

MINUTES

Community Unit School District #205
Board of Education
February 14, 2011

Call To Order/Roll Call

The Community Unit School District #205 Board of Education met in a regular meeting on Monday, February 14, 2011 at 7:00 PM at 932 Harrison St., Galesburg, IL. The meeting was called to order by President Harrison. The roll was read and the following Members responded: Harrison, Lindstrom, Welty, Osborn, Panther, Strauch, Swanson (7) Roll Call #1

Moment of Silence/Pledge of Allegiance

A moment of silence was observed followed by the Pledge of Allegiance.

Recognition of Visitors

Ms. Jean Kilpatrick-Ruebner, thanked the school board for organizing the school visits which showcased work the architects have done at other schools that were in need of similar and the same renovations as District 205.

Approval of Minutes

It was moved by Member Welty and seconded by Member Panther that the Minutes of the regular meeting of January 18, 2011 and special meeting of January 18, 2011 be approved without further reading and without correction or addition. On roll call the following Members voted AYE: Welty, Panther, Strauch, Swanson, Harrison, Lindstrom (6) Abstained: Osborn (1) Motion carried. Roll Call #2

Approval of Payrolls and Claims

Upon presentation by Member Swanson of payroll and claims filed in the Ledger Book as #553 as of February 14, 2011, which exhibit is incorporated herein and by reference made a part hereof, it was moved by Member Swanson and seconded by Member Welty that the same be approved and allowed for payment as presented. On roll call the following Members voted AYE: Welty, Osborn, Panther, Strauch, Swanson, Harrison, Lindstrom (7) Motion carried. Roll Call #3

Approval of Consent Agenda - NoneCorrespondence – NoneCommittee ReportsBudget

Member Osborn stated that the Budget Committee has not met since December as Administration works on details related to upcoming contract negotiations, reduction-

in-force needs and Operation Rebuild-Achievement financing. The committee is expected to meet early next month in advance of the March 14th regular meeting. Mr. Guy Cahill stated that Mr. Kyle Harding from Chapman and Cutler would be presenting to the board information on the sale of bonds. Mr. Cutler made a detailed presentation to the board regarding state and local government bond issues.

Buildings and Grounds Committee

Member Swanson stated that the Buildings and Grounds Committee is next expected to meet in February following the work of the Operation Rebuild-Achievement Implementation Committee, which is expected to finalize its ranking of architects at a meeting scheduled for February 15, 2011 in the District Board office beginning at 6:00 p.m.

Insurance Committee

Member Harrison stated that the Insurance Committee has not met since the last meeting in November. The fund balance is currently reported at \$681, 837.29. The next regular committee meeting is scheduled for February 17, 2011 at 4:00 p.m.

Recruitment for Educational Diversity

Member Swanson stated that the RED Committee has not met since the last meeting. The recruitment effort will continue with the Mid America Educator's Fair at Illinois State University and Eastern Illinois University; March 1st and 2nd respectfully. A recent site visit achieved positive results with a new hire. The next meeting is scheduled for Wednesday, February 16, 2011 at 4:00 p.m.

Student Council

Lauren Rees, Student Council member reporting for Sarah Main stated that they just finished spirit week and the Sweetheart Swirl dance was on Saturday which finished the week. The February Charity of the

month is sponsoring Dr. Chiles in the CASA heart walk.

Instructional Presentation

School Calendar Preparations and Survey Results

Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction, discussed the preparation that has gone into the 2011-2012 school calendar and the results of surveying the community, employees and students regarding their thoughts on the current school calendar. Mr. Estes noted that the final savings results are not in yet and that he hopes to have them for the boards review prior to the March board meeting. He then showed the board a template of two possibilities for the 2011-2012 calendar and explained where the calendar committee is so far. Mr. Estes stated that he hopes to bring the calendar committee recommendations to the board for approval at the March or April regular board meeting.

Old Business—None

New Business

A. Approve Personnel Agenda

Diane VanHootehem, Director for Human Resources, stated that the Personnel Agenda stands as presented and recommended its approval. It was moved by Member Swanson and seconded by Member Welty to approve the Personnel Agenda as presented and recommended by the administration. (Insert Personnel Agenda) On roll call the following Members voted AYE: Panther, Strauch, Swanson, Harrison, Lindstrom, Welty, Osborn (7) Motion carried. Roll Call #4

B. Wide Area Network Services

1. Approval of Contingent Contract for “Lit” Services with Unite Private Networks and Authorize Submission of Form 471

Guy Cahill, Assistant Superintendent for Finance and Operations, stated that two complimentary actions are called for herein and are part of the district broader Operation Rebuild-Achievement—20Year Master Facility Plan: (i) approval of a “lit” fiber contract the execution of which is (ii) contingent upon the submission and approval of a request for federal “E-rate” funding. At its regular meeting in September the Board of Education authorized the publication of a Federal Communication Commission (“FCC”) Form 470. The Form 470, in this instance, was used to solicit interest from potential service providers for the lease by the district of a “lit” Wide Area Network and associated services. The respondent’s submission had to be FCC Universal Service Fund “E-rate” eligible. The solicitation called for the provisioning to the district of a network infrastructure that met the high speed bandwidth (1Gb) voice, video, data, internet and related service specifications of the district. Unite Private Networks, LLC responded to the solicitation with the deployment of a “lit” wide area network infrastructure *to be built* to the district’s specifications under the FCC’s E-rate program. Their submission provisioned four strands of fiber connecting all eleven attendance centers at the GHS HUB and was in the amount of: \$960,000 pre-discount non-recurring charge plus \$4171 pre-discount monthly recurring charge. This action

approving the contract is contingent upon the district receiving a Funding Decision Commitment Letter (“FDCL”) from the FCC’s School and Library Corporation (“SLC”), the likes of which would result in a 78% discount on the aforementioned pricing. Complimenting the above action is the submission by the District of an FCC Form 471 which notifies the SLC that the district has negotiated a contract with a service provider consistent with its Form 470 solicitation and seeks funding for the same. The FCC’s SLC in turn will review the application for funding (Form 471) and issue a FDCL. It is anticipated that the District will receive a funding commitment of 78¢ on the dollar, lowering the non- and monthly recurring charges to \$211,200 and \$918 respectively. (It should be noted that the non-recurring discount will be repaid to the district from the SLC over the course of two fiscal years.) Only upon receipt of a satisfactory FDCL will the contract with Unite Private Networks, LLC be perfected. Member Swanson moved to approve the Contingent Contract for “Lit” service with Unite Private Networks and Authorize Submission of Form 471 and Member Strauch seconded the motion. On roll call the following Members voted AYE: Strauch, Swanson, Welty, Harrison, Lindstrom, Osborn, Panther (7) Motion carried. Roll Call #5

2. Approval of Contingent Contract for “Dark” Services with Unite Private Networks

Guy Cahill, Assistant Superintendent for Finance and Operations, stated that in a separate but related action, the Board of Education is asked to enter into a second agreement with Unite Private Networks, LLC for the provisioning of “dark” fiber facilities and services, the same being consistent with the broader Operation Rebuild-Achievement—20 Year Master Facility Plan. Unite Private Networks, LLC (“UPN”) responded to the districts solicitation for the deployment of a wide area network infrastructure *to be built* to the district’s specifications under the FCC’s E-rate program. Their submission provisioned four strands of “lit” fiber connecting all eleven attendance centers at the GHS HUB. Subsequently, the District approached UPN seeking the provisioning of four additional but “dark” strands of fiber with an option to lease additional. The purpose of the additional fiber would increase the districts bandwidth potential and flexibility, provide for alternative paths/vendors to the Internet, allow for CSC, Knox College, the Galesburg Library and City of Galesburg to partner in its future use and open the door to the community for partnering with, for example, Google as in the “Google in Galesburg” initiative among other possibilities. The opportunity is made possible by and is contingent upon the district obtaining e-rate funding for its Wide-area Network leased facilities and services. The cost to the district is pegged to the cost of the “lit” services and is equal to 10% of the pre-discount non- and monthly recurring services or \$96,000 and \$417 respectively. It was moved by Member Welty and seconded by Member Swanson to approve the Contingent Contract for “Dark” Service with Unite Private Networks. On roll call the following Members responded AYE: Swanson, Welty, Harrison, Lindstrom, Osborn, Panther, Strauch (7) Motion carried. Roll Call #6

C. Approval of Bond Issuance Notification Act (“BINA”) Notice for General Obligation School Bonds (Alternate Revenue Source)

Guy Cahill, Assistant Superintendent for Finance and Operations, stated that Operation Rebuild-Achievement calls for the sale of \$30,000,000 in bonds for the implementation

of Phase I of the district's 20 Year Master Facility Plan. At its regular meeting in December the Board of Education authorized the publication of a Bond Issuance Notification Act notice for the sale of \$16,500,000 in General Obligation School Bonds (Fire Prevention and Safety Source). At its regular meeting in January the public hearing called for in the notice was held. Now administration brings before the Board of Education a second BINA notice for the balance of the projects (\$13,500,000) contemplated in Phase I of Operation Rebuild-Achievement. The amount (\$25,700,000) has purposefully been set at the maximum amount of Alternate Revenue Bonds that may be issued at this time and repaid from the proceeds of the County School Facilities Sales Tax, less that amount necessary for "coverage." This was done in large part to cover any fire prevention and safety amendments not approved by the State Board of Education for fire prevention and safety funding. (At this writing we have been given "no" indication from the State Board of education that the fire prevention and safety amendments submitted in December will be diminished.) It was moved by Member Strauch and seconded by Member Swanson to approve the Bond Issuance Notification Act ("BINA") Notice for General Obligation School Bonds (Alternate Revenue Source) On roll call the following Members voted AYE: Swanson, Harrison, Welty, Osborn, Panther, Strauch (6) NAY: Lindstrom (1) Motion carried. Roll Call #7

D. Budget Projections

Guy Cahill, Assistant Superintendent for Finance and Operations stated that each February we share with the Board of Education our updated budget projections. This projection is important as it forms the basis for developing the subsequent years budget, as recently authorized by the Board of Education at its January meeting. This year the projections take on added importance as we enter teacher negotiations for a successor agreement, plan for annual reductions-in-force and finalize Operation Rebuild-Achievement bond financing. At this meeting administration will update the Board of Education on the status of the current budget projected through June 30, propose several amendments to the same and forecast revenue and expenditures over the next five years. For this latter five-year forecast, we will share our budget assumptions and back-up for the same. In all, it is our hope to provide a blueprint for actions to be taken in the coming months related to contracts, staffing and borrowing and the impacts all the same will have on future revenue obligations including tax levies and expenditure commitments including staffing levels and contracts. Provided on the pages to follow is a "high-end" snapshot of what administration will present. (insert) No action taken.

E. Approve Submission of Qualified Zone Academy Bond Application

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations stated that Operation Rebuild-Achievement provides for several and varied funding sources. Among those sources is a long-standing federal program for the subsidy of interest payments made by schools on bonds sold for construction purposes. Several exist but only the Qualified Zone Academy Bond ("QZAB") program is currently available to school districts. The program allows for certain forms of debt issuance under Illinois law to be designated "zone qualified" providing for the purchasers of school district bonds to

receive a federal tax credit from the Internal Revenue Service in lieu of interest payments from the district—i.e., an “interest-free” borrowing. The bonds are generally limited to 16-17 years duration and in some instances the principal is not repaid until the last year (a function of a “negotiated” sale by our underwriters). Under this action, the Board of Education would authorize the district to seek a QZAB designation on its bonds from the Illinois state Board of Education—the State agency charged with administering the program. Under the State of Illinois’ current allocation from the federal government, up to \$15,000,000 in district bonds sold could be so designated. The District’s application—including the requirement for a 10% private match, seeks to obtain a portion or \$10,000,000 in bond designation. The designation would be applied to the anticipated sale of Fire Prevention & Safety bonds, currently scheduled for March, as the same meet the criteria for “repair and renovation of educational facilities.” The required 10% match would come from existing streams of money and/or in-kind services received by the district from the Community Schools Foundation and YMCA. Additionally, the district’s technology hardware, software and service provider—The Burwood Group—would extend to us their discount on the computer server equipment to be purchased by the district as part of the wide-area network services acted upon by the Board of Education earlier. It is important to note that the submission of the application does not create an obligation on the part of the Board of Education until it subsequently chooses to proceed with a bond sale and actually utilize the designation that might be received from the State Board of Education. Discussion ensued. It was moved by Member Strauch and seconded by Member Panther to approve the Submission of Qualified Zone Academy Bond Application. On roll call the following Members voted AYE: Panther, Strauch, Swanson, Welty, Harrison, Osborn (6) NAY: Lindstrom (1) Motion carried. Roll Call #8

Administrative Reports

Comments were made by Mr. Estes.

Comments by Board of Education

Comments were made by Members Swanson, Panther, Lindstrom, Strauch and Harrison.

Closed Session

President Harrison stated that the Board will move into a closed session for the purpose of personnel and negotiations. No action will be taken. It was moved by Member Swanson and seconded by Member Strauch that the Board adjourn to closed session—9:45 PM. On roll call the following Members voted AYE: Welty, Osborn, Panther, Strauch, Swanson, Harrison, Lindstrom (7) Motion carried. Roll Call #9

Following the closed session, it was moved by Member Panther and seconded by Member Swanson that the regular meeting be reconvened—10:06 PM. On roll call the following Members voted AYE: Osborn, Panther, Strauch, Swanson, Harrison, Lindstrom, Welty (7) Motion carried. Roll Call #10

Adjournment

It was moved by Member Strauch and seconded by Member Welty that the regular meeting be adjourned—10:07 PM. On roll call the following Members voted AYE: Panther, Strauch, Swanson, Harrison, Lindstrom, Welty, Osborn (7) Motion carried. Roll Call #11

Deborah Harrison, President

ATTEST:

Michael Panther, Secretary