

MINUTES - REGULAR MEETING OF THE BOARD OF EDUCATION

January 27, 2010

6:30 P.M.

Educational Services Center

The Board of Education of the Bloomington Public Schools, School District 87, McLean County, Illinois, met in Regular Session.

Ms. Wilma Gleason, Board Secretary, established a quorum and the following Members were present: Mr. Joe Butcher, Mr. Michael Harrison, Dr. Steve Perry, Ms. Judith Webster, Mrs. Mary Yount, Mrs. Millicent Roth, and Mr. John Dirks, Board President.

Present from the administrative staff were Dr. Robert Nielsen, Dr. Barry Reilly, Dr. Teresa Hill and Mr. David Wood.

Mr. Dirks stated that the BHS Athletic Field Reconstruction Bid Recommendation will be moved from the Consent Agenda to Board Action.

Mr. Dirks presented the Minutes for approval. It was moved by Mrs. Roth, seconded by Mr. Butcher, that the Minutes of the Regular Meeting of the Board of Education held on January 13, 2010, and the Minutes of the Closed Session of the Board of Education on January 13, 2010, be approved. Dr. Perry asked that the minutes be changed to reflect that the second to last paragraph of the minutes state that the Human Resources Report was approved (not Consent Agenda). On page 4, at the end of the first paragraph, Dr. Perry stated that the intent of his comments were that the Board has been told that it's not beneficial to have less than five-day weeks of school back-to-back. However, since people like 4-day weekends, he suggested that the School Improvement Day scheduled for Friday, January 14, 2011, be moved to Tuesday, January 18, 2011 after the January 17, 2011 observance of Dr. Martin Luther King, Jr.'s birthday. Upon a roll call vote, all Members present voted "Aye." Motion carried.

Mr. Butcher wasn't able to attend the Beyond the Books meeting but received a report indicating that much progress has been made in fundraising. Grant proposals are currently being reviewed.

Ms. Webster - No report.

Mrs. Roth - No report.

Dr. Perry stated that the faculty at Bent Elementary School was appreciative of the new stage curtain.

Mrs. Yount attended the Facilities Committee meeting. The committee has been discussing the athletic field renovations.

Mr. Harrison - No report.

Mr. Dirks attended the recent Facilities Committee meeting.

Dr. Nielsen presented the District's Deficit Reduction Plan for 2010-11. Causes of the deficit are:

- The largest contributing factor is the recent loss of revenue due to the national recession.
- Equalized Assessed Value (EAV) of District 87 is down \$800,000 over two years (1.5% increase versus 3%).
- Corporate Personal Property Replacement Taxes (CPPRT) receipts down \$1.9 million over two years.
- Delayed or prorated State Aid payments (\$1.5 million).
- Interest income from fund balances are down nearly \$1 million.

Dr. Nielsen explained that District 87 has two options (increase revenues and/or reduce cost of operations) to address the deficit. Ways to increase revenue include:

- Property tax referendum (Education Fund).
- Increase property tax levy where we are below the statutory rate cap (Transportation Fund) or where there is no rate cap (Tort Fund).
- Increase student fees.

Expenditure reduction options included in the cost of operations are equipment, instructional supplies, programs, staff, staff development, supplies and materials, and technology.

Assumptions made in determining the budget deficit plan are:

- Our student population will remain stable over the next several years.
- Interest rates will remain very low for the next several years.
- Corporate profits will not significantly recover in the near future (2010 and 2011).
- Federal ARRA funds will not be renewed beyond next year, 2011.
- The state will not meet its financial obligations to public schools until the state's deficit is resolved.
- Expenditure pressures will continue for insurance and utilities.

Dr. Perry asked about the effect of State Farm's corporate property taxes. Dr. Nielsen stated that the agreement recently reached with State Farm is that the assessed value will remain the same as last year; going forward, the district can't predict what will happen with State Farm's property taxes.

The guiding principles for the budget deficit are:

- Maintaining direct instructional services to students will be the highest priority.
- Reductions in programs are preferable to the elimination of programs.
- Reductions should be equitable across the entire K-12 program.
- The safety of our students and staff will not be jeopardized.
- Grant funds will be used to pay teacher salaries to the greatest extent possible.

Responding to the deficits include a multi-year approach. For 2010-11:

- Reduction of 11 FTE's = \$550,000 (5 elementary FTE's, 2 BJHS FTE's, 2 BHS FTE's, and 2 Special Education FTE's)

- Retirement Savings = \$400,000 - These savings are calculated by multiplying the number of retirees by the average savings of replacing a retiring teacher with a \$50,000 replacement. The average saving is approximately \$40,000.
- ARRA Funds (federal) = \$350,000
- Fund Reserves = \$500,000
- Total = \$1.8 million

Federal grant reductions include 1 FTE (Title I) and 4 FTE's (Title II). State grant reductions include 3 FTE's (Reading Improvement Block Grant), 4 FTE's, and 3 Program Assistants (Early Childhood).

On July 1, 2010, District 87 will have a structural deficit of \$500,000. This is the amount the district withdrew from its reserves to end the fiscal year with a balanced budget.

On June 30, 2011, District 87 will have a projected deficit of \$3,500,000. To address this deficit, the district will initiate another round of program and staffing reductions for the 2011-12 school year.

Dan Brady, State Representative, was in attendance and asked if these assumptions are based on current information. Dr. Nielsen stated that they are based on what is currently known.

Mr. Brady asked Dr. Nielsen about local property taxes. Dr. Nielsen stated that District 87 is only ten square miles. For the current year, the Equalized Assessed Value (EAV) of all property in District 87 went up 1.5% instead of 3.0%. This is due to the recession, foreclosures, etc. Dr. Nielsen explained that every time there is an exemption (senior citizen homestead exemption, exemption for veterans, etc.) issued for property owners, it affects District 87. When a significant number of homes are exempted or capped, that drives down the EAV.

Mr. Brady asked about General State Aid funding. Dr. Nielsen stated that it has increased over the last few years.

Mr. Brady stated that he assumes that the further District 87 gets in arrears, the Board will look at cuts for all staff and administration, furloughs, etc. Dr. Nielsen stated that cuts will be across the board.

Dr. Nielsen further stated that if there is a release of funds in Springfield, it will help the district. If the State's economy turns around, the deficit will disappear. If the Equalized Assessed Value goes back up, it will help District 87 tremendously. However, based on current information, this is what the district has to do at this point in time.

Dr. Nielsen also stated that any time the city creates a TIF District, it negatively impacts District 87 in that the property is then exempt from paying taxes for 20-30 years.

Mr. Brady assured the Board that he will continue to do what he can to help District 87.

Mrs. Roth reminded the Board and all those in attendance to vote on February 2, 2010.

It was moved by Ms. Webster, seconded by Mrs. Roth, that the Consent Agenda (Human Resources, Bills, Treasurer's Report, Financial Summary) be approved. Upon a roll call vote, all Members present voted "Aye". Motion carried. (See with Original Minutes, Attachment 01-27-10/1)

It was moved by Mr. Butcher, seconded by Mrs. Yount, that the BEA Letter of Understanding (Outdoor Ed Stipends) be approved. Upon a roll call vote, all Members present voted "Aye." Motion carried. (See with Original Minutes, Attachment 01-27-10/2)

Dr. Nielsen asked the Board to reject all bids contained in the BHS athletic field reconstruction bid recommendation. Dr. Nielsen asked Dr. Colin Manahan and Mr. Russell Francois to address the Board.

Dr. Manahan stated that on January 12, 2010, District 87 received seven bids from seven reputable contractors. The bids were opened and summarized in a typical tabular bid format so costs could be identified. At bid opening, two out of the seven did not meet bid specifications in that they didn't provide the mandatory construction schedule to provide that the job would be done on time (they were not low bidders). It was recently discovered that the other five do not meet the bid specifications for the bleachers in that they did not meet the certification requirements for the bleacher component of the bid. In whole, seven bids were received and none of them meet the bid specification requirements as they were intended; therefore, the recommendation is to reject these bids and then rebid the project.

Dr. Manahan stated that the District wants to allow all bleacher manufacturers as to get the best competitive price. The AISC certification which was specified was restrictive in nature in that only one of the five bleacher manufacturers can meet this certification. We learned, only after bids were received, that this is a problem. Mr. Francois explained that if a selective bidder informs us that there's a problem with the bid specifications, we change the specifications by addendum so that all competitiveness is available to the contractors.

Mr. Francois stated that the AISC certification ensures that the structural steel used for the bleachers is certified by the manufacturer, the fabricator manufacturing plant, and bleacher representative. Mr. Francois further explained that it is more customary to have inspections of the steel throughout the project. Russell assured the Board that, if this recommendation is rejected, the new bid specifications would be inspections-based instead of certification-based. There would be a third party inspector, paid for by the contractor as part of their bid.

Mr. Francois explained that the inspection-based way of ensuring that the structural steel (steel that holds up the bleachers and is the backbone of this project) meets all standards includes twenty different inspections that occur from fabrication of the bleachers to completion of the bleacher installations. He stressed that safety cannot be compromised.

Dr. Manahan said the district will open the bids back up to all bleacher manufacturers. By doing so, two weeks in the construction schedule will be lost. Bids will be advertised immediately with a recommendation to the Board at the February 24, 2010, Board meeting. The projected start date for the project would be March 1, 2010, with a completion date of August 7, 2010. There are liquidated damages (monetary penalties) and a one-time award (bonus) along the way for the contractor ensuring that the project remains on

task. Since all of this work is outside, it is weather dependent. Dr. Manahan stated that double shifts and weekend work can be done if necessary.

Ms. Webster asked if delayed dates will affect the bids. Dr. Manahan stated that although he can't say what the bids will be, he thinks they will be as competitive as the current bids since it's only been two weeks since the original bids were presented.

It was moved by Mr. Harrison, seconded by Ms. Webster, that the BHS Athletic Field Reconstruction Bid Recommendation be rejected. Upon a roll call vote, all Members present voted "Aye." Motion carried.

Mr. Dirks reminded those in attendance that the money used for construction is from a different fund and source than what is used for education; the funds cannot be transferred.

Nancy Miller, 910 Witten Woods Drive, Bloomington, (teacher at Irving, Region 14 Representative for IEA, and Member of Board of Directors of IEA) addressed the Board and encouraged everyone to vote on February 2nd. Ms. Miller offered an opportunity for the Board to attend the upcoming IEA's Lobby Day in Springfield. Mrs. Roth asked Ms. Miller to provide information to the Board regarding the Lobby Day.

It was moved by Mr. Butcher, seconded by Mrs. Roth, that the Board go into Closed Session for the purpose of considering the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity. Upon a roll call vote, all Members present voted "Aye." Motion carried.

There being no further business to come before the Board, Mr. Dirks adjourned the meeting.

APPROVED:

ATTEST:

President

Secretary