

**MINUTES**  
Community Unit School District #205  
Board of Education  
March 20, 2007

The Community Unit School District #205 Board of Education met in a special meeting on Tuesday, March 20, 2007 at 6:00—PM at 932 Harrison St., Galesburg, IL. The meeting was called to order by President Strauch. A closed session will be held for a student disciplinary case (1). The roll was read and the following Members responded: Harrison, Lindstrom, Nelson, Osborn, Panther, Strauch, Swanson (7) Roll Call #1

Moment of Silence/Pledge of Allegiance

Closed Session

It was moved by Member Nelson and seconded by Member Panther that the special meeting be adjourned to a closed session for a student disciplinary hearing—6:00 PM. On roll call the following Members voted AYE: Lindstrom, Nelson, Osborn, Panther, Strauch, Swanson, Harrison (7) Motion carried. Roll Call #2

Following the closed session, it was moved by Member Harrison and seconded by Member Osborn that the special meeting be reconvened—6:15 PM. On roll call the following members voted AYE: Nelson, Osborn, Panther, Strauch, Swanson, Harrison, Lindstrom (7) Motion carried. Roll Call #3

New Business

A. Recommendation from Student Discipline Hearing

Considering the information presented at the discipline hearing, it was recommended that a Galesburg High School student (Case #07-08), be expelled for the remainder of the 2006-2007 school year, expelled through the 2007-2008 school year and expelled through March 9, of the 2008-2009 school year.

It was moved by Member Harrison and seconded by Member Panther that the Board of Education approve the above recommendation as stated. On roll call the following Members voted AYE: Osborn, Panther, Strauch, Swanson, Harrison, Lindstrom, Nelson (7) Motion carried. Roll Call #4

Recognition of Visitors

Dane Bragg – 3105 Buckingham Rd – Galesburg City Manager, stated that he was present to give a brief background on TIF I and TIF II. He explained that TIF I covers a portion of the downtown area and that the Seminary St. district is the outcome of a portion of TIF I. He also stated that TIF II covers the E. Main St. area which is where the Holiday Inn Express is located and where the National Railroad Hall of Fame will be erected. Mr. Bragg stated that TIF I will expire at the end of March. TIF II is not to expire until the end of

December 2009. Mr. Bragg emphasized necessity to extend the TIF districts as a vehicle for financing increased residential and retail entities. He stated that the City and NAIER have offered to help CUSD #205 offset some of the District's costs, which Mr. Bragg states is generous and signifies the City's intent.

Julie King – Executive Director for The National Railroad Hall of Fame, stated that it is essential to have the local support of all taxing bodies within the City of Galesburg. The more support the City shows the better our chances for state funding. Ms. King explained there is a gap between the national funding and the state funding and the TIF money is what brings the gap together. Ms. King stated that once the NRRHOF is up and working it could be a world proclaimed tool and at that point in time it would be fantastic to have a thriving beautiful downtown for people to visit.

Jay Bullis – 84 S. Prairie St. – stated that he is a businessman in the downtown area and has been for several years. Over those many years the downtown area has changed. Mr. Bullis stated that the TIF I district has made it possible for many areas to improve and grow, but also stated there is still room for many additional improvements.

**B. Bids:**

**a. Gale, King Core Area Asbestos Abatement**

Paul Woehlke, Director of Finance and Operations, stated that the 2004 Life Safety Audit identified asbestos removal and renovation of all pod elementary schools as work to be completed. To date, work in the classroom pods of those schools has been done. This summer, the core areas of Gale and King will be renovated, and next summer the same areas of Nielson and Steele will be done. Mr. Woehlke stated that three bids were received for the asbestos abatement phase of the project. The lowest bid for both buildings together is recommended for approval. The bid is in excess of the budgeted amount, but the difference can be made up from interest income generated to date in the Fire Prevention & Safety Fund. Mr. Woehlke recommended that the Board approve the low bid of \$314,400 from M & O Environmental for the asbestos abatement. (Insert) It was moved by Member Swanson and seconded by Member Nelson that the Board of Education approve the low bid from M & O Environmental for the asbestos abatement for the Gale and King Core areas as presented. On roll call the following Members voted AYE: Panther, Strauch, Swanson, Harrison, Lindstrom, Nelson, Osborn (7) Motion carried. Roll Call #5

**b. GHS Band Hallway and Cafeteria Asbestos Abatement**

Paul Woehlke, Director of Finance and Operations, stated that the 2004 Life Safety Audit identified asbestos floor tile removal and replacement at GHS as work to be completed. This summer, the floor tile in the band hallway and cafeteria are scheduled to be replaced. Mr. Woehlke stated that two bids were received for completing the asbestos abatement phase of this work. The lowest

bid is recommended for approval. The bid is somewhat over budget, but the difference can be covered by interest income generated to date in the Fire Prevention & Safety Fund. Mr. Woehlke recommended that the Board approve the low bid of \$55,800 from M & O Environmental for the GHS Band Hallway and Cafeteria Asbestos Abatement. (Insert) It was moved by Member Harrison and seconded by Member Panther that the Board of Education approve the low bid from M & O Environmental for the GHS Band and Cafeteria Asbestos Abatement as presented. On roll call the following Members voted AYE: Strauch, Swanson, Harrison, Lindstrom, Nelson, Osborn, Panther (7) Motion carried. Roll Call #6

c. Gale, King Core Area Renovation Project

Paul Woehlke, Director of Finance and Operations, stated that the 2004 Life Safety Audit identified asbestos removal and renovation of all pod elementary schools as work to be completed. To date, work in the classroom pods of those schools has been done. This summer, the core areas of Gale and King will be renovated, and next summer the same areas of Nielson and Steele will be done. Mr. Woehlke stated that five bids were received for the renovation phase of this project. They include a base bid and an alternate for construction of ADA compliant restrooms in the C pod hallway and the multipurpose room. The lowest bid for the base and alternate combined is recommended for approval. Combined with an automatic door at the front entrance, the new restrooms will make these schools ADA compatible. The lowest bid is in excess of the budgeted amount for this project, but the difference can be made up from the proceeds received in the sale of the Allen Park and LT Stone properties, all of which were booked to the Fire Prevention & Safety Fund. Mr. Woehlke recommended that the Board approve the low bid of \$347,100 for base and low bid of \$101,700 for alternate from Vanguard Contractors Inc. for the Gale, King Core Area Renovation Project (Insert) It was moved by Member Lindstrom and seconded by Member Panther that the Board of Education approve the low bid from Vanguard Contractors Inc. and its alternate for the Gale, King Core Area Renovation Project as presented. On roll call the following Members voted AYE: Swanson, Harrison, Lindstrom, Nelson, Osborn, Panther, Strauch (7) Motion carried. Roll Call #7

C. Time Extension of Tax Increment Financing—TIF I and TIF II

Mr. Woehlke, Director of Finance and Operations, stated the City of Galesburg is proposing to extend Tax Increment Financing Districts I and II for an additional twelve (12) years beyond their original lives. TIF I was originally scheduled to expire next March and TIF II in 2009. The Illinois Legislature must approve both extensions and is likely to only do so if all affected taxing bodies support the extension. For TIF I to be extended, the Legislature would need to vote on approval during this session. The extension of TIF II is intended to support the National Railroad Hall of Fame Project, and continued fund raising for that project is dependent on a show of local support. For all of these reasons, the City is under a

time deadline to submit the extension application to Representative Moffitt's office by March 21. The City has requested from the school District a letter in support of the TIF extensions by that deadline.

Mr. Woehlke showed the Board the implications for CUSD #205 if the Board approved the extension of TIF I and TIF II, reiterating what Mr. Bragg, City Manager, had told the Board regarding the locations and expiration dates of current TIF Districts. The one district not mentioned previously was TIF III which is located in the South Lake Storey Rd. area and subject to expire September 6, 2022. Mr. Woehlke explained the city wants to create a TIF IV and possibly a TIF V. He explained that if the Board of Education voted to write a letter of support to extend TIF's I and II, and support the creation of TIF IV, the amount of property tax revenue transferred from CUSD #205 to the community would be:

\$ 62,000	(2008)	
\$124,000	(2009-2010)	
\$331,000	(2011-2020)	
\$269,000	(2021-2022)	
\$ 62,000	(2023-2030)	Cumulative would be \$4,654,000.

At the same time, revenues created for CUSD #205 via General State Aid would be:

\$ 42,000	(2008)	
\$ 84,000	(2009-2010)	
\$241,000	(2011-2020)	
\$199,000	(2021-2022)	
\$ 42,000	(2023-2030)	Cumulative would be \$3,354,000.

The above shows that CUSD #205 loses: \$1,300,000.

Mr. Woehlke, stated that the District's role as stated in our strategic plan is, "*We believe that an excellent school system is crucial to the economic development and vitality of the community.*" Mr. Woehlke concluded with the point, the District will not have the funds to carry out the above plan over the next 5 years, let alone the next 23 years unless: a) General State Aid increases dramatically or b) local property taxes increase dramatically.

President Strauch started the discussion with the way the extensions of the TIF's were being handled. He stated he thought it was being done very poorly, the District receives a call on Thursday telling them a decision has to be made the following week because the TIF is set to expire. At this point Mayor Smith requested to give input. President Strauch informed him that we do not do visitor input after the meeting starts. In this instance though, he would give Mr. Smith a chance to give a short rebuttal. Mr. Smith agreed that good schools are good for good economic development but also good economic development is good for good schools and this is what needed to be taken into consideration. Mayor Smith stated if the TIF's are

extended, other things will be built to increase tax revenues for the District. Mr. Bragg, City Manager added that the city is looking at a plan of investment. If able, they would like to see the TIF's developed rapidly so that they could be closed sooner. Mr. Bragg said, "It is what it is".

Several members of the Board stated they were greatly troubled by the timing of this proposal. Just last year, the District had gone through the closing of a school and the reduction of teachers in order to reduce the budget deficit, and now by extending and creating the proposal before the Board, the District would be right back where they were last year with a one million dollar deficit. Other Members stated that the community needs a shot in the arm and maybe this is where it starts. Board Members also stated they had the utmost respect for what the administration is doing, also why and how they are doing it. They realize their need to speak for the community but were somewhat discouraged because they were not given enough time to get community input. Some Members stated they do not like to gamble, and others stated a gamble needs to be made and it is time to take pride in the community.

Mr. Woehlke stated economic growth does not solve our problem. When local property taxes go up, state aid goes down. What will help the District is if more families with school age children move in, if the state legislature can adopt some sort of school reform, or local citizens recognize a referendum for the District. Member Nelson made a motion to agree to the extension of TIF I and it was seconded by Member Osborn. On roll call the following Members voted AYE: Harrison, Osborn, Panther, Strauch, Swanson, (5) NAY: Nelson (1) EXCUSED: Lindstrom (1) Motion carried. Roll Call #8

A motion was made by Member Swanson to approve the Resolution to Extend TIF II and it was seconded by Member Panther. After much discussion regarding the urgency and importance to get this extension approved Member Harrison made a motion to table the support of TIF II and it was seconded by Member Panther. On roll call the following Members voted AYE: Nelson, Strauch, Lindstrom (3) NAY: Osborn, Panther, Swanson, Harrison (4) Motion defeated. Roll Call #9

A motion was then made by Member Swanson to approve the Resolution to Extend TIF II and it was seconded by Member Panther. On roll call the following Members voted AYE: Osborn, Panther, Swanson, Harrison (4) NAY: Lindstrom, Nelson, Strauch (3) Motion carried. Roll Call #9a

#### Adjournment

It was moved by Member Panther and seconded by Member Harrison that the special meeting be adjourned—8:15 PM. On roll call the following Members voted AYE: Osborn, Panther, Strauch, Swanson, Harrison, Lindstrom, Nelson (7) Motion carried. Roll Call #10

---

Carl E. Strauch, President

ATTEST:

---

Gloria P. Osborn, Secretary