

**MINUTES**  
**BOARD OF EDUCATION MEETING**  
**COMMUNITY UNIT SCHOOL DISTRICT 200**  
**February 11, 2009**

The first regular meeting of the month of February of the Board of Education of Community Unit School District 200, DuPage County, Illinois, was called to order at Washington Elementary School, 911 Bridle Lane, Wheaton, IL, by Board President Andy Johnson, on Wednesday, February 11, 2009, at 7:30 PM.

**ROLL CALL**

Upon the roll being called, the following were present:

Board Members:     Andrew Johnson  
                          Ken Knicker  
                          Marie Slater  
                          Joann Coghill  
                          Barbara Intihar  
                          Rosemary Swanson  
                          John Bomher

Also in Attendance:  Dr. Richard W. Drury  
                          Dr. Lori Belha  
                          Mr. Bill Farley  
                          Mrs. Linda Knicker  
                          Dr. Robert Rammer  
                          Dr. Margo Sorrick

**PLEDGE OF ALLEGIANCE**

President Johnson led the Board and community in the Pledge of Allegiance.

**COMMUNICATION WITH THE HOST SCHOOL**

Dr. Niemiera, Principal at Washington Elementary School, welcomed the Board, administrators and community members to the school. Dr. Niemiera, students and staff demonstrated how Smart Boards are used in a variety of ways to implement technology in the classroom.

**MODIFICATIONS TO THE AGENDA**

Dr. Drury requested that the Supplemental Personnel Report be removed from the Consent Agenda for discussion in Closed Session and action following the discussion.

**RECOGNITIONS AND ACHIEVEMENTS**

The Partnership for 21<sup>st</sup> Century Skills officially launched the P21 Professional Development Affiliate program, which to date, has trained 50 participants from 24 organizations on how to assist stakeholders in infusing 21<sup>st</sup> century skills into their education systems. District #200 is the first school district in the nation to be recognized as a PD affiliate. The Affiliate program equips participants with the knowledge and tools necessary for aligning existing professional development offerings with the Partnership's Framework for 21<sup>st</sup> Learning, which makes clear

the skills, knowledge and expertise students must master to succeed in work and life. The focal point for the District #200 Professional Development Program will be the infusion of 21<sup>st</sup> century skills into current curricula and classroom practice.

**PUBLIC COMMENTS – Agenda Items**

President Johnson stated that the public comments are valuable and important to Board members. However, it is the Board’s policy not to take action on any items until time has been taken to gather adequate information and objectively discuss available options. Lack of action on comments made at this meeting does not imply any lack of interest in what has been said.

|         |   |
|---------|---|
| Speaker | Mark Stern  |
| Topic   | Comments deferred to Finance Committee Recommendation portion of the agenda |

**SUPERINTENDENT’S REPORT**

Dr. Drury reported the following:

- Thanked the staff and community members of the Finance Committee for their service on the committee. Dr. Drury gave a brief history on why this committee was formed and reported that the finance issues go back to 1991 when the tax revenue caps were put into place. Since that time there have been several finance committees that offered different solutions over time. The district knew in the fall of this school year that there would be a budget deficit and in January 2009 found out the CPI was the lowest ever and that with no money projected to be added to the foundation level the district would fall out of foundation level funding. These two events caused an additional deficit to the budget, in addition to declining enrollment causing a reduction in revenue. In the fall, at the direction of the Board of Education, a finance committee was formed. The charge to this committee was to develop a plan to establish a balanced budget over three years. Administrators in the district were instructed to come up with possible reductions that will have minimal impact on classrooms but reduce the 2009-10 budget by 5%. The list of these recommendations will be shared with the Board in the Closed Session, discussed at the February 25 Board of Education meeting and acted upon by the Board at the March 11 Board of Education meeting. Mr. Scott Brown, a member of the Finance Committee will be making the full recommendation of the committee under the Oral Report portion of the meeting tonight.

**REPORTS TO THE BOARD OF EDUCATION**

**CONSENT AGENDA**

1. Acceptance of Gift to Monroe Middle School – Recommend acceptance of the gift of two LCD projectors as presented.
2. Acceptance of Gift to Franklin Middle School – Recommend the acceptance of the gifts from Baker Elements Architectural Solutions as presented.
3. Approval of Hubble Middle School Change Orders – Recommend the approval of the Hubble change orders as presented.
4. Approval to Post High School Textbooks – Recommend approval to post the high school textbooks for 30 days for public review and comment.
5. Approval of Bills Payable and Payroll – Recommend approval of bills payable and payroll as presented.
6. Approval of Minutes – January 14, 2009 Open and Closed, January 28, 2009 Workshop, and Approval to Destroy the Recordings of Closed Session Prior to July 2007 –

Recommend approval of the January 14, 2009 Open and Closed, January 28, 2009 Workshop, and Approval to Destroy the Recordings of Closed Session Prior to July 2007 as allowable by law. The closed session minutes will remain closed

7. Approval of Personnel and Supplemental Personnel Reports – Recommend the approval of the Personnel and Supplemental Personnel Reports as presented. (The Supplemental Personnel Report was removed from the Consent Agenda for discussion in Closed Session and separate action by the Board)

## **MOTION**

Member Slater moved, Member Swanson seconded to accept the Consent Agenda as presented, minus the Supplemental Personnel Report. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

## **ACTION ITEMS**

### Acceptance of the 2007-08 Audit

Annually, Virchow Krause & Company prepares an independent audit of the financial statements of CUSD 200. They also express an opinion based on the combined financial statements of the district. It is recommended that the Board accept the 2007-08 audit as presented.

Mr. Tim Cole, of Virchow Krause & Company, addressed the Board and summarized the report and findings.

## **MOTION**

Member Bomher approved, Member Intihar seconded to accept the 2007-08 audit as prepared and presented by Virchow Krause & Company. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

### Approval of Hubble Middle School Library Furniture Bid

As part of the new Hubble Middle School construction project, furniture needs were assessed and evaluated by FAIRCO, the furniture and interior resources company hired by the Board in August 2008. This assessment was done with District staff and administration, including the Hubble Middle School Principal. A bid package was prepared for the Hubble Middle School Library Furniture portion. The Hubble Middle School Library Furniture bid package was opened on Tuesday, January 27, 2009. Twenty-one (21) vendors requested the bid package and four (4) vendors replied. The bid package was structured with three (3) different categories of library furniture. In each category, a specific manufacturer was identified. One category also included one (1) approved alternate manufacturer. A second category included two (2) approved alternate manufacturers. The final category only identified one company (Bretford) as an approved manufacturer. However, this is the manufacturer that we use in many of our libraries, most recent of which was Wheaton Warrenville South High School, and has proven to be of high quality. Also, through Addendum, the bid allowed a vendor to bid an alternate model (not originally specified) from the list of approved manufacturers previously identified in bid.

FAIRCO has conducted scope reviews with these contractors and is making the recommendation to bring these contracts forward to the Board of Education for approval. A copy of the bid results and recommendation from FAIRCO were attached to the report. It is recommended that the Board of Education approve the contracts as presented.

## **MOTION**

Member Slater moved, Member Intihar seconded to approve the contracts for the Hubble library furniture as presented in the amount of \$107,820.11. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

Approval of Hubble Middle School Furnishings and Equipment Bid

As part of the new Hubble Middle School construction project, furniture needs were assessed and evaluated by FAIRCO, the furniture and interior resources company hired by the Board in August 2008. This assessment was done with District staff and administration, including the Hubble Middle School Principal. A bid package was prepared for the Hubble Middle School Furnishings and Equipment portion. The Hubble Middle School Furnishings & Equipment bid package was opened on Tuesday, January 27, 2009. Twenty-one (21) vendors requested the bid package and seven (7) vendors replied. The bid was structured with nineteen (19) different categories of furniture (compiling 165 items). In each category, a specific manufacturer was identified, and all 165 items (with the exception of 32) included two (2) approved alternate manufacturers. Through Addendum, the bid also allowed a vendor to bid an alternate model (not originally specified) from the list of approved manufacturers previously identified.

FAIRCO has conducted scope reviews with these contractors and is making the recommendation to bring these contracts forward to the Board of Education for approval. A copy of the bid results and recommendation from FAIRCO were attached to the report. It is recommended that the Board of Education approve the contracts as presented in the amount of \$616,857.35.

**MOTION**

Member Intihar moved, Member Coghill seconded to approve the contracts for the Hubble furnishings and equipment as presented. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

Approval of an Interfund Loan to Education Fund from Working Cash Fund

Annually, the Board approves interfund loans from the Working Cash Fund to cover shortfalls so that expenses can be paid. Even though the district has taken measures to reduce the operating deficit in the Education Fund, the anticipated balance at May 31, 2009 will be negative without a loan transfer. It is recommended that the Board approve the resolution authorizing a transfer of up to \$22,000,000 from the Working Cash Fund to the Education Fund.

**MOTION**

Member Swanson moved, Member Intihar seconded to approve the resolution authorizing a transfer of up to \$22,000,000 from the Working Cash Fund to the Education Fund as presented. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

Approval of an Interfund Loan to Building Fund from Working Cash Fund

Annually, the Board approves interfund loans from the Working Cash Fund to cover shortfalls so that expenses can be paid. Even though the district has taken measures to reduce the operating deficit in the Building Fund, the anticipated balance at May 31, 2009 will be negative without a loan transfer. It is recommended that the Board approve the resolution authorizing a transfer up to \$6,000,000 from the Working Cash Fund to the Building Fund.

**MOTION**

Member Slater moved, Member Bomher seconded to approve the resolution authorizing a

transfer up to \$6,000,000 from the Working Cash Fund to the Building Fund. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

#### Approval of an Interfund Loan to Transportation Fund from Working Cash Fund

Annually, the Board approves interfund loans from the Working Cash Fund to cover shortfalls so that expenses can be paid. Even though the district has taken measures to reduce the operating deficit in the Transportation Fund, the anticipated balance at May 31, 2009 will be negative without a loan transfer. It is recommended that the Board approve the resolution authorizing a transfer up to \$3,500,000 from the Working Cash Fund to the Transportation Fund.

#### **MOTION**

Member Intihar moved, Member Coghill seconded to approve the resolution authorizing a transfer up to \$3,500,000 from the Working Cash Fund to the Transportation Fund. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

#### **ORAL REPORTS**

##### Recommendation from the Finance Committee

Mr. Scott Brown, a member of the Finance Committee, presented the following committee recommendation to the Board:

#### DISTRICT 200 FINANCE COMMITTEE REPORT AND RECOMMENDATION February 11, 2009

Following the appointment and charge by the Board of Education, the District Finance Committee met over a period of five months, beginning September 29, 2008 and holding its last meeting on January 29, 2009. The Committee's charge was to update the District's financial plan for long-term stability. The Committee's interpretation of "financial stability," was to develop a plan for the District to reach a balanced budget within three years. This interpretation served as the foundation and guiding principle of the Committee's work.

The committee studied a wealth of information and data including student enrollment history and projections, District budget figures, bond history and capacity, as well as current financial trends. The Committee examined District salary information of teachers and found them to be comparable with area school districts. Bill Hepworth, from Robert W. Baird, Inc., the District's bond advisor, shared with the committee the debt structure of the District and potential costs of future considerations. Michael Frances of PMA, the District's financial planners, outlined the District's financial status and using several assumptions related to enrollment, tax revenue, state financial aid, and District expenditures, projected a \$14 million budget deficit for the 2009-10 school year.

This deficit is the result of a number of factors. The imbalance in revenues and expenditures that has existed for many years in the District due in large part to the funding structure of public education in the state of Illinois. In addition, the District has experienced declining student enrollments since 2001 that is expected to continue for the next several years. Circumstances in the last three or four months have compounded the District's financial problems. The unprecedented drop in the Consumer Price Index (CPI) from 4.1% in 2007 to 0.1% in 2008 will result in an anticipated loss of local tax revenue, as defined by the Illinois State Tax Cap Law, of roughly \$4 million over the next two fiscal years. A potential freeze in

foundation level funding from the State of Illinois would result in an additional loss of \$3 million to the District for the next school year. These factors, combined with the loss of roughly \$1 million in interest earnings, contribute to the projected budget deficit for next year.

The Committee formulated a number of options to fulfill its charge and examined the advantages and disadvantages of each option. Given the current and projected financial factors facing District 200, the Finance Committee unanimously makes the following recommendations:

District 200 should pursue and implement a three-year phased plan to establish financial stability and a balanced budget. Conceptually, this plan should include cost reductions over the next two to three years, issuing working cash bonds, and the exploration of additional revenues in the future.

Specifically, the Committee recommends that District 200:

- Reduce expenditures for 2009-10 by \$5.5 to \$7 million. It is important to understand that the reductions made for the coming year will have positive compounding effects in reaching financial stability.
- Issue \$20 million in working cash bonds for 2009-10. The proceeds of these bonds would assist the District’s cash flow while waiting for state aid and tax payments and reduce the need for short-term borrowing; abate the remaining 09-10 budget deficit not corrected by budget reductions; add to the District’s fund balance; and improve interest-earning revenue.
- Reach a balanced budget within three years
- Future boards and committees should study additional revenue sources that could include a rate referendum following the establishment of a balanced budget for the District.

The Committee makes these recommendations with thanks and appreciation for the opportunity to contribute to the continued success of District 200 and our community.

Respectfully submitted,

|                  |                |                   |               |
|------------------|----------------|-------------------|---------------|
| Vicki Austin     | Dr. Lori Belha | John Bomher       | Scott Brown   |
| Jill Bullo       | Bryce Cann     | Penny Coyle       | Kathy Davalos |
| Bill Farley      | Dave Kanne     | Linda Knicker     | Scott MacKay  |
| Dr. Bob Rammer   | Marie Slater   | Dr. Margo Sorrick | Mark Stern    |
| Dianne Thornburg | Terrie Tudor   | Mary Ann Uhen     |               |

The Board of Education will discuss this presentation at the February 25, 2009 Board meeting.

**PUBLIC COMMENTS**

|         |   |
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| Speaker | Mark Stern  |
| Topic   | Finance Committee Report – comments deferred to topic |

## **WRITTEN REPORTS**

### FOIA Report

This report was provided for information only.

## **REPORTS FROM BOARD MEMBERS**

Member Slater reported that she recently represented Illinois and District 200 in Washington, DC. There, she and the group she was with met with delegates and legislators from Illinois. Member Slater took information packets with information provided by District 200 staff to show why we need reforms in funding.

Member Bomher stated that he sat on the finance committee and he complimented the staff, Dr. Drury, and community members for their work. These are difficult financial times. It would be easy to say “would of, should of, could of”, but instead the committee came together and looked at a lot of information. There was lots of discussion of how to get where the district needs to go. Dr. Drury did a great job of leading the process. Hopefully the state and federal government will come through with additional money and the district won't be as far in debt as it now appears.

Member Coghill gave an update on the Wheaton Sesquicentennial Celebration. Information about upcoming events is available through the City of Wheaton web page.

Member Swanson reported that several Board members and administrators attended a law conference hosted by Franczek Radalet and Rose. Mr. Franczek spoke about the proposed stimulus package and made a point about being prepared with shovel ready district projects to present to the representatives to access some of the money.

## **TOPICS FOR FUTURE DISCUSSION**

Finance Committee Recommendation

## **ANNOUNCEMENTS**

Chance to Chat Session – February 14, 2009 - WWSHS

## **NEXT REGULAR MEETING**

February 25, 2009 – Longfellow Elementary School

## **PUBLIC COMMENTS – Non-Agenda Items**

None

## **MOTION**

There being no further business to come before the Board in Open Session, Member Swanson moved, Member Intihar seconded to suspend the rules and adjourn the meeting to Closed Session for the purpose of discussing Personnel Items 5 ILCS 120/2(c)(1). Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

The meeting was adjourned to Closed Session at 8:55 PM.

Action is expected following the closed session.

**MOTION**

Member Knicker moved, Member Slater seconded to reinstate the rules and reconvene in Open Session. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

The meeting was reconvened at 12:35 AM.

Supplemental Personnel Report

**MOTION**

Member Swanson moved, Member Intihar seconded to approve the supplemental personnel report as discussed in Closed Session. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

**MOTION**

There being no further business to come before the Board in Open Session, Member Knicker moved, Member Bomher seconded to adjourn the meeting. Upon a roll call vote being taken, the vote was: AYE 7, NAY 0. **The motion carried 7-0.**

The meeting was adjourned at 12:38 AM.

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**Barbara Intihar, Secretary**

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**Andrew Johnson, President**