

MINUTESCommunity Unit School District #205
Board of Education
March 14, 2011Call To Order/Roll Call

The Community Unit School District #205 Board of Education met in a regular meeting on Monday, March 14, 2011 at 7:00 PM at The Lincoln Education Center, 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, Strauch via phone, Swanson, Panther, Osborn, Welty (7) Roll Call #1

Moment of Silence/Pledge of Allegiance

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

Public Hearing

Bond Issuance Notification Act (BINA Notice)—President Harrison asked for any public comments regarding the public hearing. Hearing none the public hearing was closed.

Recognition of Visitors

None

Approval of Minutes

It was moved by Member Welty and seconded by Member Panther that the Minutes of the regular meeting of February 14, 2011 and special meeting of February 28, 2011 be approved without further reading and without correction or addition. On roll call the following Members voted AYE: Osborn, Strauch, Swanson, Harrison, Panther, Welty (6) Abstained: Lindstrom (1) Motion carried. Roll Call #2

Approval of Payrolls and Claims

Upon presentation by President Harrison of payrolls and claims filed in the Ledger Book as Exhibit #5 as of March 14, 2011, which exhibit is incorporated herein and by reference made a part hereof, it was moved by Member Harrison and seconded by Member Strauch that the same be approved and allowed for payment as presented. On roll call the following Members voted AYE: Osborn, Panther, Strauch, Swanson, Harrison, Lindstrom, Welty (7) Motion carried. Roll Call #3

Approval of Consent Agenda

None

Correspondence

None

Committee ReportsBudget

Member Osborn reported that the Budget Committee had not met since December. Instead, the Board has meeting regular session or as a Committee of the Whole to review financial projections and Operation Rebuild-Achievement financing.

Buildings and Grounds

Member Swanson reported that the Buildings and Grounds Committee met to review the architect rankings of the Operation Rebuild-Achievement Implementation Committee and a recommendation to employ a Construction Manager “at risk” delivery model. After considerable discussion, the Committee endorsed both the architect rankings and delivery method. Administration was to proceed with contract discussion with the first ranked architect—PSA Dewberry—and begin the selection proves for a Construction Manager. The next meeting is expected to meet following the Construction Manager interviews scheduled for Thursday, March 17, 2011.

Insurance Committee

Member Harrison reported that the Insurance Committee last met on February 17, 2011. The fund balance to date is reported at \$823,446.68. The Insurance Committee recommends a two (2) year extension to the current Third Party Administrative Contract. This recommendation will be reflected on the Board agenda for approval. The next meeting is scheduled for April 14, 2011 at 4:00 p.m. at the Central Office.

Recruitment for Educational Diversity

Member Swanson stated that recruitment efforts continued with the Mid America Educator’s Fair at Illinois State University and Eastern Illinois University; March 1st and 2nd respectfully. Sights visits are scheduled with several potential minority candidates over the next few months. These are a direct result of our recruitment efforts. The next meeting will be scheduled following spring break.

Student Council

Sarah Main, Student Council President, introduced student council member Jillian Isaacson who was

Shadowing her to see if the roll of reporting to the Board was a position she was interested in for the next school year. March charity of the month is Hugh O'Brien Leadership Academy (HOBY) which takes place yearly in the spring in Champaign. Two GHS delegates attend the leadership conference each year. The annual blood drive will be held in April.

Instructional Presentation

Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction, introduced Mr. Travis Davis and Ms. Mindi Ritchie from the Galesburg Area Vocational Center at Galesburg High School. Ms. Ritchie and Mr. Travis explained what GAVC is and what the department does. Mr. Davis explained in detail the new and innovative course offerings in the GAVC department and how students are now able to be placed in real learning training situations in the community and how the students and department are benefitting from the improvements in courses and course offerings.

Old Business

A. Approve 2011-2012 School Calendar

Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction stated that the 2011-2012 Calendar Committee, comprised of faculty, staff, and parents, met twice and is ready to bring a recommendation to the Board. The committee considered survey results, personal input from staff, and energy savings results for the District in making the recommendation. A complete calendar template was shared with and explained to the Board at the March 14, 2011 meeting. (Insert) It was moved by Member Welty and seconded by Member Osborn to approve the 2011-2012 School Calendar. On roll call the following Members voted AYE: Strauch, Swanson, Welty, Harrison, Lindstrom, Osborn, Panther (7) Motion carried. Roll Call #4

New Business

A. Approve Personnel Agenda

Mrs. Diane VanHootegem, Director for Human Resources stated that the personnel agenda is recommended for approval. It was moved by Member Swanson and seconded by Member Lindstrom that the Board of Education, approve the Personnel Agenda as presented. On roll call the following Members voted AYE: Swanson, Harrison, Lindstrom, Osborn, Panther, Strauch, Welty (7) Motion carried. Roll Call #5

B. Lombard Middle School Waiver

Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction, stated that each of the middle schools, Churchill and Lombard, 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 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

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. It was moved by Member Welty and seconded by Member Panther to approve the Lombard Middle School Waiver as presented. On roll call the following Members voted AYE: Welty, Harrison, Lindstrom, Osborn, Panther, Strauch, Swanson (7) Motion carried. Roll Call #6

C. Approve Churchill Junior High School Waiver

Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction, stated again that each of the middle schools conducted their annual staff votes to determine the continuation of the middle school model. The elections were conducted following the waiver guidelines listed in the Teachers Contract, requiring at least 75% approval. 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

It was moved by Member Welty and seconded by Member Swanson to approve the Churchill Junior High School Waiver as presented. On roll call the following Members voted AYE: Welty, Harrison, Lindstrom, Osborn, Panther, Strauch, Swanson (7) Motion carried. Roll Call #7

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

Ms. Diane VanHootege, Director for Human Resources stated that 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). It was moved by Member Swanson and seconded by Member Panther to approve the two year contract extension with Mutual Medical. On roll call the following Members voted AYE: Lindstrom, Panther, Strauch, Swanson, Welty, Harrison, Welty (7) Motion carried. Roll Call #8

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

Mr. Joel Estes, Assistant Superintendent for Curriculum and Instruction, presented to the board GHS German teacher Eric Spindler speaking on behalf of himself 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. It was moved by Member Panther and seconded by Member Swanson to approve the German American Partnership Program (GAPP) Student Exchange. On roll call the following members voted AYE: Panther, Strauch, Swanson, Welty, Harrison, Lindstrom, Osborn (7) Motion carried. Roll Call #9

F. “Operation Rebuild Achievement”

1. Approval of Hutchinson, Shockey, Erly & Co. as Underwriter and Stifel, Nicolaus & Co. and Co-Manager of the District’s Phase I Operation Rebuild-Achievement Bond

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that at the 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. Agenda 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. Discussion ensued. It was moved by Member Welty and seconded by Member Swanson to approve the item. On roll call the following Members voted AYE: Strauch, Swanson, Welty, Harrison, Panther (5) NAY: Osborn, Lindstrom (2) Motion carried. Roll Call #10

2. Approval of District’s Preliminary Official Statements (“POS”) for Phase I of Operation Rebuild-Achievement

Mr. Guy Cahill stated that 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. Current 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. 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. It was moved by Member Welty and seconded by Member Swanson to approve the District's Preliminary Official Statements ("POS") for Phase I of Operation Rebuild-Achievement. On roll call the following Members voted AYE: Swanson, Welty, Harrison, Panther, Strauch (5) NAY: Osborn, Lindstrom (2) Motion carried. Roll Call #11

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

Mr. Guy Cahill stated that 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. The statutory authorities lie 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. It was moved by Member Swanson and seconded by Member Welty to approve the first review of Board Policy 430.05. On roll call the following Members voted AYE: Welty, Harrison, Panther, Strauch, Swanson (5) NAY: Osborn, Lindstrom (2) Motion carried. Roll Call #12

Administrative Reports

None

Comments by Board of Education

Comments were made by Members Swanson, Panther and Strauch.

Closed Session

It was moved by Member Swanson and seconded by Member Welty to move to closed session for the purpose of Personnel. No action will be taken. On roll call the following Members voted AYE: Lindstrom, Osborn, Welty, Panther, Harrison, Swanson (6). Motion carried. Roll Call #13

Following the closed session it was moved by Member Panther and seconded by Member Swanson to return to open session. On roll call the following Members voted AYE: Lindstrom, Osborn, Harrison, Welty, Swanson, Panther (6) Motion carried. Roll Call #14

Adjournment

It was moved by Member Osborn and seconded by Member Panther to adjourn the meeting – 9:06 p.m. On roll call the following Members voted AYE: Swanson, Harrison, Lindstrom, Osborn, Welty, Panther (6) Motion carried. Roll Call #15

Deborah Harrison, President

ATTEST:

Michael D. Panther, Secretary