

**GENEVA COMMUNITY UNIT SCHOOL DISTRICT NUMBER 304
227 NORTH FOURTH STREET, GENEVA, ILLINOIS
RECORD OF PROCEEDINGS OF A REGULAR SESSION
OF THE BOARD OF EDUCATION**

The Board of Education of Community Unit School District Number 304 met in a regular session on Monday, October 22, 2012, at 7:00 p.m. at Coultrap, 1113 Peyton, Geneva, Illinois.

1. CALL TO ORDER

- 1.1 Roll Call
- 1.2 Welcome
- 1.3 Pledge
- 1.4 Reminder to sign attendance sheet

The meeting was called to order at 7:00 p.m. by President Grosso.

Board members present: President Mark Grosso, Matt Henry, Mike McCormick, Tim Moran, Vice President Kelly Nowak, Policy Committee Chair Mary Stith, Finance Committee Chair Bill Wilson.
Late: None. Absent: None.

The President welcomed everyone, led them in the Pledge and reminded them to sign the attendance record.

District administrators present: Craig Collins, Assistant Superintendent Personnel Services; Donna Oberg, Assistant Superintendent Business Services; Patty O'Neil, Assistant Superintendent Curriculum & Instruction; and Dr. Kent Mutchler, Superintendent.

Others present: Elizabeth Hennessy (William Blair), Sue Sarkauskas (Daily Herald), Chuck Miles, Brenda Schory (K.C. Chronicle), Anthony Oliver, Fred Dresser, Gary Fennessy, Candan Spellman, David Lamb, Tom Grubaugh, Michael Siciliano, Lynda Johnson, R. L. Cabeen, C. Rennolds, David Kapfhamer, Ron & Susan Stevenson, Leih Nudson, Karen Tatlock, Pam Cabeen, Clark Thompson, Linda Ferguson, Tom Livingston, Teresa Keenan, Rene Swidenback, Sara Walls, Colleen Olechowski, Carol Young, Sheri Miles, Karen Brennan, Jenny Scott, Lora Poucher, Kenneth Webster, Becky Selcke (Sodexo), Ken Heidrich (Sodexo), David Larson, Martha Brown, Martha, Jeremy, Hannah, Eli, & Eve Paschke, Jill Holmes, Alexa Angel, Jenny Benjamin, Carolyn Givens, John Rice, and other individuals who did not sign the attendance record.

2. PUBLIC COMMENTS

The President commented on the following: the death of former Geneva 304 teacher Don Brown; the Board will continue to respect the confidentiality of negotiations with the GEA; unless the negotiations with the teachers' association are resolved, the earliest the Board's final offer to the Geneva Education Association would be posted on the District's web site is Friday, October 26th, the legal requirement; in response to many questions about step and lane on the teacher's salary schedule, the President clarified that each step was the equivalent of a 2.65% increase in salary and each lane was also the equivalent of a 2.65% increase in salary.

The President clarified that the Board will conform to its policy dealing with public participation at board meetings, Board of Education Policy 0167.3, Section C, requiring that "Attendees must register their intention to participate in the public portion of the meeting upon their arrival at the meeting." He added that those wishing to speak during the public comments portions of the meeting would be limited to two - three minutes.

Public comments included:

My wife is a speech pathologist in Geneva 304. Competitive salary must be based on the surrounding school districts. In a few years, sixty Geneva teachers will be eligible for retirement and that will impact our district. A competitive wage will allow Geneva to hire quality teachers to work in Geneva. Geneva has a strong educational history. Teacher salaries allow them continue their

education and bring the knowledge back into the classroom. Geneva 304 has large reserves and an increase for teachers will not impact the budget. By not approving the \$780,000 requested in the teachers' final offer, the Board could force Geneva's teachers to strike. Is that what you want this Board's legacy to be? The Board needs to find ways to settle these negotiations now and move forward, so teachers can get back to educating children.

I am a Geneva resident whose children have attended private schools in the past and who now attend Geneva public schools. My four children are doing very well in Geneva's schools. I'm disappointed to see what our teachers are going through. It is important that the Board gives long-term thought to where we are headed. Our education system is what motivates families to move to Geneva. No one wins in a strike. Let cool heads prevail on both sides. Get in a room and get this settled. The teachers need to understand that times have changed economically.

Thanks to the Board for their service and the teachers for all they do. My son is a member of the First Robotics Club sponsored by the District at the high school. The club no longer has a place within the community to build their robots. Last year, they had to be bused to a warehouse in Aurora. These students are future engineers and researchers. I'm asking the Board of Education to help them find a location in the Geneva school district for them.

Thanks to everyone in the audience for coming, and for speaking or listening tonight. I'm a realtor, a Geneva resident and the parent of children in the Geneva school district. In 2011, 18% of sales in Geneva were distressed home sales, or a total of sixty-one families who were likely without jobs. So far in 2012, 80 families have sold their home as a distressed sale and that number will probably continue to rise. I've voted "yes" for every referendum for the past eighteen year and was even a referendum co-chair for one of them. I don't hate teachers. I respect teachers. But our community can't afford the raises the teachers are asking for. Please take off the green shirts and get back to the negotiation table. Life may not be fair but it is equitable. Keep in mind what this is doing to our community and let's all be part of the solution starting tonight.

I've been a Geneva resident since 1999. I've always been a supporter of the teachers. The District currently has massive debt. Everyone needs to understand that you may not always get everything that you want during negotiations. Thanks to the Board for continuing to negotiate in good faith and I hope we can come to a compromise.

I'm a Geneva resident and I have an "I Love Geneva Teachers" sign in my yard. Geneva's teachers are dedicated to their work and it's not easy to ask for a raise in this economy. Teachers should not be short-changed for the Board's past missteps. My family moved here because Geneva puts a premium on education. Our school district is an asset to the community and helps maintain property values which will go down if our schools slip. Don't freeze teacher pay and get these negotiations settled. I thank the Board of Education for their work but, mostly, I thank the teachers who make it happen.

I'm here tonight to get information on the status of the Coultrap building. There isn't much on the District web site. The last I saw was that the administration recommended that the building be demolished. I'd recommend demolishing only the new sections and renovating the old, original portions of the building. Would like to see more information on this topic on the District's web site. (The Facility Task Force did recommend that Coultrap be demolished. There have been public forums and meetings with neighbors of the building. Currently, the Facility Task Force is looking at some long-term options for the building. The cost just to maintain the facility is about \$70,000 per year. It will be a topic for discussion at the Board of Education's November Board Retreat meeting and we hope to have some direction on this facility's use by the end of November.) How could I be involved in the discussions? Has the Board considered saving part of the building? (Yes, saving the original portion of the Coultrap building was considered during the planning and discussion of the second phase for Geneva High School.)

3. APPROVAL OF MINUTES

3.1 Regular Session October 9, 2012

3.2 Executive Session October 9, 2012

Motion by Moran, second by Nowak, to approve the minutes, as presented. On roll call, Ayes, seven

(7), Henry, McCormick, Moran, Nowak, Stith, Wilson, Grosso. Nays, none (0). Motion carried unanimously.

4. RECOGNITION, AWARDS, PRESENTATIONS, PUBLIC HEARINGS

4.1 Sodexo Food Service Report: Becky Selcke

Ms. Selcke, Food Service General Manager, presented an overview of Sodexo's program for Geneva's schools which included information on programs and initiatives on nutrition, ingredients, and allergens, meatless menu choices, teaching healthy lifestyles, Health & Wellness Fair, A to Z Garden Bar, recycling, and participation in community programs. Student health and wellness continues to be a priority. This year, item identifiers are available for each offering and include the product name, calories, fat, carbohydrates, sodium and allergens. Nutrition, ingredients and allergens information is also available on the Sodexo web site. Students in grades three and five, as well as middle and high school, are surveyed for customer satisfaction.

Board member comments, questions: Thanks for addressing the allergy issue. Does the district receive any federal funds for food service? (No, we do not.)

4.2 District Financing Update: Elizabeth Hennessy, William Blair

The Superintendent reported that Assistant Superintendent Oberg, Ms. Hennessy and he meet regularly to review and discuss the District's finances and financial options to determine how best to manage the debt. At the request of the Finance Committee, Ms. Hennessy was invited to the meeting to review the district's financing. Information and data reviewed included outstanding debt service, callable/non-callable bonds, debt limit, tax rate, abatement and refunding options for savings with the current low interest rates and to level debt payments, and the advantages and disadvantages associated with each of the options. She emphasized that the four abatement/refunding options were not recommendations, rather their only purpose was to provide the Board options for possible savings. She reported that EAV growth is stagnate again for 2012/2013, that the District's FY 2013 budget and any years going forward do not include salaries because that is still an unknown, nor do we know the impact of the Health Care Reform Act, the Frank's Bill, if approved, or pensions on any of the surplus possibilities.

Last year, the Board developed an effective strategic plan to abate any education fund surplus in excess of the \$15 million minimum balance required by policy in the following fiscal year. The District needs to maintain funds to pay their bills since they only receive their major funding twice a year.

Option I - Abatements FY11 - FY13 Plus Refunding to Flatten Debt

Does not contemplate surplus budgets FY2014 (levy 2012) or thereafter. FY2011-FY2013 abatements estimated at \$11,567,353. Refunding bonds used in FY2014 to flatten remaining levy payments. Advantages: flattens debt service payments for the life of the bond issue; does not rely on abatements of surplus after FY13. Disadvantages: extends debt service for three years after final maturity; high total net debt service cost from refunding estimated at \$19,708,990.

Option II - Abatements FY11 - FY13 Plus Refund / Abate to Flatten Debt

Does not contemplate surplus budgets FY2014 (levy 2012) or thereafter. FY11-FY13 abatements estimated at \$11,567,353. Refund/abate bonds used in FY 2014-2022 to flatten remaining levy payments. Advantages: flattens debt service payments for the life of the bond issue; lower cost than Option I estimated at \$16,014,735; depending on economy and future tax base growth may not need future refunding issues. Disadvantages: extends debt service for three years after final maturity; involves for refund/abate bond issues in 2014, 2016, 2018 and 2022 relying on future boards; future interest rate risk.

Option III - Abatements FY11 - FY17 to Flatten Debt

Uses estimated surplus budgets FY2011-FY2017 for abatements through levy year 2017. Total abatements estimated at \$30,872,991. Advantages: flattens debt service payments for the life of the bond issue through levy year 2017 without the cost of refunding bonds; depending on economy and future tax base growth may not need future refunding issues. Disadvantages: not clear budget surpluses will continue in the projection years; relies on operating tax levy funds to reduce debt service. Least costly option if there are surplus funds in the budget for 2011-2017. If we can use

our own funds to abate, then less cost to the community.

Option IV - Abatements FY11-FY17 Plus Refund / Abate to Flatten Debt

Uses estimated surplus budgets FY2011-FY2017 for abatements through levy year 2017. Total abatements estimated at \$30,872,991. Refund / abate refundings in 2018 and 2022 to flatten remaining debt payments. Advantages: flattens debt service payments for the life of the bond issue through levy year 2017 without the cost of refunding bonds; uses refund/abate debt structures in 2018 and 2022 to flatten remaining debt payments; lowest cost of refunding \$4,111,783; depending on economy and future tax base growth may not need future refunding issues. Disadvantages: not clear budget surpluses will continue in the projection years; relies on operating tax levy funds to reduce debt service; future interest rate risk. This option may not be viable. Option included only to show board options for possible savings.

Refunding for savings options for Series 2007A callable bonds and negative arbitrage were reviewed. There are savings available for the 2007A bonds. And we'll need to continue to monitor this to see what the rates will be. If interest rates continue to stay low, would suggest we wait. The longer we wait, the smaller the negative arbitrage. We want to ensure the best deal for taxpayers and the District without taking too much risk in the market.

The William Blair report will be available on the District's web site.

Board comments, questions: Can you give a definition of abatement? (Using funds that are in the District's fund balance to pay principal and interest on bonds and then reduce the debt service levy by a like amount. Must be done by a resolution of the Board which authorizes the transfers funds from in this case the Education Fund to the Debt Service Fund, and directs the County Clerk to reduce the debt service tax levy by the same amount. The savings is going to the tax payers.) For Option II, any historic correlation between growth and the interest rates? Is the assumption even realistic? (The projection of future growth is pretty minimal in these options - 4%. If the growth comes back we believe interest rates will go up but if growth comes back might not need to do as much refunding as shown or not at all because new growth would absorb the payments as originally anticipated.) Would that stabilize taxes? (It would because when new property, residential, commercial or industrial, is coming into the district that reduces the tax burden for all the existing tax payers and if not we have the refunding mechanism.) 4% is a pretty conservative estimate of growth but there is a great deal of concern in the commercial/industrial property market that these loans could come up for refinance - and could cause a second collapse in a second market. 4% is a realistic projection for residential but may need to be revised back for commercial/industrial. (Good observation. 4% is a pure estimate. We've tried to focus on flattening the dollar amount of the payments and away from the tax rate.) In Option 3, what happens if we do nothing and the interest rates spike? (We'd miss some savings, not sure how much rates would have to go up to bring it to zero but probably 2-3%.)

5. SUPERINTENDENT'S REPORT

The Superintendent thanked students, parent volunteers and staff members for all of the Red Ribbon Week activities planned throughout the week. He reported that ITBS testing is occurring at the middle schools and EXPLORE testing is taking place at the high school. He added that upcoming programs in the District include concerts, the high school fall play, the middle school Veteran's Day program, American Education Week November 12-16, and Board Member Appreciation Day on November 15th.

6. BOARD DIALOGUE TOPICS & PENDING ACTION CONSIDERATIONS

None

7. WORK-STUDY TOPICS & FUTURE ACTION CONSIDERATIONS

None

8. INFORMATION

8.1 FOIA Requests & Responses

8.2 GHS Television Production Out-of-State Trip, California, March 2013

8.3 2012 SchoolSearch Bright A+ Award for Academic Excellence in Education

8.4 October 2012 SH&P School Law Review

No discussion.

9. CONSENT AGENDA

9.1 Monthly Financial Reports and Interfund Transfers

9.2 Personnel Report: Resignations, Retirements, Leave Requests, Changes in Assignment/FTE, New Hires

Resignations Support

Orichiella, Sheri, MCS, Building Secretary, 10 Month, Effective 10/23/2012

Reappointments/Reclassifications Support

Walker-Adkins, Jackie, MCS, Special Education Assistant Floater 3 hr/day to Classroom Assistant 5.75 hr/day, 9 Month

Recommendation for Additional Support Staff:

1 Classroom Assistant, Grade 1, Mill Creek Elementary School due to high number of special needs students

2 Classroom Assistants, Grade 1, Williamsburg Elementary School due to high class numbers

9.3 2012-2014 Reciprocal Reporting Agreement Kane County Sheriff's Office

9.4 Technology Purchase: Five-year Capital Outlay Plan, Phase 2, District Wireless Network Upgrade, \$74,669.85, Opt2mized Networks, Inc.

Motion by McCormick, second by Wilson, to approve Consent Agenda Items 9.1 through 9.4, as presented. On roll call, Ayes, seven (7), McCormick, Moran, Nowak, Stith, Wilson, Henry, Grosso. Nays, none (0). Motion carried unanimously.

10. COMMENTS FROM THE PUBLIC ON BOARD OF EDUCATION ACTION

The Board is dealing with many issues with focus on debt repayment. Tax abatement wasn't to the taxpayers, it was to pay down the debt. While it may have been planned, there is still a budget deficit. I recommend a zero percent levy. Even with a zero levy, property taxes will go up. I also suggest that the Board not extend the District's debt service since we don't know what we will need ten years from now. Regarding teacher concerns about attracting quality new teachers, just increase the base and for new hires but don't give an increase to all teachers. Also, the GEA proposal is not just \$750,000, it is over \$1 million.

11. BOARD MEMBER COMMENTS AND REPORTS

Policy Committee, Finance Committee, Facilities Task Force, Communication Task Force, Joint PTO, Geneva All-Sports Boosters, Geneva Music Boosters, Geneva High School Theater Boosters, Academic Foundation, GEARS, K-12 Discipline Committee, Geneva Coalition for Youth, PRIDE, REMS Grant

All 26,000 Geneva households are affected by local, county, state and national economic issues and the Board must make decisions impacted by issues all the way to the national level. Was very impressed with Sunday's Red Ribbon candle-light vigil and with Geneva's youth who have made a commitment to keep drugs out of their life.

12. NOTICES / ANNOUNCEMENTS

None.

13. EXECUTIVE SESSION TO CONSIDER MATTERS PERTAINING TO COLLECTIVE NEGOTIATING MATTERS BETWEEN THE PUBLIC BODY AND ITS EMPLOYEES OR THEIR REPRESENTATIVES [5 ILCS 120/2(c)(2)];]]; THE APPOINTMENT, EMPLOYMENT, COMPENSATION, DISCIPLINE, PERFORMANCE, OR DISMISSAL OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY [5 ILCS 120/2(c)(1); AND PENDING LITIGATION [5 ILCS 120/2(c)(11)]

At 8:45 p.m., motion by Moran, second by Wilson, to go into executive session to consider matters pertaining to collective negotiating matters between the public body and its employees or their representatives; the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body; and pending litigation. On roll call, Ayes, seven (7), Moran, Nowak, Stith, Wilson, Henry, McCormick, Grosso. Nays, none (0). Motion carried unanimously.

The Board President reported that action could be possible following executive session but it would not be related to negotiations. He added that the Board would take a few minutes before going into executive session to respond to members of the media or the audience.

At 8:51 p.m., the Board moved into executive session.

At 10:35 p.m., motion by Moran, second by Wilson, and with unanimous consent, the Board returned to open session. The Superintendent checked to see if any community members were waiting for the Board to return to open session. There were none.

14. ACTION POSSIBLE FOLLOWING EXECUTIVE SESSION

Motion by Henry, second by Wilson, to deny Kim Page's request to rescind her letter of resignation submitted October 2, 2012, for the reasons discussed in closed session. On roll call, Ayes, six (6), Nowak, Stith, Wilson, Henry, Moran, Grosso. Nays, none (0). Abstained, one (1), McCormick. Motion carried.

15. ADJOURNMENT

At 10:38 p.m., motion by Wilson, second by Moran, and with unanimous consent, the meeting was adjourned.

APPROVED _____ PRESIDENT
(Date)

SECRETARY _____ RECORDING SECRETARY