



April 17, 2017 – The Administration Center

The meeting was called to order at 7:00 p.m. by Tony Serratore. Board and Committee members in attendance for the meeting were: Rick Nogal, Susan Dalton, Kate Murphy-Peterson, John Lavelle, Bob Hughes, Eric Olsen, Katie McMillian, Rich Piatchek, Steve Barstatis, Deb Baker, Keith Alberts, Tera Wagner, John Connolly, Mike Mangin, Mark Lobes, Barbara Kopca and Rita Kahle.

Public Comments: None

Building:

### Capital Projects

**Major Project & Equipment Plan** – Mr. Hughes presented the long-term capital project plan. He reported to the committee that one more project would be added, which was installing PVC gutters inside Stagg's pool. The RFP (Request for Proposal) was sent to four vendors and we received one proposal from Schaffer Brothers. This was the contractor that rebuilt Sandburg's pool a couple of years ago. The cost of installing the pool gutters is \$ 46,000, which came in under the bid threshold. Mr. Hughes will issue a purchase order next week to Schaffer Brothers.

**Fiber Optic RFP / First Communications** – Mr. Connolly shared with the committee that the request for proposal for the fiber optic installation was sent out. The RFP was opened up to all manufacturers and service organizations that provide Lit Services, Dark Fiber services and self-provisioned fiber construction. We received ten proposals and conducted half-day interviews with three finalists. The budget projected for this project was \$ 750,000 and worked with the three finalists to deliver their technology within the budget framework. The best solution for the District as well as the Village of Orland Park was G4S with an implementation cost for this project at \$ 646,208. Pending E-Rate approval, we anticipate reimbursement of \$ 323,104 in the 2018-2019 school year. We are currently working with the Village of Orland Park as well as an ISBE grant to help lower the cost. Mr. Connolly will recommend that the School Board authorize the administration to sign the Wide Area Network Fiber contract from G4S Secure Integration for \$ 646,208.00 as presented.

Mr. Connolly reported that with our increased use of Chromebooks and digital learning resources for the 2017-2018 School year, it is necessary that the District's add additional bandwidth. The proposals were reviewed and First Communications was chosen as the provider. The total amount of the 36-month contract is \$ 68,850. These services are also covered by E-Rate which would give the District an approximate discount of 50%. Mr. Connolly will recommend that the School Board authorize the administration to sign the First Communications contract in the amount of \$ 68,850.00 as presented.

**Funding Options for Capital Projects** – Mr. Lavelle presented the committee with a follow-up from the February meeting on the subject of a funding plan to address the next 5 years of major capital needs for both technology upgrades as well as building and grounds projects. He explained that the



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first phase of this plan is to issue bonds in the amount of \$4,500,000. This would cover work for FY 2018 through FY 2020 and fall within our Debt Service Extension Base (DESB). This is the first of two required motions to initiate the process toward this borrowing. This first motion expresses the Board's intention to issue bonds. Mr. Lavelle will recommend that the School Board approve a resolution declaring the intention to issue a \$4,500,000 working cash bond at the April Board Meeting.

In order to issue Working Cash bonds it is necessary to abide by the Bond Issue Notification Act (BINA). This process involves a BINA hearing and requiring notice to be published in the newspaper. The date of the hearing would be May 31 at our regular Board meeting (This meeting has been change to the 30<sup>th</sup>). Mr. Lavelle will recommend the School Board approve the resolution calling a public hearing concerning the intent of the Board to sell \$4,500,000 in working cash bonds.

### Maintenance/Cleaning – None

### Other/Policy –

**Energy Cost Comparison** – Mr. Hughes presented our natural gas and electrical consumption for the first half of our fiscal year 2017. Mr. Hughes explained to the committee that we purchase our energy through an outside retailer. The average cost per KWH was higher at \$.0974 compared to \$.0928 in FY 2016, a 7.66% increase in electricity cost. The good news is we used 1.8% less electricity than in the first half of FY 2016. In July, we sold off our surplus storage gas, which accounts for the credit of \$19,312. As a result, we spent 42.3% less on natural gas than during the first half of FY 2016.

**LaGrange Road Update** – Mr. Hughes updated the committee on the LaGrange Road construction. The electricians continue to install the new permanent street lighting and work on the median wall continues. Work continues on the Sandburg sign foundation. The installation of the masonry will be starting soon. The concrete barricades have been moved to install the guardrails. The remaining work including the installation of new sidewalks, median walls, landscaping and miscellaneous restoration will continue.

### Finance:

#### Budget/Finance

**Treasurer's Report** – Mr. Lavelle presented the March monthly report. The District received revenues of \$47,785,174.97 and expended \$11,742,865.41. The total fund balance as of March 31st, 2017 was \$102,060,983.57.

**Financial Review, Charts, and Cash Flow** – Mr. Lavelle presented the financial reports for the month ended March 31, 2017. He shared the cash flow results and he reported that he was taking advantage of higher yield investments.



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**5-Year Financial Projections** – Mr. Lavelle presented an overview of the District's five-year projection plan. He demonstrated how this tool will be beneficial to develop various financial scenarios and models. A base projection was shared as well as a scenario showing the impact a property tax freeze would have on the district.

**State Financing Issues** – There was nothing new to report this month. Dr. Gay will keep the committee members apprised of the topics at the State level.

### Insurance –

**Insurance Committee** – Mr. Lavelle reported that the District's self-insured BCBS medical was running at 99%. Mr. Lavelle explained to the committee with the cost of drugs escalating, they are looking to explore new avenues to lower costs. He stated due to the financial incentive added to the Teacher's and ESP association contracts the participation in our Wellness Program has increased by 250%. Information regarding the hiring of an outside company to conduct a claims audit and a benefits eligibility audit has been considered. Other concerns were regarding the security of personal identification documents needed for the audit. Mr. Lavelle explained that the staff would be given ample notice prior to when this would be conducted.

### Transportation

**Transportation Performance Report** – Mr. Lavelle presented the transportation performance report for March wherein on-time performance was very good.

### Other/Policy –

**2017-2018 PE and Aquatic Bid** – Mr. Lavelle presented the committee with the results of the 2017-2018 PE and Aquatic bid, consisting of 92 various supply items. The bid was sent to 31 vendors and 15 sealed bids were received. The sum of all of the lowest bidders for each of the items is \$ 34,156.12. Mr. Lavelle will recommend that the School Board award the 2017-2018 bid to the vendors as presented.

**Bank RFP** – Mr. Lavelle shared with the committee the details of the bank request for proposal. This RFP will consolidate our banking services and provide additional services. It is our anticipation that the district will eliminate banking costs and fees by negotiating a new banking agreement. The request for proposal will be mailed to 20 banking institutions on April 18<sup>th</sup>, 2017. Mr. Lavelle will bring his recommendation to the School Board in May.

**Yearbook** – Mr. Lavelle presented the committee with the results of the 2018-2020 Yearbook RFP. The request for proposal was sent to four vendors and three were received. All three companies are well represented in the area and have been around for years. On Wednesday, April 19, the yearbook



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advisors and the business office will be hearing presentations from each provider. Once the decision process is complete, Mr. Lavelle will bring his recommendation to the Building and Finance and then to the School Board for approval.

**Policies for First Reading** – Mr. Lavelle presented several policies to the committee for first reading. The changes mainly consist of required legal and language updates. The policies will be brought to the School Board in May.

**Policies for Administration Procedures and Exhibits for Review** – Mr. Lavelle presented the committee with policy 7:325-E2, Application and Procedures to develop and on-line fundraising effort. This form will allow a teacher, department or Principal to request approval to conduct on-line fundraising.

The meeting adjourned at 8:40 pm. The next meeting will be Tuesday, May 16, 2017 at 7:00 p.m. in the Administration Center.

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