

**Official Minutes of the
Oak Park Board of Education District 97
970 Madison Street, Oak Park, Illinois
February 22, 2010**

SPECIAL MEETING - FINANCE

President Traczyk called the meeting to order at 7:03 p.m.

ROLL CALL

Present: Gates, Spatz, Clouser, Reddy, Harton, Barber, and Traczyk
Absent: None
Also Present: Superintendent Constance R. Collins, Director of Human Resources Trish Carlson, Assistant Superintendent of Teaching and Learning Kevin Anderson, Assistant Superintendent for Finance and Operations Therese O’Neill, Communications Coordinator Chris Jасulca, Director of Special Education Mike Padavic, PMA Representative Steve Miller, and Board Secretary Sheryl Marinier

PUBLIC COMMENT

Public Comment

None

Finance Discussion

FINANCE
DISCUSSION

President Traczyk initiated the financial discussion by sharing that, in his opinion, the District is past the point of considering the possibility of a referendum. He believes that the District should engage in conversations that revolve around when and what kind of referendum should be pursued.

Member Spatz presented a brief explanation of the District’s financial history. He addressed the 1989 Ed-Fund rate referendum, the 1994 PTELL (“tax caps”), the 1999 building referendum, the Cook County billing delays, and the creation of the Financial Task Force in 2003.

Therese O’Neill shared that a financial brochure delineating previous cuts was posted on the Web site and distributed to District families last fall.

Steve Miller from PMA Financial Network shared updated assumptions since his last presentation in December 2009. He reported that the one key assumption was the CPI at 2.5 percent. The official CPI has been reported at 2.7 percent. He shared charts that reported the General State Aid (GSA) at a two-year flat level followed by a slight increase. He also reported that the GSA checks have been received from the state on a regular basis. Miller went on to report that total categorical grants are estimated at \$5 million; however, the state is not currently paying on these. Miller shared scenarios of reductions in General State Aid for FY11 and reduced categorical grants for FY10 and future years.

Finance Discussion – (Continued)

Therese O’Neill reported that positive budget actions showed expense reductions in 2005, 2007 and 2008. In 2009, the District under spent the operating expenditures by \$1.5 million. The figures for 2010 are currently showing a decrease in the Operations and Maintenance budget by approximately \$125,000, with the revenue increasing by approximately \$1.2 million due to the introduction of the full day kindergarten. O’Neill reported that concerns regarding the 2010 figures include the increased need for kindergarten teachers, additional teachers for enrollment increases, the uncertainty of state revenues, the unfunded mandated programs, and a CPI of .1 percent.

O’Neill recommended that the Board consider ways of extending the District’s debt until 2017. At that time, the downtown TIF and the current referendum will expire and debt will drop off. She presented options for the District to consider that included a limiting rate increase, a working cash fund referendum, and a capital bond referendum. She also explained that the District could choose to use the Debt Service Extension Base (DSEB). O’Neill explained that although the DSEB could be used to tide the District over, excessive use of these funds could place the District in an unstable financial position.

Discussion took place regarding increasing class sizes and decreasing staff. It was estimated that the District would need to eliminate 10 to 20 certified staff to bring in the needed funding. The Board agreed that at some point the District cannot provide the programs that meet the expectations of the community without the necessary funding. The District needs to communicate to the community how the learning experience will be compromised, and how the scenarios will impact the District, the homeowners, and the community.

After a detailed discussion, the Board agreed to consider multiple tracks that could lead the District to a successful financial outcome. It was agreed that reductions, use of DSEB, and a spring 2011 referendum should be among those tracks.

The Board agreed to meet again on Tuesday, March 16 at 8:30 p.m. At that time, the Board will continue this discussion, consider subcommittees, and determine the best way to delegate the work at hand. President Traczyk will prepare the agenda using input from the Board members.

There being no further business to conduct, President Traczyk declared the meeting adjourned at 9:20 p.m.

The next regularly scheduled meeting of the Board will be on Tuesday February 23, 2010 beginning at 7 p.m. at the Administration building located at 970 Madison Street.

Board President

Board Secretary