

**MINUTES**

Community Unit School District #205  
Board of Education  
December 14, 2009

Public Hearing on Amendment to Board Policy 623.00—Authorization for Internet Access.

6:55 PM—President Lindstrom called the public hearing on the Amendment to Board Policy 623.00—Authorization for Internet Access to order. The roll was read for the public hearing and the following Members responded: Lindstrom, Welty, Panther, Strauch, Swanson, Harrison (6) Absent: Osborn (1)

Mr. Matt Jacobson stated that having a public hearing for board policy is a new requirement by the FCC. The amendment being made reflects the new standards for internet safety.

There were no comments from the public

Public Hearing on Amendment to Board Policy 623.00—Authorization for Internet Access was closed.

Call To Order/Roll Call

The Community Unit School District #205 Board of Education met in a regular meeting on Monday, December 14, 2009 at 7:00 PM at 932 Harrison St., Galesburg, IL. The meeting was called to order by President Lindstrom. The roll was read and the following Members responded: Harrison, Lindstrom, Welty, Panther, Strauch, Swanson (6) Absent: Osborn (1) Roll Call #1

Moment of Silence/Pledge of Allegiance

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

Recognition of Visitors—NoneApproval of Minutes

It was moved by Member Welty and seconded by Member Strauch that the Minutes of the regular meeting of November 9, 2009, special meeting of November 24, 2009, and special meeting of December 8, 2009 be approved without further reading and without correction or addition. Member Panther stated that two (2) corrections needed made. The Buildings and Grounds committee actually met at Lombard Junior High School on Thursday, November 12, 2009 and that Member Panther's vote was incorrectly recorded in regards to New Business Item C-Accept Offer to Acquire Property Subject to Negotiating Acceptable Terms of a Sale Contract and the Securing of Certain Lease-Purchase Financing. (Correction was made to New Business Item C on the November 9, 2009 minutes. While the Building and Grounds Committee did meet at Lombard it was presented during the November 9, 2009 meeting that the meeting would be at Churchill so no changes will be made). On roll call the following Members voted AYE: Lindstrom, Welty, Panther, Strauch, Swanson, Harrison (6) Motion carried. Roll Call #2

Approval of Payrolls and Claims

Upon presentation by Member Strauch of payrolls and claims filed in the Ledger Book as Exhibit #538 as of December 14, 2009, which exhibit is incorporated herein and by reference made a part hereof, it was moved by Member Strauch and seconded by Member Harrison that the same be

approved and allowed for payment as presented. On roll call the following Members voted AYE: Welty, Panther, Strauch, Swanson, Harrison, Lindstrom (6) Motion carried. Roll Call #3

Approval of Consent Agenda –Dr. Densiar stated that due to the ISBE not having recommended revisions in place that item E is at this point only being revised to state that Mrs. Diane VanHootegem is the representative for requests. It was moved by Member Strauch and seconded by Member Swanson to approve the Consent Agenda items as presented.

- A. Approve District Improvement Plan 2009/2010
- B. Approve Galesburg High School Improvement Plan 2009/2010
- C. Approve Lombard School Improvement Plan 2009/2010
- D. Approve Amendment to Board Policy 623.00
- E. Approve Amendment to Board Policy 288.00 and 290.00

On roll call the following Members voted AYE: Welty, Panther, Strauch, Harrison, Swanson, Lindstrom (6) Motion carried. Roll Call #4

Correspondence – None

#### Committee Reports

##### Budget

Member Strauch reported that the Budget Committee last met on November 17, 2009 and December 3, 2009. Discussed were investment portfolio, several new “quarterly reports” to be introduced, bids for the lease-purchase of 427 E. Fremont property, the pre-payment of the district’s IMRF Early Retirement Incentive obligation, the copier-printer bids, and the magnitude of potential costs associated with the Master Facility Plan. The districts auditor Teresa Welch presented her findings for the fiscal year ending June 30, 2009. The committee is not scheduled to meet again before the holidays. Assistant Superintendent for Finance and Operations, Guy Cahill, stated that Teresa Welch is present to answer any questions regarding the acceptance of the 2009-2010 audit. Dr. Denisar stated that due to the funding issues with the State of Illinois. The district has billed the state \$2,183,749.95 but has not been paid which is why the district funds are short. Mr. Cahill added that the district received a letter from Chris Koch from the State Board of Education, reminding districts that this years state budget was set on stimulus monies that are just now being applied for and that if they are unable to receive those dollars it impacts District 205 in regards to general state aid that possibly won’t be available. It was moved by Member Strauch and seconded by Member Welty to

accept the 2009-2010 Audit. On roll call the following Members voted AYE: Lindstrom, Strauch, Panther, Welty, Harrison, Swanson (6) Motion carried. Roll Call #5

#### Building and Grounds

Member Swanson reported that the Buildings & Grounds Committee last met on November 12, 2009. The committee received and update on the close-out status of summer construction projects. Ninety-nine percent of the work had been completed, as reported by the architects. The Committee listened to a proposal to address certain concerns pertaining to the GHS floor tiles and the release of final payment related to the satisfactory negotiation on the same. The committee is not scheduled to meet again before the holidays.

#### Insurance

Member Harrison reported that the Insurance Committee last met on December 10, 2009. Review of the District Fund Balance shows the balance to date is reported at \$148,182.56. The committee discussed the staff education process for the High Deductible Health Plan (HDHP), scheduled to be made available with the 2010-2011 school year. The well care offers through the Methodist Well-mobile to staff, are now being scheduled by appointment, for January 15, 2010; an Institute day, here at the Central Board Office. The next regular Insurance Committee meeting is scheduled for January 11, 2009 at 4:30 p.m.

#### Recruitment for Educational Diversity

Member Swanson reported that the RED Committee last met on September 14, 2009 and that the next meeting will be scheduled in January 2010.

#### Student Council

Jane Simkins, Student Council President, informed the Board that they are currently working on Project Holiday which consists of working with Walmart to supply gifts for their angel tree which gives gifts to needy children. There will also be caroling to nursing homes and decorating of the high school.

Instructional PresentationA. Bright Futures

Maury Lyon, Director for Bright Futures, introduced Ms. Barshinger and staff after a short video to explain and demonstrate the basic components of our district's early childhood services in the Bright Futures' program. The focus is on those services offered at Lincoln Education Center where 260 preschoolers attend daily for a half day program. The Lincoln classes are part of a larger county program serving at additional 150 children and a state program serving over 90,000 children. The Bright Futures program began as a state funded prekindergarten program in February 1986. It is now serving its 25th group of preschoolers. It has grown into an accepted part of our District's offering to families, though it is not universal preschool. Parents need to bring their children to a "Learning Check Up" to determine need. Children with the greatest need are served first until we fill the class sections. It is primarily funded with a state grant, Early Childhood Block Grant, which experienced a 10% cut for this school year. It was the first funding cut during the entire duration of the program. (Insert)

Old BusinessA. Approve Resolution to Adopt December 2009 Certificate of Tax Levy

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations stated that the tax levy resolutions must be adopted by the Board this month, and be delivered to the Knox and Warren County Clerks by the last Tuesday in December. No changes are recommended to the tentative tax levy adopted last month. It was moved by Member Harrison and seconded by Member Swanson to approve adoption of the resolution for the December 2009 Certificate of Tax Levy (insert). On roll call the following Members voted AYE: Welty, Harrison, Lindstrom, Panther, Strauch, Swanson (6) Motion carried. Roll Call #6

New BusinessA. Approve Personnel Agenda

Diane VanHootegeem, Director for Human Resources, stated that the Personnel Agenda stands as presented and recommended its approval. It was moved by Member Welty and seconded by Member Strauch 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 (6) Motion carried. Roll Call #7

B. Approve Copier/Printer Bid and Authorization for Administration to Negotiate a Five Year Maintenance and either Lease or Lease-Purchase Agreement/Contract with Xerox Corporation for the Base Bid Price of not to Exceed \$494,403.60, in the Aggregate, Plus Cost of Color Copies at .051¢ Per Copy.

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations, stated that the district's current pool agreement for copier-printers expired in Fiscal 2008-2009. The district is coming off a \$1,050,000 five-year lease agreement which continues today on a month-to-month basis at an annualized rate of \$210,000. Bids have been received on a new five year "lease-purchase" agreement (*emphasis added*). Five vendors expressed interest in the district's business. Four vendors responded to the district's solicitation. Two vendors were culled from the four based upon "responsiveness" (-i.e., meeting specifications) to the solicitation and "price." The two culled vendor's references were checked and, separately, competed in a "head-to-head" competition of user preference; each vendor installed a machine at Churchill and GHS one next to the other. Surveys were provided staff. Using a scoring system that valued the overall cost of the lease-purchase—including principal, interest and maintenance and supplies—at 51%, references

from other school districts as to quality and responsiveness at 29%, and staff preference at 20%, a “low-responsive” recommendation was developed. The Xerox offering achieved 97 of a possible 100 points for price, references, and user preference or 51, 29, and 17 points respectively. Authorization is sought to negotiate a contract to either lease-purchase (alternate Base Bid 1 @ \$494,403) or enter into a “fair market value” lease (negotiated alternate @ \$455,084.40). The difference is the District would not own the machines at the end of the term and any extension of the agreement would be at the current pricing. It was moved by Member Swanson and seconded by Member Welty to approve the Copier/Printer Bid and Authorization for Administration to Negotiate a Five Year Maintenance and either Lease or Lease-Purchase Agreement/Contract with Xerox Corporation for the Base Bid Price of not to Exceed \$494,403.60, in the Aggregate, Plus Cost of Color Copies at .051¢ Per Copy. On roll call the following Members voted AYE: Panther, Strauch, Swanson, Harrison, Lindstrom, Welty (6) Motion carried. Roll Call #8

C. Adopt Resolution Authorizing the Issuance of Lease Certificates for the Acquisition of Property Located at 427 E. Fremont, Galesburg, IL

Assistant Superintendent for Finance and Operations, Cuy Cahill, stated that at the Board of Education’s November regular meeting it acted to accept the counter-offer on the acquisition of property located at 427 E. Fremont. Statute provides for the acquisition of property to be used for classrooms to be accomplished through a lease-purchase and the issuance of lease certificates to perfect the same. A five-year lease-purchase was bid providing for pre-payment without penalty. Solicitations were sent to six potential “nominal lenders/purchasers/lessors.” One did not respond. A second did not submit a bid. Two submitted a combined bid. And two submitted individual bids. The low-responsive bid appears to have been received by the consortium of The Farmers and Mechanics Bank, Hutchinson, Shockey, Erley & Co. and Capital Asset Finance Corporation as “investor,” “placement agent,” and “lessor,” respectively. The Series ‘A’ Base Bid (\$200,000 principal) was \$215,737.83; the Series ‘A’ (alt) (\$850,000) was \$916,885.70. The interest rate was 2.85% on each submission. Principal and interest would be paid from future operating funds and/or in the alternative a subsequent “funding bond;” the district did not budget for this purchase in the current Fiscal 2009-2010 budget. For reasons of the budget, potential use as classrooms, and the option to utilize funding bonds to retire the debt all contributed to the need/desire to lease-purchase. The size of the issue was discussed by the Board Budget Committee. Given that there are no immediate plans for the use of the facility—i.e., the purchase being made in part as an investment in the future facility needs of the district—it is believed the Series ‘A’ Bid or \$200,000 principal amount be awarded. It was moved by Member Welty and seconded by Member Harrison to Adopt the Resolution Authorizing the Issuance of Lease Certificates for the Acquisition of Property Located at 427 E. Fremont. (Insert) On roll call the following Members voted AYE: Lindstrom, Harrison, Welty, Strauch, Swanson (5) NAY: Panther (1) Motion carried. Roll Call #9

D. Approve Agreement with Rev Track for Processing of On-Line Payments

Assistant Superintendent for Finance and Operation, Guy Cahill, stated that Rev Track is an on-line processor of credit/debit cards and is used in conjunction with Skyward to pay for school lunches, registration fees, or other fees that from time to time we might include in a “market basket.” The service is widely used throughout the State by Illinois school districts. It fully integrates with our Skyward student information system software. There is no direct cost to the district; however, a 3.9% charge for each transaction is deducted from the gross purchase made, effectively reducing the revenue to the school district. We will initially roll out the use of the service at GHS for the purchase of lunches. It is our goal to expand to all campuses and allow for the on-line payment of registration fees in the fall 2010. It was moved by Member Harrison and

seconded by Member Swanson to approve the Agreement with Rev Track for Processing of On-Line Payments. On roll call the following Members voted AYE: Swanson, Harrison, Lindstrom, Strauch, Welty, Panther (6) Motion carried. Roll Call #10

E. Adopt Resolution Directing Transfer of Funds from the Working Cash Fund of Community Unit School District No. 205, Knox-Warren Counties, Illinois

Assistant Superintendent for Finance and Operations, Guy Cahill stated that the district has an outstanding "early retirement incentive" obligation with the Illinois Municipal Retirement system. The district pays the equivalent of 7.5% interest on the same. Current investments of the district are yielding less than 1% interest. Funds to the credit of the municipal retirement account are insufficient to cover current budgeted expenditures plus the outstanding obligation. A transfer from the working cash fund, to be repaid from the taxes levied for 2009, would provide the monies necessary to allow for the retirement of the obligation. It is estimated the district will save upwards of \$150,000 over five years in interest that would otherwise be paid from the working cash fund. Repaying the outstanding obligation will also have the immediate effect of lowering our payroll tax for the same, estimated to increase 70% over the current year (roughly half attributable to the obligation) beginning in January. Member Welty made a motion to Adopt the Resolution Directing Transfer of Funds from the Working Cash Fund of Community Unit School District No. 205, Knox-Warren Counties, Illinois. The motion was seconded by Member Strauch. On roll call the following Members voted AYE: Lindstrom, Swanson, Panther, Harrison, Strauch, Welty (6) Motion carried. Roll Call #11

F. Authorization to Pre-Pay IMRF ERI.

Assistant Superintendent for Finance and Operations, Guy Cahill, stated that the District currently has an outstanding IMRF ERI obligation totaling \$755,325. Under separate action the Board adopted a resolution directing the loan of Working Cash Funds to the Municipal Retirement Fund. The district had not budgeted the pre-payment of the outstanding obligation. This action will permit the pre-payment of the IMRF ERI until such time as the district amends its budget to provide for such an expenditure. It was moved by Member Swanson and seconded by Member Harrison to Authorize Pre-Payment of IMRF ERI. On roll call the following Members voted AYE: Swanson, Welty, Panther, Strauch, Lindstrom, Harrison (6) Motion carried. Roll Call #12

G. Authorize Administration to Negotiate the Rental of Space at 427 E. Fremont with Kelly Medical

Mr. Guy Cahill, Assistant Superintendent for Finance and Operations stated that Kelly Medical is a current tenant in the 427 E. Fremont property recently acquired by the district for closing with the first of the new year. They have approached the district with a request to continue to rent their current space for an additional month and a half. Administration is amenable to the same subject to the negotiation of a satisfactory rental agreement. Time does not allow for the completion of negotiation of an agreement prior to the desired effective date. Administration would like to negotiate an agreement consistent with that currently enjoyed by the tenant yet within certain of the parameters of the district's current policy/administrative procedure for the rental of facilities. Because this rental is short-term and may or may not comport to the current policy/administrative procedure, given the time before the transfer of property, administration felt compelled to seek flexibility in negotiating a rental agreement. Attached is a "form" of agreement previously used by the district for these purposes that might be adapted. It was moved by Member Welty and seconded by Member Strauch to Authorize Administration to Negotiate the Rental of Space at

427 E. Fremont with Kelly Medical. On roll call the following Members voted AYE: Panther, Strauch, Welty, Harrison, Lindstrom, Swanson (6) Motion carried. Roll Call #13

H. Accept \$50,000 Surety Bond from Treasurer.

Assistant Superintendent for Finance and Operation, Guy Cahill, stated that the lease certificates require the district treasurer be bonded with a surety company. The face amount of the certificate is \$200,000 requiring a surety bond equal to not less than 25%. The district has secured a surety bond on behalf of its Treasurer Donna Palmer through the district's insurance broker Gallagher. The Board is asked to accept the bond as sufficient assurance that the Treasurer will perform all duties as respects the issuance of the lease certificates and the receipt and disposition of proceeds from the same. It was moved by Member Panther and seconded by Member Swanson to accept \$50,000 Surety Bond from the Treasurer. On roll call the following Members voted AYE: Swanson, Welty, Strauch, Panther, Harrison, Lindstrom (6) Motion carried. Roll Call#14

Administrative Reports

Comments were made by Dr. Denisar.

Comments by Board of Education

Comments were made by Members Welty, Strauch, Harrison, Lindstrom

Adjournment

It was moved by Member Strauch and seconded by Member Welty that the meeting be adjourned – 8:46 PM. On roll call the following Members voted AYE: Panther, Strauch, Swanson, Harrison, Lindstrom, Welty (6) Motion carried. Roll Call #15

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Robert Lindstrom, President

ATTEST:

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Gloria Osborn, Secretary