

MINUTES
Community Unit School District #205
Board of Education
May 14, 2012

Call To Order/Roll Call

The Community Unit School District #205 Board of Education met in a regular meeting on Monday, May 14, 2012 at 7:00 PM at 932 Harrison Street, Galesburg, IL. The meeting was called to order by President Welty. The roll was read and the following Members responded: Colclasure, Kessler, Lindstrom, Palmer, Panther, Swanson, Welty (7) Roll Call #1

Recognition of District Retirees

Thirty-two (32) retirees were individually recognized.

Moment of Silence/Pledge of Allegiance

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

Election of Board of Education Officers

Member Palmer nominated Member Kessler for the office of President of the Board of Education. Member Colclasure seconded the nomination. On roll call the following Members voted AYE: Kessler, Lindstrom, Palmer, Panther, Swanson, Welty, Colclasure (7) Motion carried. Roll Call #2

Member Kessler assumed the position of President of the Board of Education.

Member Swanson nominated Member Colclasure for the office of Vice-President and Member Palmer seconded the nomination. On roll call the following Members voted AYE: Lindstrom, Palmer, Panther, Swanson, Welty, Colclasure, Kessler (7) Motion carried. Roll Call #3

Member Colclasure assumed the position of Vice-President of the Board of Education.

Member Swanson nominated Member Palmer for the office of Secretary of the Board of Education. Member Welty seconded the nomination. On roll call the following Members voted AYE: Palmer, Panther, Swanson, Welty, Colclasure, Kessler, Lindstrom (7) Roll Call #4

Member Palmer assumed the position of Secretary of the Board of Education.

Recognition of Visitors

None

Approval of Minutes

It was moved by Member Welty and seconded by Member Swanson that the minutes of the regular meeting of April 23, 2012, special meeting of April 17, 2012 and special meeting of May 1, 2012 be approved as presented. On roll call the following Members voted AYE: Panther, Swanson, Welty, Colclasure, Kessler, Palmer (6) Abstain: Lindstrom (1) Motion carried. Roll Call #5

Approval of Payrolls and Claims

Upon presentation of payrolls and claims by Member Palmer filed in the Ledger Book as Exhibit #568 as of May 14, 2012, which exhibit is incorporated herein and by reference made a part here of, 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: Panther, Swanson, Welty, Colclasure, Kessler, Lindstrom, Palmer (7) Motion carried. Roll Call #6

Approval of Consent Agenda

None

Correspondence

None

Committee Reports:Budget

Member Palmer reported that the committee reviewed the investment report and proposed changes to the retirement fund portion of the district's budget. Discussion was also had on the proposed change in school lunch prices especially as they impacted the retirement fund, net food service program deficits and new federal guidelines on program funding equity. The committee is recommending the full board adopt the tentative, amended budget for District 205 as presented.

Building & Grounds

Member Swanson reported that the committee reviewed the Steele School Schematic Design work of the architects and heard of the support of both the Core and Implementation committees. The advisory committees agreed upon a building form and function that would meet the goals and objectives and Steele School specific scope, budget and timelines. Dr. Swanson stated that there was thorough conversation and he wanted to make sure all understood that it is a process that they are agreeing needs to go forward. The committee endorses administrations recommendation that the architects schematic design work including the same being within scope, under

budget and on time be approved and the architects be authorized to proceed to design development.

Insurance

Member Lindstrom reported that the committee has not met since the March meeting. The fund balance is currently reported at \$1,695,609.03. The next meeting is scheduled for June 1, 2012.

R.E.D.

Member Colclasure reported that the committee has not met since January 2012 but the subcommittee last met May 9, 2012 to continue research and development of a DVD and Wikki site. The visit to Princeton to review the project with Kathy O'Malley proved to be effective. A list of people to interview regarding their memories of Galesburg is being developed and the committee may also request a guided tour of Hope Cemetery. The next subcommittee meeting will be scheduled on a Friday in June at which time the committee members will meet at Knox College Library to review their archived documents.

Student Council

Lilly Pogue, GHS Student Council Representative, reported that new members were inducted to student council and the executive board. Lilly was appointed Secretary. The blood drive has concluded successfully with twenty-one donors. Currently student council is working on freshman orientation and the student council banquet which will be held over the summer.

Old Business—None

New Business

A. Approval of Personnel Agenda

Mrs. Diane VanHootegem, Director of Human Resources, stated that the Personnel Agenda stands as presented and recommended its approval (Insert Personnel Agenda)

It was moved by Member Swanson and seconded by Member Welty to approve the Personnel Agenda as presented. On roll call the following Members voted AYE: Welty, Colclasure, Kessler, Lindstrom, Palmer, Panther, Swanson (7) Motion carried. Roll Call #7

B. Appoint Board Committees

Dr. Denisar stated that committees could be appointed or deferred until the June meeting. After discussion President Kessler stated that the committee members would stay the same.

C. Renewal of Bridgeway Contract for Insight Program

Mr. Guy Cahill stated that Bridgeway provides services to the District's Insight Program: substance abuse evaluations/screenings and intervention seminars. The number of children served and the price per child remain unchanged from last year based upon 40 students at \$100 per evaluation plus \$25/hour per student for early intervention sessions. It was moved by Member Swanson and seconded by Member Panther to Approve the Renewal of the Bridgeway Contract for Insight Program. On roll call the following Members voted AYE: Kessler, Lindstrom, Palmer, Panther, Swanson, Welty (6) Abstain: Colclasure (1) Motion carried. Roll Call #8

D. Approve Schedule of Board of Education Meetings (June 2012-May 2013)

Dr. Denisar stated that in past years the Board of Education meetings have been scheduled at 7:00 p.m. on the second Monday of each month except those months in which Monday falls on a holiday. The exceptions this year are the June, July and October meetings due to conflicts and a holiday. The June meeting will be the fourth Monday of the month, the July meeting will be the third Monday of the month and the October meeting will be the second Tuesday of the month. (Insert Schedule) It was moved by Member Colclasure and seconded by Member Swanson to approve the Schedule of Board of Education Meetings (June 2012-May 2013). On roll call the following Members voted AYE: Lindstrom, Palmer, Panther, Swanson, Welty, Colclasure, Kessler (7) Motion carried. Roll Call #9

E. Adopt Amended Budget and Approve Publication and Setting of a Hearing on the Same for June 25, 2012:

Mr. Guy Cahill stated that in April the Board adopted in tentative form an amended budget for the KWSED to be acted upon in final form at its June regular meeting. Now administration brings to the Board proposed action amending the Retirement Fund only portion of the District 205 budget. In reviewing the district budget, expenditures though the end of April stood at 94% compared to 60% the year prior and 83% two years earlier. In reviewing the budget, changes must be made to reflect contract settlements with the instructional assistants ("teacher's" contract), change in our IMRF multiplier and an under-budgeting of several grant items. With respect to the grant programs, the IMRF expense for each was moved to the Education fund this year so as to have the grant pay for the same and not the tax levy. At least that was the plan. Apparently, the expense was not reflected in the Education fund—nor the IMRF/FICA or Retirement Fund. This amendment corrects the same. And as a result, the expense will continue to be paid from the IMRF/FICA Fund—and local property taxes—as has been the practice in the district for some time (based upon the argument of putting as much of the grant resources into the classroom as possible). We will look at funding the retirement obligations from the grants themselves as all funding sources continue to be threatened and/or

strained, including local property taxes. Additionally, salary increases awarded to the instructional assistants and exempt non-certified employees and the resultant change in retirement benefits necessitate this amendment now that the same are known. Finally, an increase in the “factor” applied by the IMRF resulted in an across the board change; the factor is adjusted each January. Offsetting these expenses were anticipated increases in discretionary one-time Medicaid reimbursements, all the same to be deposited into the IMRF/FICA Fund. The changes have been reviewed by the Board’s Budget Committee. Member Welty moved to Adopt Amended Budget and Approve Publication and Setting of a Hearing on the Same for June 25, 2012 and Member Swanson seconded the motion. On roll call the following Members voted AYE: Lindstrom, Palmer, Panther, Swanson, Welty, Colclasure, Kessler (7) Motion carried. Roll Call #10

F. Approval of Authorized Depositories

Mr. Guy Cahill stated that his is one of the items required to be approved annually. Donna Palmer, our Treasurer, has prepared the list of “Authorized Depositories.” (Insert) It was moved by Member Welty and seconded by Member Palmer to approve the list of Authorized Depositories. On roll call the following Members voted AYE: Swanson, Welty, Panther, Lindstrom, Palmer, Kessler, Colclasure (7) Motion carried. Roll Call #11

G. Approval of Food Service Contract

Ms. Diane VanHootegem, Director for Human Resources stated that the Food Service/Local #73 and the Board’s bargaining teams came to a tentative agreement on April 18, 2012. The Food Service members ratified the agreement on Tuesday, May 1, 2012. It was moved by Member Lindstrom and seconded by Member Swanson to approve the Food Service Contract as presented. On roll call the following Members voted AYE: Swanson, Welty, Panther, Colclasure, Kessler, Lindstrom, Palmer (7) Motion carried. Roll Call #12

H. Authorize Reimbursement to Education Fund of Excess GASB 43/45 Retiree Health Insurance Reserves Made on Behalf of Retirees by District

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that the District maintains a fund to which is deposited annually moneys to subsidize the cost of retiree health insurance not otherwise provided for in premium payments. The fund was created in response to a Governmental Accounting Standards Board (GASB) “Statement 43/45” promulgated during the last decade. The district voluntarily funded in full its obligation at that time. (There is no current requirement that the district contribute to this trust). The amount in reserve exceeds 100%. No transfers heretofore have been made from the fund to cover years in which retiree costs have exceeded payments made. In Fiscal 2010 as part of Operation Program-Job Save, the amount due the education fund (from which the district’s portion subsidy is made) had grown to \$302,000. The fund currently has on hand \$647,249.05. The Fiscal 2012 budget called for the

reimbursement of the education fund in the amount of \$302,000. It is proposed that \$302,000 be reimbursed the Education Fund from the GASB 45 Retiree Trust. It was moved by Member Swanson and seconded by Member Panther to Authorize Reimbursement to the Education Fund of Excess GASB 43/45 Retiree Health Insurance Reserves Made On Behalf of Retirees by District. On roll call the following Members voted AYE: Welty, Swanson, Colclasure, Kessler, Lindstrom, Palmer, Panther (7) Motion carried. Roll Call #13

I. Approval of Schematic Design for Steele School

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that the Building Committee met earlier this afternoon to review the Schematic Design work on the Steele school site. Review of the proposed treatment of the various spaces, coupled with the construction standards settled upon and the calculated costs for all the same, the Committee met to approve the work of the architects and support the recommendation of administration forwarding the same to the full Board of Education for review and action. Attached is a copy of the final work product of the architect and construction manager through Schematic Design. Upon Board of Education approval of design (analogous to 2D and a 5000 foot view), schedule and budget, the architects will proceed to the Design Development phase. The total estimated cost at this phase of development is \$5,556,421(the original budget adjusted for carpet was \$5,556,638). The changes can be attributed to the refinement of the design, finalization of construction standards and inclusion of items beyond that of the original scope. With affirmative Board Action accepting the Schematic Design work, administration will direct the architects to proceed to Design Development. After brief discussion it was moved by Member Welty and seconded by Member Swanson to Approve the Schematic Design for Steele School. On roll call the following Members voted AYE: Welty, Colclasure, Kessler, Lindstrom, Palmer, Panther, Swanson (7) Motion carried. Roll Call #14

J. Award Lombard Projects—Balance of Bid Package No. 2 Items

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations stated that Bids were received on April 12 and 19, 2012 for Lombard Bid Package No. 2. Eighteen project categories were covered by this bid with an estimated value of \$7,177,000 in the aggregate. Fifteen of those bids were awarded at the Board's April regular meeting. The remaining three are presented herein. As more fully described in the attached (2), the following bids and alternates are recommended for award by the District's construction manager Russell Construction. The total for the remaining three categories including proposed alternates was: \$407,800. There remains a 3% contingency which if left remaining at the end of the projects will be applied toward in priority order to Alternate Bid No. 10 100% Auditorium Plaster Patching and Bid No. 1 Boiler Room to Classroom Conversion, Bid No. 6 Terrazzo Restoration and Bid No. 2 Asphalt Removal and Reseeding.

It was moved by member Swanson and seconded by Member Lindstrom to Award Lombard Projects—Balance of Bid Package No. 2 Items. On roll call the following Members voted AYE: Colclasure, Kessler, Lindstrom, Palmer, Panther, Swanson, Welty (7) Motion carried. Roll Call #15

K. Approval of School Fees

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that with the exception of school lunch fees (increases), no changes were proposed for any other student fees. Federal guidelines require the district charge a certain rate for school meals in proportion to the reimbursement received for free and reduced price lunches, the theory being the district not subsidize paid lunches. If we were to fully meet the guidelines, we would have to increase fees 10¢ each year for lunch until such time as we reach \$2.57 plus any annual increase in the federal reimbursement. Currently we charge \$1.50, \$1.60 and \$1.85 for lunch at the elementary, middle and high school, respectively. To fund our breakfast program adequately we need to increase the fee 10¢; there is no federal guideline necessitating this change. The guidelines do allow for a phasing-in period which would translate into annual increases approximating 10¢ over the next several years. The District has not changed meal prices since 2005. At that time, according to staff, the Board chose to increase fees beyond the original recommendations so as to not have to revisit the issue on an annual basis. Administration proposes increasing fees to that provided for in federal guidelines. (The food service program runs an average annual deficit approximating the amount of its annual IMRF obligations or \$81,000.) We propose increasing lunch fees across the board by 30¢ and breakfast 10¢; we propose no other increases in student fees. It was moved by Member Palmer and seconded by Member Welty to Approve School Fees. On roll call the following Members voted AYE: Kessler, Lindstrom, Palmer, Panther, Swanson, Welty, Colclasure (7) Motion carried. Roll Call #16

L. Approval to Engage Auditor

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that following a bid two years ago for services, John Meister & Associates, CPA were engaged by the District to perform the annual audit. Despite an increase in requirements and time due to the ARRA program, the firm completed its work on-time and within budget. This year they propose a net decrease \$1500 in “not to exceed” fees to \$43,500 from \$45,000. Staff continues to work well with the auditor and them with us. It is proposed that we continue with the Meister firm for a third year, in part, to maintain some sense of continuity, Meister’s familiarity with federal single audit requirements and the decrease in fee. It was moved by Member Swanson and seconded by Member Colclasure to engage the auditor. On roll call the following Members voted AYE: Lindstrom, Palmer, Panther, Swanson, Welty, Colclasure, Kessler (7) Motion carried. Roll Call #17

Administrative Reports

Comments were made by Mr. Joel Estes

Comments by Board of Education

Comments were made by Member Swanson, Panther, Palmer, Lindstrom and Colclasure

Adjournment

It was moved by Member Palmer and Seconded by Member Swanson that the meeting be adjourned—8:43 PM. On roll call the following members voted AYE: Palmer, Kessler, Colclasure, Panther, Swanson, Welty, Lindstrom (7) Motion carried. Roll Call #19

Natalie M. Kessler, President

ATTEST:

Molly E. Palmer, Secretary