board has also voted to give approval. Actual results this year were:

Churchill: 56 for, 8 against – 88% approval

As I have stated in the past, the middle school model is a very significant factor in the high achievement of Churchill. One would be hard pressed to find a middle school in the state of Illinois with 50% or greater poverty that achieves at a higher level than Churchill.

Recommended Action:

Approve Churchill Junior High School Waiver as Presented

Community Unit School District No. 205

March 14, 2011

New Business XII. D:

Approval of Mutual Medical Plans, Inc. Two (2) Year Contract Extension

Background:

At the request of the Insurance Committee, Mutual Medical, offered an extension to our current contract (August 1, 2009 - July 31, 2012), thus taking our Medical Plan through the major changes projected within the Healthcare Reform. The projected extension would take us to July 31, 2014 at the rate of \$12.00/covered employee (includes ancillary fees as listed below) over the extended two (2) years. The closest competitor in 2009 was \$19.90 plus ancillary fees (i.e. ID cards, report fees, attorney consultation fees, Plan document, amendments, dental and vision processing)

Recommended Action:

Approve as Presented

Community Unit School District No. 205

March 14, 2011

New Business XII. E:

Approval of German American Partnership Program (GAPP)—Student Exchange

Background:

Board members will hear a presentation from GHS German teacher Eric Spindler and GHS Administration proposing participation in the German American Partnership Program (GAPP) – Student Exchange. Mr. Spindler participated in the program at a high school where he was previously employed. The GAPP program involves a short term (2-3 week) student exchange between a German and American high school (GHS). Mr. Spindler is requesting that GHS enroll in the program and host 15-20 German students this coming October and send a similar number of GHS students to Germany the following June. Students from each country stay with matching host parents and attend classes with their host student. The GHS administration has reviewed relevant Board Policy and is requesting permission for participation in the program and for school sponsored travel to Germany in June of 2012. Students will be responsible for costs and fundraising opportunities will be provided.

Recommended Action:

Approve as Presented

Community Unit School District No. 205
March 14, 2011

New Business XII. F-1:

Approve Hutchinson, Shockey, Erley & Co as Underwriter and Stifel, Nicolaus & Co as Co-Manager of the District's Phase I Operation Rebuild-Achievement Bond Financing

Background:

At its Committee of the Whole meeting February 28th the Board of Education learned of Administration's proposed financing plan and met with the underwriting team of Hutchinson, Shockey, Erley & Co. and Stifel, Nicolaus & Co proposed herein to implement the financing plan. The Plan called for a series of six sets of bonds—one set being a planned re-financing—issued over the course of sixteen years.

Tonight's action concerns only the first of the anticipated six sets of bonds. Authorization is sought to enter into an agreement with Hutchinson, Shockey, Erley & Co, as Underwriter, and Stifel, Nicolaus & Co, as Co-Manager, on the sale of the District's proposed \$11,810,000 General Obligation School Bonds, Series 2011A, \$14,495,000 General Obligation School Bonds (Alternate Revenue Source), Series 2011B, and \$5,000,000 General Obligation School Bonds (QZABs), Series 2011C (collectively "the bonds") all as more fully explained in an accompanying action item (XI D-2) approving the Preliminary Official Statements or bond offering documents.

The cost of the underwriting/co-manager services include the costs of issuance: rating agency fees, legal opinions, feasibility studies, bond insurance and the like. The total cost of these services will become known on the date of sale of the bonds and will be found in a separate "bond purchase agreement" to be approved by the Board of Education at that time. Generally speaking, the fees for the underwriting and co-manager services including costs of issuance will approximate 2-3% of the total cost of the \$30,000,000 in bonds sold. In the approval of this item, administration will execute certain other agreements (attached) authorizing, for example, the rating agencies and the sales tax feasibility consultants to perform certain cost of issuance work. Their fees will be paid by the underwriter.

Recommended Action:

Approve Hutchinson, Shockey, Erley & Co as Underwriter and Stifel, Nicolaus & Co as Co-Manager of the District's Phase I Operation Rebuild-Achievement Bond Financing.

Community Unit School District No. 205
March 14, 2011

New Business XII. F-2:

Approve District's Preliminary Official Statements ("POS") for Phase I of Operation Rebuild-Achievement

Background:

At its Committee of the Whole meeting February 28th the Board of Education learned of Administration's proposed financing plan and met with the underwriting team of Hutchison Shockey Erley & Co. and Stifel Nicolaus who have been proposed to implement the same. The Plan called for a series of six sets of bonds—one set being a planned re-financing—issued over the course of sixteen years.

Tonight's action concerns only the first of the anticipated six sets of bonds. Contained in two separate Preliminary Official Statements ("POS") are the District's proposed \$11,810,000 General Obligation School Bonds, Series 2011A, and \$14,495,000 General Obligation School Bonds (Alternate Revenue Source), Series 2011B. Contained in the second official statement is the District's proposed \$5,000,000 in General Obligation School Bonds (QZABs), Series 2011C. Both the Series 2011A and 2011C bonds are issued for fire prevention and safety purposes of the Operation Rebuild-Achievement – 20 Year Master Facility Plan ("Plan") while the Series 2011B bonds are issued for the remaining non-fire prevention and safety purposes of the first phase of the Plan.

The POS requires Board of Education approval as it is the document circulated among the rating agencies, insurers, investors and other interested parties to the district's offering. Found within the POS is information on the district including its location, organization, management, "business," financial condition, and other pertinent information. Information is provided on the community including employers and employment, real estate and sales tax base, population and the like. In addition, the planned sources and uses of the proceeds, the opinion of legal council as to the validity of the issue and the taxability of the same, information on the insurer of the bonds, matters of law both state and federal that might impact the issuance of the bonds and tax treatment of the same, and other information deemed important to the rating agencies and potential investors has been included. All the same being laid forth in an industry standard format.

Recommended Action:

Approve the District's Preliminary Official Statements for Phase I of Operation Rebuild-Achievement.

Community Unit School District No. 205
March 14, 2011

New Business XII. F-3:

Approval of Revisions to Board Policy 430.05 Investment Policy (First Review)

Background:

The District's investment policy references State statute as to the permissible investments to be made by the district. The state statute referenced in District Policy 430.05 is the Public Funds Investment Act (30 ILCS 235). Chapman & Cutler's Kyle Harding, during his presentation before the Board of Education during its February regular meeting, confirmed to the Board that authority exists in statute for the Board to invest in its own bonds.

Investment of Municipal Funds Act

- Summary of Act
 - Permits a governmental unit to purchase its own obligations as an investment for a particular fund
 - Obligations must bear interest
 - Debt service payments on such obligations will be paid by the governmental unit into such fund
- How District 205 may utilize the Act
 - District has \$16.5MM in life safety approvals and \$14MM in Ed Fund reserves
 - District needs \$4MM in Ed Fund reserves for cash flow purposes
 - District could issue \$16.5MM in SFPS bonds; \$10MM could be purchased as an investment for the Ed Fund, \$6.5MM sold to the public
 - Proceeds of the SFPS Bonds would be deposited to Life Safety Fund
 - Debt service payments on the SFPS Bonds purchased by the Ed Fund would be made from the Bond & Interest Fund to the Ed Fund

The statutory authorities lies in the Investment of Municipal Funds Act (50 ILCS 340) which provides in pertinent part:

Likewise, every county, park district, sanitary district, or other municipal corporation, by resolution or ordinance may ... [purchase] municipal bonds issued by the county, park district, sanitary district, or other municipal corporation ... [...] All interest upon these bonds or obligations and all money paid in redemption of these bonds or obligations or realized from the sale thereof, if afterwards sold, shall at once be credited to and placed in the particular fund used to purchase the specified bonds or obligations.

Accordingly, Administration proposes a change to the invest policy expanding the permissible investments to include those authorized by the Municipal Funds Act or 50 ILCS 340. A copy of the proposed change can be found highlighted (in yellow) and underscored on the attached.

Recommended Action:

Approval of Revisions to Board Policy 430.05 Investment Policy (First Review)