

Kenilworth School District No. 38

MINUTES OF A MEETING OF THE BUILDING AND FINANCE COMMITTEE OF THE BOARD OF EDUCATION OF KENILWORTH SCHOOL DISTRICT NUMBER 38, COOK COUNTY, ILLINOIS DECEMBER 2, 2013

The Building and Finance Committee of the Board of Education of Kenilworth School District Number 38, Cook County, Illinois, met on the 2nd day of December, 2013, at 5:32 p.m., in Room 218, at The Joseph Sears School, 542 Abbotsford Road Kenilworth, Illinois. Members present included: Mrs. Stacey Van Metre, Mr. Scott Wallace, Mr. Greg Werd, Dr. Kelley Kalinich and Dr. Crystal LeRoy. Also present were Board member, Dr. Christine Stoll and Auditors, Mr. Jeff Rollefson and Mr. Joe Troyer.

Approval of Meeting Minutes for November 11, 2013 – The minutes were approved as presented.

Public Comment – There was none.

Review of the FY13 Audit by Evans, Marshall & Pease – Auditors Mr. Joe Troyer and Mr. Jeff Rollefson were introduced and reviewed the process used to complete the FY13 Final Audit inclusive of the GASB34 report and the Management and Discussion Analysis letter. They noted the following:

- ✓ The audit is reported as an “Unmodified” opinion on a cash basis, formerly referred to as an “unqualified” opinion. This is the “clean” opinion.
- ✓ Monthly bank reconciliations were a concern this year, as it was in FY12. This relates to a concern about the consistency of personnel in the Business Office and the timeliness of the reconciliations for internal controls.
- ✓ Payroll reconciliation was also a concern. Payroll reconciliation needs to be performed quarterly with the completion of the payroll tax forms. Irregularities need to be reported to the Board as they are identified.
- ✓ The Computer Buy Program for employees as a concern in some cases where the paperwork could not initially be located. It was suggested that improved program management will ensure appropriate authorization, accuracy of contracts and storage of records going forward.

It was noted that the Business Office has already addressed many of the concerns for FY14. Dr. LeRoy will continue to work closely with the auditors to ensure corrections are addressed and in place.

Mr. Jeff Rollefson and Mr. Joe Troyer departed the meeting at 7:00 p.m. Mrs. Betsy Moerschel and Mrs. Suzanne Nelson arrived at 7:00 p.m.

Review of Long Range Financial Projections and Specific Expense Categories – Dr. LeRoy presented the 10-Year Projections with two different scenarios. Both scenarios included the following assumptions:

- ✓ Property Tax Revenue increases at 2% annually;
- ✓ General Expenses increase at 2.4%;
- ✓ Salaries increase at 2.8%; and
- ✓ Placeholder of \$700,000 for potential real estate purchase.

The 10-Year Projections were presented as follows:

1. The first scenario will illustrate the District’s financial picture if the current revenue and expenditure pattern remains the same.

Kenilworth School District No. 38

2. The second scenario will include \$5M for future facility projects, with \$2M allocated in FY15, \$2M allocated in FY16 and \$1M allocated in FY17.

Dr. LeRoy also reviewed the District's outstanding debt schedule.

The Board asked that a more comprehensive long range projection be developed at the completion of the reconciliation process to better inform the decision making process for any capital projects. Dr. LeRoy will follow up with this after the first of the year.

Additionally, in order for the Committee to become more familiar with the various expense categories, Dr. LeRoy shared a report including "Technology" and "Consultant" categories. The Committee reviewed the report and requested to add "Repairs and Maintenance" and "Utilities" categories. Dr. LeRoy will highlight these specific expense categories on a monthly basis at the regular Board Meeting.

Review of Master Facilities Plan and Determine Next Steps - Dr. Kalinich and Dr. LeRoy highlighted the following items related to potential building projects:

- ✓ Installation of new Heating and Air-Conditioning in Gymnasium - Follow up from discussion with JSSPVA and potential timelines for implementation
- ✓ Implementation of repurposed classroom space, reconfiguration of Library Technology Center (LTC), Art Rooms and Science Labs - The JSSPVA is interested in featuring new Science equipment for their annual Benefit. Dr. Kalinich noted that the list of identified needs would be developed with the Science Curriculum Committee in advance of the Benefit.
- ✓ Repair of retention wall near future vestibule and Outdoor Classroom
- ✓ Cost of installing Air-conditioning to the 2nd floor (3rd through 5th grade classrooms)

The Committee discussed the possibility of moving forward with the Heating and Air-Conditioning in the Gymnasium project for Summer 2014. It was decided that additional and more definitive District financial projections would be required to determine future facility projects and timeline.

Review of Board Policy Revisions - Dr. Kalinich will review the posted Board Policies - This agenda item was postponed for future discussion.

Other Business - There was no additional business discussed.

Set Future Meeting Date - Monday, January 27, 2014 at 6:00 p.m.

The meeting was adjourned at 7:27 p.m.

Respectfully submitted by,



Crystal S. LeRoy
Business Services and Human Resources Manager