



Glen Ellyn School District 41: Ignite Passion. Inspire Excellence. Imagine Possibilities.

**MINUTES  
BOARD OF EDUCATION  
FINANCE AND FACILITIES COMMITTEE MEETING**

**AUGUST 25, 2014  
6:30 p.m.  
CENTRAL SERVICES OFFICE  
793 NORTH MAIN STREET  
GLEN ELLYN, IL 60137**

The meeting was called to order at 6:30 p.m.

**Present:** Committee members Drew Ellis, Joe Bochenski and Patrick Escalante, Superintendent Dr. Paul Gordon, Board of Education member Dean Elger, Assistant Superintendent Bob Ciserella, Director of Technology Mike Wood, Chief Communication Officer Erika Krehbiel, Director of Buildings & Grounds Dave Scarmardo, Ron Richardson of FGM Architects, Board of Education member Erica Nelson arrived at 6:32, Board of Education member Cathryn Wilkinson arrived at 7:18 and Recording Secretary Carolyn Gust.

**Review and approval of minutes from the August 11, 2014, meeting:** The minutes were reviewed and approved and will be posted to the district website.

**State Funding Review**

Mr. Ciserella presented information with regard to five-year state and federal revenue. The district records its revenues and expenditures on a cash basis as opposed to an accrual basis.

General state aid has changed significantly over the last few years. This year the district will receive \$1.3 million in general state aide provided the state does not change policy. Legislators have been fairly quiet in Springfield. It's believed among area business managers that very little will move forward in Springfield until after the governor's race is decided in November. Districts are waiting on action such as the 67 percent increased income tax, which is scheduled to expire half way through the 2014-2015 budget year. Expiration of the income tax increase may affect the amount of funding made available to school districts state-wide. Other revenue sources include categorical grants such as special education grants and the transportation grant but general state aid is the district's largest single source of state revenue.

This information is presented for informational purposes.

**Rationale of Investment Options**

The Assistant Superintendent for Finance, Facilities & Operations serves as the district's Chief Investment Officer. Per Board of Education policy, the Chief Investment Officer is responsible for the safety, liquidity and yield of the district's money. A brief summary of these responsibilities are:

- Safety – Is the foremost objective of the investment program to ensure the preservation of the investment and to mitigate credit and interest rate risk.
- Liquidity – The investment program shall be maintained to meet the ongoing operations of the district and provide for the possibility of unknown emergency financial requirements.
- Yield – The return on the investment is secondary to the safety and liquidity of the investment principal. The objective of the investment should be to provide for a relatively fair rate of return given the safety/risk and liquidity of the investment principal.

Over the past several years the district has utilized the services of PMA, a district financial partner. PMA assists the district in budgeting and financial planning and assessing our investment alternatives by annually providing the district with a cash flow analysis and investment plan. Their guidance is used on an ongoing basis by the administration in determining investment options, length of investments and verifying the financial worthiness of a particular investment option. The Chief Investment Officer takes a fiscally conservative approach to investing all district funds. PMA advises investments which afford the district the best return possible in the existing market.

Committee Member Bochenski inquired as to whether or not the Chief Investment Officer actively solicits better investment rates with existing district financial partners. Mr. Bochenski suggested that this occur on a quarterly basis to ensure the district is receiving the best return on its investments.

Committee Member Escalante inquired as to what percentage PMA charges the district for its services. Mr. Ciserella anticipated this question prior to the committee meeting tonight and contacted PMA to confirm that PMA charges the district .1 percent to manage its investments.

Board Member Nelson shared with the committee that PMA serves the district in a consultant capacity working with the district to identify and plan for future expenditures which assists the district in budgeting effectively. Mr. Bochenski would like the Chief Investment Officer to look at the delta between the minimum investment required for PMA to provide these services and the amount the district has invested with PMA. That difference is the amount the Chief Investment Officer should be looking at to ensure the best rate of return is being realized with the PMA investments.

This information will be presented to the committee in the near future.

### **FGM Contract Renewal**

FGM Architects has been the architect of record for School District 41 for the past several years. During this time they have performed a number projects including: 10-year Life Safety Study; project planning for all summer capital projects; Hadley Special Education addition, Phase I of the Master Facility Study and the 2014-15 additions to the district's elementary schools.

The proposed Professional Services Agreement is presented for review. This agreement incorporates all of the anticipated work that will be required of FGM Architects during fiscal year 2015.

Mr. Ciserella presented the contract and amendments. This year differs from years prior in that the district is in the middle of a major construction project. The FGM contract breaks down the different contracted services as follows:

- **Amendment 30: 2015 General Services:** Provide professional services as requested by the owner. Billed on time and materials basis.
- **Amendment 31: 2015 Master Planning:** Work with district staff to develop Phase II of the district's facility planning model. Billed on a time and materials basis.
- **Amendment 32: 2015 Mobile Classroom Evaluations at Churchill and Hadley Jr. High School:** Inspect all district portable classrooms and complete temporary occupancy permits. Billed as a lump-sum fee of \$3,500.
- **Amendment 33: Roof Evaluations All Sites:** Conduct visual inspection of all building roofs. Scope of work to include update to roof assessment plan. Billed as lump-sum fee of \$1,500.
- **Amendment 34: Roof Replacement Work:** Provide architectural design, competitive bidding and contract administration services for 2015 roof replacement work. The estimated costs associated with this project would be 8% of construction cost.

With regard to Amendment 34, the administration is not yet prepared to make a final recommendation to the committee for roof replacement; therefore, the final scope of work has not yet been determined.

The administration does not have a specific recommendation for capital projects but anticipates summer 2015 capital projects will include roof replacement at some of the buildings. Should the administration decide to go forward with roof replacement, administration will bring forward pricing information to the committee and Board of Education for approval before proceeding with such work.

Discussion was had regarding Amendment 34, with the decision being made that this subject should be brought back to the committee when the administration has a formal recommendation for the project.

#### **2014 Fiscal Year End Financial Results**

This subject was tabled because of time constraints. The information will be presented to the committee at the September 8, 2014, committee meeting.

#### **Open Items**

None discussed.

**Other**

Mr. Escalante would like the committee to receive the federal and state spreadsheets via e-mail. Mr. Bochenski would like info sent to the committee in spreadsheet format as well.

**Adjourn:** The meeting adjourned at 7:27 p.m.

Respectfully Submitted,

Carolyn Gust  
Recording Secretary