



May 15, 2018 – 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, John Lavelle, Bob Hughes, Dave Keating, Tera Wagner, Deb Baker, Jen Tyrrell, Robert Nolting, Steve Barstatis, Nicholas Graal, Arthur Osmelak, Philip Blomberg, Richard Piatchek, Keith Alberts, Jackie Grove-McGann and Jim Duffy.

Public Comments: **None**

Building:

Capital Projects –

**Major Project & Equipment Plan** – Mr. Hughes presented the major project plan. He shared with the committee that the School Board awarded the contract for the Stagg Alterations project. He had a meeting with the contractors this morning, all long lead time items have been ordered. The elevator will be here the last week of June and once the contractor has the shaft ready the elevator will be installed the first week of July. All other projects are on schedule.

Maintenance/Cleaning -

**GCA Contract Renewal** – Mr. Hughes reported that in 2014 we awarded a three-year Custodial Maintenance and Grounds contract to GCA Facilities, now called ABM. Our contract stipulates year five (2018-2019) would be a negotiated increase. After several discussions with GCA/ABM we are recommending a 2.7% increase. Last year's cost plus cap amount was \$5,585,981.60 which was a 2% increase. The proposed new cost plus cap increase would be \$150,821.50, which increases the cap in 2018-2019 to \$5,736,803.10. Mr. Hughes is recommending to the School Board to renew the contract for 2018-2019 with GCA/ABM Facilities as presented.

Other/Policy –

**Drivers Ed Vehicle Update** – With the news that Ford Motors will discontinue manufacturing the Ford Taurus, Mr. Hughes contacted our vendor, Southwest Suburban Purchasing Coop. and was told we can purchase the vehicles through June 1<sup>st</sup>, 2018. On May 21<sup>st</sup>, the purchase order will be processed to have all ten (10) vehicles purchased this fiscal year. Mr. Lavelle pointed out that parts for the Ford Taurus will be available to purchase.



## Minutes

## Building and Finance Committee May 15, 2018 - 7:00 PM

Finance:

### Budget/Finance –

**Treasurer's Report** – Mr. Lavelle presented the April monthly report. The District received revenues of \$ 4,935,360.84 and expenditures of \$ 10,264,627.46. The total fund balance as of April 30, 2018 was \$ 106,437,830.33. Mr. Lavelle shared with the committee that next month he will share the 5 year financial projection. It is important to get this in front of the committee because the county estimates the first distribution last year and gives us 50% of that amount. The problem with this is we had expiring debt, which means, we will receive money to pay for that debt but will not incur the costs. Since the collections bridge two fiscal years we are going to see a bump in our fund balance with the first distribution for the 2017 levy. The second half will be adjusted to account for the overage the county overpaid the first half. This will appear as a decrease in the Districts fund balance.

**Financial Review, Charts and Cash Flow** – Mr. Lavelle presented the financial reports for April. Mr. Lavelle shared that the rates on our short-term investments continue to go up. We received \$982,000.00 in interest and should surpass a million dollars in interest this year. He explained that interest revenues can be transferred, which gives us flexibility to move money to any fund in need.

**2018 – 2019 Student Fees** – Mr. Lavelle presented a fee comparison sheet with no change in student fees. There was a discussion to increase the cap, gown and diploma covers from \$20.00 to \$33.25, which covers the cost of the graduation set. It was suggested we raise the cost to \$35.00 so we are not having to make annual increases. There was also a discussion to increase the Driver's Ed fee from \$150.00 to \$200.00. Mr. Lavelle is working with our Curriculum Department to prepare the application, waiver and narrative to justify the increase. Mr. Lavelle will update the committee at the October meeting.

**Update of State Funding Issues** – Mr. Nogal reported that Dr. Gay was in Springfield and met with Governor Rauner, Legislators and 15 Top High School Superintendents. He shared that there will be no pension cost shift and no property tax freeze coming this year and that there is talk that a budget will be passed this year. Dr. Gay will keep the committee members apprised of the topics at the State level.



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### Insurance –

**Health Insurance Renewal** – Summary prices were shared with the committee. The District is completing its eighth year of having a self-insured medical insurance plan. The overall increase of our health insurance is projected to be 6.1%. Increases were necessary in the PPO and HMO plans. These projections are primarily based on premium equivalents and take into account our current plan participants. The District's broker, The Horton Group, provided alternative quotes for both Dental and Vision. The dental proposal included more dentists in its group, but only a few top current providers were in the network. This, and the fact that it provided little chance for savings to the District, made a change in dental unacceptable. For the vision plan, the Eye Med proposal was very competitive and the network seemed to match very well with the current plan. It provides some enhanced benefits at no additional cost so it is recommended we accept the Eye Med plan. It will be recommended at the May board meeting that the School Board approve the 2018-2019 renewal premium rates for the District insurance programs as presented.

### Transportation –

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

### Other/Policy –

**2018-2019 Bond Paper Bid** – Mr. Lavelle presented the committee with the results of the 2018-2019 Bond Paper Bid. The committee questioned why there is a 14% increase in the cost of paper when our usage has decreased. Mr. Lavelle explained to the committee the main reason for the increase is that the price of oil drives the cost, our paper quantities fluctuate year to year and the bidding is based on us not storing the paper. The bid was sent to seven (7) vendors and six (6) were returned and opened on April 18, 2018. Midland Paper was the lowest bid amount. Recommendation will be presented to the Board for approval.

**2018-2019 Office Supply Bid** – Mr. Lavelle presented the committee with the results of the 2018-2019 Office Supply Bid. One hundred and seventy-two (172) office supply items were bid and sent to eight (8) vendors of which four (4) responded. The four vendors, Office Depot was the highest, School Specialty did not bid on all of the items, Quill did not send a bid and Warehouse Direct which we have used for many years came in the lowest. Recommendation will be presented to the Board for approval.



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**2018-2019 Fall Sports and Trainer Supply Bid** - Mr. Lavelle presented the committee with the results of the 2018-2019 Fall Sports and Trainer Supply Bid. Two hundred thirty-four (234) items were bid and sent to thirty-four (34) vendors with eighteen (18) returned and opened on April 3, 2018. Due to the wide variety of items, the results are awarded to multiple vendors totaling \$30,476.33 that is less than last year's total. Recommendation will be presented to the Board for approval.

**Policy for First Reading** – Mr. Serratore presented policy 4:30 – Revenue and Investments. He suggested that paragraph one under “Investment Objectives” be reviewed. Mr. Lavelle will work on the language and bring the revised paragraph to the June meeting for review. Outside of a couple questions related to fees and certifications noted in the disclaimers, there were no reservations about moving forward with the Management Portfolio Arrangement.

The meeting adjourned at 7:55 PM. The next meeting will be June 18th at 7:00 pm at the Administration Center.