

Kenilworth School District No. 38

MINUTES OF A MEETING OF THE BUILDING AND FINANCE COMMITTEE
OF THE BOARD OF EDUCATION OF
KENILWORTH SCHOOL DISTRICT NO. 38, COOK COUNTY, ILLINOIS
September 3, 2015

The Building and Finance Committee of the Board of Education of Kenilworth School District No. 38, Cook County, Illinois, met on the 3rd day of September, 2015, at 12:30 p.m., in the Faculty Hall Conference Room of The Joseph Sears School, 542 Abbotsford Road, Kenilworth, Illinois. Members present included: Mrs. Mindy Kelly, Mrs. Suzanne Nelson, Mrs. Stacey Van Metre, Superintendent/Chief School Business Official Dr. Crystal LeRoy and Communication Coordinator Mr. Chike Erokwu. Also present were Mrs. Alison Winslow and Mrs. Eileen Madigan.

Mrs. Mindy Kelly called the committee meeting to order at 12:34 p.m.

Review of Minutes from June 1, 2015 – The minutes were approved as presented.

Public Comment – Building and Finance Committee Chair Mrs. Mindy Kelly invited public comment. Mrs. Alison Winslow introduced herself as a new Kenilworth Village Board Member. Mrs. Winslow said the village of Kenilworth has attempted to organize an intergovernmental association of boards from different organizations in the village of Kenilworth.

Mrs. Winslow said she has been looking at budgets for different entities in the village. In reviewing the Kenilworth School District No. 38 Board of Education tentative FY15 budget, Mrs. Winslow said she researched the operating costs per student for each district in the area. Mrs. Winslow noted that Kenilworth came in high when compared to other districts.

Mrs. Winslow said she would like the Committee to take a look at the ratio of operating costs per student and explain what is driving the high ratio. She also said she would like to see the District come up with a plan to reduce expenses accordingly. Mrs. Winslow also discussed decreasing enrollment figures and said she hopes the Board will take those numbers into consideration when making budget decisions and facility long-range planning decisions.

Mrs. Eileen Madigan also addressed the Committee. Mrs. Madigan echoed the statements of Mrs. Winslow and added she hopes the Board will use enrollment projections in guiding future decisions.

Mrs. Stacey Van Metre moved to enter into Closed Session to consider information regarding specific employee matters and the purchase or lease of real property for use of the public body. The motion was seconded by Mrs. Suzanne Nelson.

The Building and Finance Committee entered Closed Session at 1:03 p.m.

The Building and Finance Committee returned from Closed Session at 1:11 p.m.

Discussion of Options for Investment Services – Dr. LeRoy led a discussion about the District's investment services. The District currently uses three financial sources for investments – Chase Bank, IIIT/PFM Asset Management and PMA Financial Network. Dr. LeRoy said there are financial and practical reasons to only use one financial source for investments; a single financial source would provide more flexibility and ensure the District remains in compliance with all of its investments. Dr. LeRoy recommended the committee favorably approve the designation of PMA Financial Network as the District's sole investment holder.

Dr. LeRoy said PMA offers free cash flow analysis that could maximize the District's return on investment. In addition, Dr. LeRoy said she has had a positive experience with PMA in the past. Mrs. Nelson said she would like to know which other school districts and entities in the area use PMA and that should be included in Dr. LeRoy's memo to the Board.

Discussion of Request for Proposals for Banking Services – Dr. LeRoy told the Committee she will solicit a Request for Proposal for banking services. The Committee discussed different banking options available. Mrs. Kelly said that she has known North Shore Community Bank had some financial problems in the past and that Dr. LeRoy should research the history of the banks that submit RFPs.

Discussion of Salary Recommendations for Instructional Assistants and Annuitants – Dr. LeRoy led a discussion on salary increases as they relate to rehired instructional assistants and annuitants. Dr. LeRoy proposed the District extend a 2-3 percent raise based on merit to instructional assistants and the District's single annuitant. This is in line with what the Board approved for non-certified support staff in May. Dr. LeRoy said she would present a memo to the Board before the approval of this increase that would detail the increase each person would receive should the Board approve of the new raise rate.

Review of Strategic Plan Action Items – The Committee reviewed and discussed the financial portions of the 2015-2016 Strategic Plan. Dr. LeRoy reviewed in detail the action plan items related to the establishment of a Master Facilities Plan. Based on last year's annual parent surveys, the Committee identified the school lunch solution and school air conditioning as the top two finance and facilities priorities.

Committee members agreed the District needs to hire a new architect to devise a new Master Facilities Plan since District Enrollment and the Master Schedule have changed since the last plan was enacted. Committee members agreed they should solicit opinions from faculty once they begin the process of planning how to use space going forward. Mrs. Nelson added the new Master Facilities Plan should explore the idea of how to transform existing spaces in order to provide a more progressive learning environment for the future.

Dr. LeRoy stated that the District should be mindful of future expenses when planning capital improvements. She said that the Illinois State Board of Education is in the process of transitioning their percentage of pension plans to the individual school districts. This pension transition, which could go into effect as soon as next year, may include the gradual absorption of 20 percent of salary and benefits costs by the District over the span of a 20-year period.

Mrs. Van Metre, who was part of the Board that oversaw the previous Master Facilities Plan, said the previous Board received a quote of \$4 million to install air conditioning throughout the second floor alone. Dr. LeRoy said the District would not be able to afford to air condition the entire school at once. The Committee discussed possible alternatives, including the installation of air conditioning in phases throughout the school.

Dr. LeRoy said the Board would need to move quickly on any construction decisions related to the school lunchroom solution should they want to meet a spring 2016 projected start date.

Committee members discussed what the District should look for when hiring a design firm. Mrs. Kelly suggested a design/build firm may best fit the school's needs while Mrs. Nelson suggested the District

look into a firm that contracts either hourly or offers project rate fees to ensure the architects are fully compensated for their work. Dr. LeRoy added the design firm should be familiar with Illinois and Cook County building standards and regulations as one missed step could result in a significant project delay.

Dr. LeRoy said she would solicit proposals from design firms. The Committee will then narrow down the proposals and have the top design firms give a presentation to the Building and Finance Committee.

Discussion of FY16 Budget Assumptions – Dr. LeRoy presented a document to Committee members that compared teacher FTEs from last year to this year.

Dr. LeRoy explained the 3.3 percent increase in budgeted salaries shown in the budget despite the reduction of personnel in line with decreased enrollment. Dr. LeRoy told the Committee that substitute pay has increased, partially due to the increased usage of maternity and paternity leave by faculty. Stipends and supervision costs have also increased. Dr. LeRoy said substitute usage is something she has discussed with Principal Kendra Wallace. Dr. LeRoy said she and Mrs. Wallace are working to make sure substitute costs will not increase with the decrease in FTEs.

Committee members discussed budget assumptions as they relate to the tentative budget. Committee members asked Dr. LeRoy to spell out the line items that make up the total listed under purchased services. Mrs. Nelson asked Dr. LeRoy to provide annotations under budget assumptions to note where there are significant increases or decreases. Dr. LeRoy said she would make the changes as requested and send a draft to Mrs. Kelly for review prior to the next board meeting.

Set Next Meeting Date – No meeting date was set.

Mrs. Suzanne Nelson moved, seconded by Mrs. Stacey Van Metre, to adjourn the meeting.

Mrs. Mindy Kelly adjourned the meeting at 2:41 p.m.

Respectfully submitted by,



Chike Erokwu
Secretary, Board of Education
Kenilworth School District No. 38