

MINUTES
BOARD OF EDUCATION MEETING
COMMUNITY UNIT SCHOOL DISTRICT 200
November 28, 2018

A special meeting of the Board of Education of Community Unit School District 200, DuPage County, Illinois, was called to order at the School Service Center, 130 W Park Ave., Wheaton, IL, by Board President Jim Vroman, on Wednesday, November 28, 2018, at 7:00 PM.

ROLL CALL

Upon the roll being called, the following were present:

Board Members: Jim Vroman
 Brad Paulsen
 Chris Crabtree
 Ginna Ericksen
 Jim Gambaiani
 Rob Hanlon
 Jim Mathieson

Also in Attendance: Dr. Jeff Schuler, Superintendent
 Mrs. Faith Dahlquist
 Mr. Bill Farley
 Dr. Charlie Kyle
 Mrs. Erica Loiacono
 Mr. Rodney Mack
 Dr. Chris Silagi

PLEDGE OF ALLEGIANCE

Jefferson ECC Principal Stephanie Farrelly led the Board and community in the Pledge of Allegiance.

PUBLIC COMMENTS – Agenda Items

The opportunity to speak to the Board is provided for members of the public who have a question or comment on an agenda item. The Board appreciates hearing from stakeholders, and values your thoughts and questions. The Board strives to make the best decisions for the District, and public input in a variety of venues is very helpful.

The Board must protect the civility and decorum of this meeting. Please be respectful for the duties of the Board and the democratic process in your comments tonight:

- ⇒ Please use the microphone, state your name, and address your comments to the Board
- ⇒ Please limit your comments to 3 minutes.
- ⇒ Please be factual and courteous, and do not include statements that are personally disrespectful or condescending to members of the Board or staff.

If you feel your matter needs to be discussed in more detail, please attend the Board’s “Chance to Chat” or present your comments to us in writing.

Speaker	Jan Shaw
Topic	Jefferson ECC/Leases

Speaker	Joe Buchholz
Topic	Jefferson ECC Thank You

Speaker	Summer King
Topic	Jefferson ECC/Financing

Speaker	Greg Higgins
Topic	Jefferson ECC

ACTION ITEMS

President Vroman announced the next item for consideration:

Resolution Authorizing and Providing for a Lease Agreement for the Purpose of Building and Equipping a New Early Childhood Center in and for the School District, and Further Authorizing and Providing for the Issue of Not to Exceed \$14,000,000 Lease Certificates of said School District, in Accordance with said Lease Agreement, Evidencing the Rights to Payment Under said Lease Agreement, Providing for the Security for and Means of Payment Under said Lease Agreement of said Certificates, and Authorizing the Sale of said Certificates to the Purchaser thereof.

At the March 14, 2018 meeting, the Board of Education approved by resolution a lease agreement between the District and Zions Bank as Lessor with respect to the construction of the Early Childhood Center. By approving the resolution, the District was authorized to enter into a lease agreement, in substantially the form included in the resolution, with Zions Bank in order to provide for the construction of the Building, the lease of the Building to the District, and payment by the District of lease payments over a specified period of time, including a contribution to an escrow account, established pursuant to the lease agreement of \$1.5M in Capital Development Board (CDB) proceeds. At the August 20, 2018 meeting, the Board of Education terminated the lease agreement, and the remaining proceeds from the escrow account were returned to the District. Since the termination of the lease agreement, the community approved a referendum question to allow the district to build and equip a new early childhood center.

The resolution which was attached to the board report approves a form of lease agreement to be entered into between the District and Zions Bank as Lessor with respect to the construction of the Early Childhood Center. By approving the resolution, the District is authorized to enter into a lease agreement, in substantially the form included in the resolution, with Zions Bank in order to provide for the construction of the Building, the lease of the Building to the District, and payment by the District of lease payments over a specified period of time, including a contribution to an escrow account, established pursuant to the lease agreement, of the remaining balance of the original escrow in an amount not to exceed \$700K. The resolution also authorizes the issuance of Lease Certificates, not to exceed \$14,000,000, by the District pursuant to Section 17(b) of the Local Government Debt Reform Act, evidencing the rights to payment under the lease agreement and providing for the sale of said Certificates. The resolution sets forth the parameters for the issuance of said Certificates with respect to the sale thereof by designated officials of the District and summarizes the pertinent terms of said parameters, including the

specific parameters governing the manner of sale, length of maturity, rates of interest and purchase price for said Certificates.

Dr. Schuler noted the canvass results from the election were released and showed the referendum passed with just over 72% approval rate and did carry in all precincts in the District. Mr. Bob Lewis of PMA provided background information on the lease funding option, which included the following:

- Lease overview
 - Lessor, escrow agent, escrow
 - Lease certificates – amount
 - Ownership of building, land
- Lease certificate structure
 - Sale of lease certificates
 - Annual debt service – General State Aid
 - No separate property tax levy
 - Maximum length of maturity
 - Anticipated call date
- Timeline of events
 - Board approval of lease agreement
 - Sale of lease certificates
 - Proceeds delivered to escrow (closing)

Secretary Crabtree read the resolution:

RESOLUTION authorizing and providing for a lease agreement for the purpose of building and equipping a new Early Childhood Center in and for Community Unit School District Number 200, DuPage County, Illinois, and further authorizing and providing for the issue of not to exceed \$14,000,000 Lease Certificates of said School District, in accordance with said lease agreement, evidencing the rights to payment under said lease agreement, providing for the security for and means of payment under said lease agreement of said Certificates, and authorizing the sale of said Certificates to the purchaser thereof.

MOTION

Member Paulsen moved, Member Mathieson seconded to adopt said resolution as presented and read by title.

There were questions and/or discussion on the following:

- Lease and compliance with state code.
- Letters of opinion – bond counsel and District 200 legal counsel.
- Interest costs.
- Ownership of the lease.
- Use of fund balance money & phase 4 restructure/refinance of debt.
- Delay in construction costs.
- Project cost sheet.
- Lease certificate structures: 15-yr vs. 20-yr amortization.
- Keeping annual payments at \$1 Million as this has been consistently shared with the community.
- Project summary and budget tabulation (actual one being used and tracked by Legat Architects and Nicholas & Associates).

- Recommended \$13.5 Million lease certificates issuance vs. \$14 Million original targeted amount.
- Financing – lease certificates vs. other financing options.
- Sticking with the plan that was presented to the voters.
- Money in escrow.
- Due diligence and work of the staff.

Dr. Schuler noted what was up for approval at this meeting - the lease agreement and resolution authorizing to sell up to \$14 Million in certificates. The intent is to sell \$13.5 Million in lease certificates.

President Vroman directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon a roll call being taken, the vote was: AYE 7, NAY 0.

The motion carried 7-0.

President Vroman and Secretary Crabtree signed the resolution document. President Vroman directed the Board Secretary to record the same in the records of the Board of Education of Community Unit School District Number 200, DuPage County, Illinois.

Approval and Assignment of Contracts & Approval of Building Permit for the Early Childhood Center

At the November 8, 2017 meeting, the Board of Education approved the project timeline for the Early Childhood Center. The timeline included milestone dates indicating when the Board of Education would receive updates on the design process and allow for discussion before moving forward. At the July 2018 meeting, the Board approved the release of bids for the Early Childhood Center project.

A legal notice was published and the bids were publicly released on Monday, July 16th. A total of 11 different trade packages comprise the project bid. A pre-bid meeting was held on July 23rd. Attached to the board report were the bid tabulation form as well as the recommendation from Nicholas and Associates for the award of each bid package. It was recommended that the Board of Education award a contract to the lowest responsible bidder for each trade package as indicated, and award the medium and high priority alternates as identified. One bidder had withdrawn their bid as was indicated in the letter attached to the report. Also attached was the project summary and budget tabulation which has the total building cost at \$15,024,846, which is below the target budget of \$15.5M. As provided in the District's construction management agreement with Nicholas and Associates, upon this bid award, each of the successful bidders is automatically assigned by the District to Nicholas. Nicholas will then become the general contractor, and each of the successful bidders will become a subcontractor to Nicholas.

The necessary ROE Building Permit Application for the Early Childhood Center was attached to the report.

Dr. Schuler invited Joe Papanicholas of Nicholas and Associates to answer any questions the Board may have regarding the agenda item and upcoming project. All of the contractors were not obligated to hold bids due to project delay. All but one contractor held bids, which is a function of the project, District and relationships of Nicholas & Associates, Legat Architects and the contractors.

There were questions and/or discussion on the following:

- 20-month project timeline.
- Potential issues if mid-year transition – students and routines, grant-funded programs, DCFS approval process.
- Projected opening – the start of 2020 school year.
- Public bidding process.
- Alternate bids.
- Construction contingency that is a part of the project budget

Dr. Schuler noted the site would mobilize after the first of the year to prepare for the geothermal wells. Groundbreaking will be targeted for the second week of January, though work will not start until April 2019.

It was recommended that the Board of Education award bids to each of the lowest responsible bidders identified on the attached report prepared by Nicholas and Associates, along with the recommended alternates, and approve the automatic assignment of these trade contracts to Nicholas and Associates as provided by the construction management agreement. It was further recommended that the Board of Education approve the attached ROE Building Permit Application and authorize the Administration to finalize and submit it for approval.

MOTION

Member Crabtree moved, Member Ericksen seconded to approve and assign contracts and approve the building permit for the Early Childhood Center as presented. Upon a roll call being taken, the vote was: AYE 6 (Crabtree, Ericksen, Gambaiani, Hanlon, Paulsen, Vroman), NAY 0, ABSTAIN 1 (Mathieson).

The motion carried 6-0-1.

ADJOURNMENT

MOTION

There being no further business to come before the Board in Open Session, Member Paulsen moved, Member Hanlon seconded to adjourn the meeting. Upon a voice call being taken, all were in favor and **the motion carried 7-0.**

The meeting was adjourned at 7:58 PM.

Chris Crabtree, Secretary

Jim Vroman, President