

FINANCE/PERSONNEL COMMITTEE MEETING

Meeting Date: Tuesday, May 15, 2018

Members:

Ms. Annette Johnson, Chair	Yes
Mr. Bruce Schubert	Yes
Mr. Dan Barreiro	Yes
Mr. Michael Prombo	Yes
Mr. Steven Megazzini	Yes

Attendance:

Participants:

Mr. Robert Lewis, Senior VP PMA Securities; Ms. Anne Noble, Managing Director, Stifel Nicolaus; Ms. Elizabeth Shields, Assistant Director of Finance; Mr. Bernard Weiler, District Lawyer; Ms. Verena Nunez, Purchasing Agent; Ms. Jenifer Hart, EAHS Science Teacher, CSBO Intern; Mr. Benjamin Williams, Assistant Principal Athletics/Activities; Mr. Sean Masten, Division Chair PE/Drivers' Ed; Mr. Sheldon Luo, CIO/CTO; Mr. Nestor Garcia, Assistant Director Athletics/Activities

Agenda:

1. Roll Call
2. Public Comments/Questions
3. Acceptance of the following donations
 - a. \$100 from the East Aurora High School PTA for the East Aurora High School Principal's Scholarship Fund
4. Bond Refinancing Presentation
5. Sustainability Update
6. Stationary Bid Results
7. Science Equipment Bid Results – Phase 6
8. K-2 Classroom Libraries Bid Results
9. Copier Paper Bid Results
10. Preschool Furniture Bid Results
11. Presentation of Department Budgets
 - a. High School Athletics
 - b. Physical Education/river's Education
 - c. Superintendent – BOE
 - d. Human Resources
 - e. Technology
 - f. Activities/MS Athletics
12. Meeting Dates for Fiscal Year 18 and 19
13. Review of Revisions to the Following IASB PRESS (Illinois Association of School Boards Policy Reference Education Subscription Service)
 - a. 7:190 Students-Student Behavior
 - b. 7:250 Students-Student Support Services
 - c. 7:260 Students-Exemption for Physical Education
 - d. 7:275 Students-Orders to Forgo Life-Sustaining Treatment
 - e. 7:305 Students- Student Athlete Concussions and Head Injuries
 - f. 7:340 Students-Student Records
14. New Business
15. Closed Session, if needed
16. Adjournment

Minutes

Public Comments – None.

Donations – Accepted.

Bond Refinancing Presentation

Mr. Bob Lewis and Ms. Anne Noble presented a Market Update and Restructuring Scenarios for the District's Debt Service plan. This is Phase 2 of the restructuring plan. The purpose is to avoid a spike in the tax levy next year for debt service. By completing a restructuring, the District smooths out the levy requests for Debt Service. However, the debt is then extended to future years.

Mr. Lewis and Ms. Noble noted there have been recent changes in the market due to the new tax reform passed. The most significant change effecting the District is the District can no longer advance refund its bonds on a tax exempt basis. As a result, Mr. Lewis and Ms. Noble presented two options for restructuring. One was the original plan of a \$2 million cash contribution (Scenario A); the other was a plan with a \$3 million cash contribution (Scenario B) which would eliminate issuing taxable bonds.

In Scenario A, the debt is extended by four years with a total increase to future Debt Service obligations of \$2,659,037. In Scenario B, the debt is extended by just over 3 years with a total increase to future Debt Service obligations of \$906,069.

The Committee asked about minimum fund balance. It was noted that the optimal fund balance for rating agencies is 90 days, but Mr. Lewis suggested 40% as a safe amount. Mr. Lewis also noted that since our revenues are relatively constant compared to a District heavily reliant on property taxes, we do not have a significant "low point" for a rating agency to specifically identify when determining fund balance adequacy.

It was the consensus of the Committee that we should do the restructuring with a \$3 million cash contribution. A similar presentation will be made to the Board at the May 21 meeting.

Sustainability Partners Update

Ms. Shields referred to a memo she had written to the committee about Sustainability Partners and that there were some inconsistencies in their calculations. She noted that she had a conference call with them the previous day where they explained their inconsistencies to her satisfaction and that said inconsistencies were due to working in the proper amounts for us to compare to a 4.5% cost of capital. However, the lights that were in the original document from Sustainability Partners does not reference having controls in place and the lights would not be easily compatible with any controls. Therefore, they will be redoing the calculators after the lights are reviewed. Ms. Johnson noted that the District's architects, Cordogan, Clark and Associates have offered to do the District audit of lights and suggest LED options at no cost.

Ms. Shields noted that as of her most recent conversation with Sustainability Partners, they had received all of the information needed to provide usage proposals for the District's current roofing and window projects. She reported that according to Sustainability Partners, they would be able to get a calculator together for the roofing projects, but they were still considering whether or not to do the window projects. Mr. Weiler confirmed that information. Ms. Johnson asked about a timeline for the calculators. Sustainability Partners did not provide a timeline for completion.

Stationary Bid Results

Ms. Nunez presented the bid results for stationary noting that the low bidder for smaller quantities and other areas was Alphagraphics. Large quantities had a low bidder of Warehouse Direct. Both of those bidders were lower than our current vendor's prices.

Science Equipment Bid Results – Phase 6

Ms. Jennifer Hart presented the bid results for the new science labs at the high school. Certain items were rejected due to quality issues. The Committee agreed to move the science equipment bid to the full Board for award.

K-2 Classroom Libraries Bid Results

Ms. Nunez presented the bid results for the classroom libraries. The two lowest bidders did not meet the bid specifications of minimum titles in English and Spanish for three grade levels. Therefore they were rejected. The Committee agreed to move the classroom libraries bid to the full Board for award.

Copier Paper Bid Results

Ms. Nunez presented the bid results for copier paper. The low bidder will be a new vendor for us, but sent samples that appear to be acceptable.

Mr. Schubert asked if the awardees for this and the Stationary had bid recycled paper in accordance with Board Policy. Ms. Shields stated the Copier Bid samples we received were made with recycled paper. Ms. Nunez stated that she would check on the stationary bid and the committee would be informed before voting on accepting the bid. The Committee agreed to move the copier bid to the full Board for the award and the Stationary bid, pending the recycled paper status.

Preschool Furniture Bid Results

Ms. Nunez presented the bid results for preschool classrooms. She noted that several items had rejections of the low bidder and some items we will not accept any of the items due to non-compliance with the state guidelines for pre-school. The Committee agreed to move the preschool bid results to the full Board.

Presentation of Department Budgets

Ms. Johnson noted that she believed there were opportunities to trim down the budgets. Mr. Benjamin Williams presented the High School Athletic budget, Mr. Sean Masten presented the Physical Education/Driver's Education budget, Mr. Megazzini presented the Superintendent/Board of Education budget and the Human Resources budget, Mr. Luo presented the Technology budget and Mr. Garcia presented the Activities/Middle School Athletic budget.

Mr. Williams was able to find some small areas to cut in travel and referees and noted that new gym bleachers would be decided at Building and Grounds committee. Mr. Masten was able to cut summer car rental and tuition to other districts. Mr. Megazzini was able to cut some areas in training and would look for some other areas to reduce. Mr. Luo was asked if any of his items could be moved into Title I. He noted that these expenditures were for non-Title expenditures. Mr. Garcia explained summer camp participation has increased. The Committee had some discussion on the NJROTC and if they were contributing to their trips for competition and for summer camp. Ms. Shields said she would look into it.

Meeting Dates for Fiscal Year 18 and 19

The Committee agreed on the dates presented.

Review of Revisions to the Following IASB PRESS Policies

Mr. Megazzini noted that these revisions are primarily revisions to the footnotes. The Student Behavior policy change is the District can no longer expel students from the Early Childhood Program.

New Business – None.

Closed Session – None.

The meeting adjourned at 7:32pm.