

North Boone Community Unit School District No. 200

**Minutes of the Regular Meeting of the
Board of Education**

District Office

6248 North Boone School Road, Poplar Grove, Illinois 61065

Tuesday, October 24, 2017

6:30 p.m.

CALL TO ORDER AND ROLL CALL

The Regular Meeting of the Board of Education was called to order at 6:30 p.m. by President Matt Ellingson.

Present: President Matt Ellingson, Brian Haselhorst, Vice President Joe Haverly,
Secretary Mary Maxey and Ed Mulholland.

Absent: Tom Kinser and Tom Moon

APPROVAL OF AGENDA

A motion was made by Mrs. Maxey and seconded by Mr. Mulholland to approve the Agenda as presented.

The motion was carried by unanimous voice vote.

AUDIENCE TO VISITORS

Mr. William Randall, substitute custodian and a taxpayer, addressed the Board concerning the bond debt service levy and taxpayer relief. He stated he watched the September Board meeting online and was shocked at the comments of multiple Board members and staff, and decided to focus instead on a possible solution to the bond debt service levy issue, while still providing taxpayer relief.

Regarding the debt service levy, he said not restructuring the bonds would be painful to the taxpayers. Mr. Randall noted the 2016 levy of \$640 would increase slowly at first and by the year 2023 the same owner of a \$100K property would pay \$906 or an increase of \$265.

He feels every hypothetical bond restructuring option negatively affects taxpayers, costing everyone more money. Mr. Randall pointed out the descending option of restructuring increases the total levy to taxpayers by \$1,847,575. He said taxpayers owning a \$100K property would gain lower taxes for a longer time and a net increase of \$455 over the payback period. He suggested using the debt service fund balance to increase the abatement amounts each year to equalize the net levy at the 2016 amount of \$2,630,000, with additional total abatement amounts needed of \$3,251,104. Mr. Randall stated the current debt service balance of \$14,600,000 less the projected abatements 1 and 2 leave a balance of \$2,555,373. He said if the fund balance yields an average APR of 1.5%, well below the current two year average of 2.6%, an additional \$906,933 of interest will be generated as the balance is depleted by abatements. He noted the hypothetical change in the tax bill would be a total reduction of \$816 over the existing net levy amount or a difference of \$1,271 from the descending option.

Mr. Randall noted in 2008, the District had an ending education fund balance of \$2,839,672 and annual expenditures from that fund of \$11,549,309 for an education fund balance of 25% of annual expenditures. In 2018 the education fund ending balance is projected to be \$10,679,191 with annual expenditures of \$14,426,165 for an education fund balance of 74% of yearly expenditures. He asked the Board to please consider lowering the education levy to provide taxpayers some relief while they continue to pay off bonds.

Mr. Glen Gratz addressed the Board regarding bonds. He recommended taking a close look at the bond restructuring the Board is considering. He asked if the interest rate had been quoted. Mr. Andy Arndt from Baird Financial replied that he was here to share that information tonight. Mr. Gratz said when he does net present value of the payments, it appears to be 4%, the descending option costs the District an extra \$170K upfront, and the two year option is roughly \$60K upfront. He thought in that respect, the two year option may be better, and thought the Board may want to consider some of the ideas Mr. Randall presented. Mr. Gratz mentioned the EAV is limited to 13.8% of what we can borrow, and asked if the bond amount would be less than that. Mr. Gratz said as a local tax assessor, he knew that Boone, Flora and Manchester went up an average of 3%, and the equalization factor was 2.54, so he expected the EAV to go up an estimated 5-5.5%. He asked if this was a capital appreciation bond. Mr. Arndt replied that it was a regular bond. Mr. Gratz asked if the payments could be called or pre-paid at any time. Mr. Arndt said we had a seven year window, where they could not be called, and noted the traditional call was ten years. Mr. Gratz asked if this was sourced out to other bonding companies, or if there were alternatives or suggestions.

TREASURER'S REPORT

Mrs. Saunders stated the Treasurer's Report was as presented.

SUPERINTENDENT'S REPORT

Dr. Greenlee noted the bond from the Alton investment had been sold for \$641K and was purchased for \$649K, with the District accruing approximately \$31K in interest.

He said he would bring retention rate information to the Board next month.

Dr. Greenlee thanked the Boone County Kiwanis for their donation of \$2,734 that will be applied to programming.

He shared Mr. Haverly had asked him to share an article on student obesity. Dr. Greenlee stated he would send that along with information regarding how we are currently following nutritional guidelines and physical education requirements.

Dr. Greenlee said the high school football team will compete in Monticello at 2:00 p.m. on Saturday, and wished the players good luck in the playoffs.

COMMITTEE REPORTS

Policy Committee

Mrs. Maxey stated the Policy Committee had met on October 23, 2017, and will recommend the first readings at the November 14, 2017 Board meeting.

Business Services Committee

Mr. Mulholland reported at the last Business Committee meeting, they had discussed the audit and noted that Mr. Andy Arndt from Baird gave a presentation to even out the tax rate. He said the next meeting is to be determined.

Facility/Long Range Planning Committee

Dr. Greenlee reported the Facilities Committee had not met and the next meeting is to be determined.

Curriculum, Instruction and Assessment Committee

Mr. Haverly reported the CIA Committee had not met and the next meeting is to be determined.

CONSENT AGENDA

A motion was made by Mrs. Maxey and seconded by Mr. Haverly to approve the consent agenda as presented.

The motion was carried by unanimous roll call.

- A. Minutes of the Regular Meeting September 26, 2017
- B. Minutes of the Special Meeting October 3, 2017
- C. Personnel

Site	Person	Position	Salary	Effective/ End Date
1. Non-Certified – Hire				
CES	Celeste Paul	Special Education Teacher Assistant (5.75 hours)	TA30, Step 7	10/10/17
2. Non-Certified – Correction of Salary Placement				
NBUE	Tara Johnston	Special Education Teacher Assistant (5.75 hrs) (Transcripts received)	TA30, Step 7 TA60, Step 7	8/14/17
3. Non-Certified – Resignation				
PGE	Janis Huff	Assistant Nurse / Special Education Teacher Assistant (5.75 hours)	N/A	10/11/17
CES	Melissa Whiting	Special Education Teacher Assistant (5.75 hours)	N/A	9/30/17
4. Extra Curricular - Hire				
NBHS	Ryan Kelley	Varsity Baseball Coach	Group I, Step 0	10/05/17
5. Extra Curricular – Resignation				
NBHS	Taylor Rogers	Varsity Baseball Coach	N/A	10/05/17

NBHS	Jordan Kohut	Girls Freshman Basketball	N/A	10/11/17
NBHS	Caitlin Adams	Girls JV Basketball	N/A	10/11/17
NBMS	Stephanie Squires	Volleyball Coach	N/A	10/17/17
6. Extra Curricular – Volunteer				
NBHS	Courtney Ludwig	Indemnify	N/A	2017-2018
CES	Pamela McDonald	Indemnify	N/A	2017-2018

- D. 2017-2018 Extra Curricular Positions
- E. Running Start Program Renewal
- F. Approval of IASB PRESS Subscription Renewal

UNFINISHED BUSINESS

- A. **Resolution providing for the issue of not to exceed \$9,000,000 General Obligation Refunding School Bonds for the purpose of refunding certain outstanding bonds of the District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the execution of a Bond Purchase Agreement with Robert W. Baird & Co. Incorporated, in connection with the proposed sale of said bonds.**

It was recommended that the Board approve the Resolution providing the issue of the General Obligation Refunding School Bonds for restructuring that was approved at the September 26, 2017 Regular Meeting of the Board of Education.

Mr. Andy Arndt from Baird Financial was present to provide an overview of parameters and answer any additional questions. He provided a flow chart showing that the existing 2007 bonds are paid from the levy, 2017 refunding bonds are issued, B&I levy now pays new 2017 (not 2007), the new 2017 bond creates escrow, and the escrow pays debt service on 2007 bond (levies abated).

Mr. Arndt said the bond counsel have drafted the documents and the bond rating call is scheduled for Friday. The bond sale will take place the week of November 6th and will close on November 21, 2017.

Mr. Ellingson said he felt the same way as Mr. Randall, as to why we are spending \$1.8M. Mr. Mulholland thought it was the only real option we have to recoup the tax obligations from new homes. Mr. Ellingson felt there was enough in the fund balance to maintain the existing levy, and there would be a light at the end of the tunnel if we needed to construct a building or stadium. Mr. Haselhorst agreed with Mr. Ellingson to not add almost \$2M. Mr. Haverly asked Mrs. Saunders and Dr. Greenlee for the best solution in their opinion. Mrs. Saunders suggested restructuring, but doesn't know if she would have chosen the descending option. Dr. Greenlee said he sees points from both sides. He recognized that growing debt was difficult, but sees a need for abatement. Mr. Ellingson noted we had saved \$10M, and thought maybe it was time to apply some of that to relieve taxpayers. He said he does not see the huge gain in restructuring. Mr. Arndt said in the future to use fund balances, we could call in bonds, and could save money.

Mrs. Maxey read the resolution.

A motion was made by Mrs. Maxey and seconded by Mr. Mulholland to approve the Resolution providing for the issue of not to exceed \$9,000,000 in General Obligation Refunding School Bonds as presented. Mr. Haverly voted, but suggested polling the district to seek advice.

Ayes: Mr. Haverly, Mrs. Maxey and Mr. Mulholland

Nays: Mr. Ellingson and Mr. Haselhorst

Abstain: none

The motion passed 3-2, with no abstentions.

B. Resolution authorizing and directing the execution of an Escrow Agreement in connection with the issue of not to exceed \$9,000,000 General Obligation Refunding School Bonds.

It was recommended that the Board approve the Resolution authorizing the execution of an Escrow Agreement in connection with the refunding of the General Obligation Refunding School Bonds.

A motion was made by Mrs. Maxey and seconded by Mr. Mulholland to approve the Resolution authorizing and directing the execution of an Escrow Agreement in connection with the issue of not to exceed \$9,000,000 General Obligation Refunding School Bonds as presented.

Ayes: Mr. Haverly, Mrs. Maxey and Mr. Mulholland

Nays: Mr. Ellingson and Mr. Haselhorst

Abstain: none

The motion passed 3-2, with no abstentions.

NEW BUSINESS

A. October 2017 Bills

A motion was made by Mr. Haverly and seconded by Mrs. Maxey to approve the October bills as presented.

The motion was carried by unanimous roll call.

B. School Improvement Plans

Mr. Jamie Pearce presented the Upper and Middle School plans, along with the data findings to support the school improvement plans. He suggested implementing honor roll for grades 5-8 and to really start emphasizing and celebrating academic victories.

Mr. Hubert provided a detailed overview of the High School plan. Mr. Hubert also discussed the need for receiving consistent and reliable data. He also shared his expanded research on Mastery Manager, a proven tool that has used by many high performing districts.

C. Acceptance of 2016-2017 Audit Report

Mr. Dennis Hildebrandt from Siepert gave an overview of our audit. He noted the district did a good job in addressing past issues. Mr. Hildebrandt said he felt we had a good fund balance with 7.5 months of reserve. He confirmed the audit had been filed with the ISBE and Federal Clearing House.

A motion was made by Mr. Mulholland and seconded by Mrs. Maxey to accept the 2016-2017 Audit Report as presented.

The motion was carried by unanimous roll call.

D. Approval of Assistant Cook Position at Upper Elementary

With meal counts increasing at the UE, it was recommended that we add a two hour assistant cook position to assist with running the computer, scanning cards for both lunch times and also helping in the kitchen with re-stocking and clean up.

A motion was made by Mrs. Maxey and seconded by Mr. Haselhorst approve an Assistant Cook position for two hours per day at NBUE.

The motion was carried by unanimous roll call.

EXECUTIVE SESSION

A motion was made at 8:07 p.m. by Mrs. Maxey and seconded by Mr. Haselhorst to recess to Executive Session to discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees, or other matters provided for pursuant to §2(c) of the Open Meetings Act.

The motion was carried by unanimous roll call.

The following members were present: President Matt Ellingson, Brian Haselhorst, Vice President Joe Haverly, Secretary Mary Maxey and Ed Mulholland. Also Present: Dr. Greenlee.

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Tom Kinser arrived at 9:26 p.m.

Tom Kinser left at 9:45 p.m.

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The Open Session of the Board of Education was called to order at 9:46 p.m. by President Matt Ellingson.

Present: Matt Ellingson, Brian Haselhorst, Joe Haverly, Mary Maxey and Ed Mulholland.

RECOMMENDATIONS FROM EXECUTIVE SESSION

A motion was made by Mrs. Maxey and seconded by Mr. Haselhorst to approve the non-bargaining, certified raises as discussed.

The motion was carried by unanimous roll call.

A motion was made by Mrs. Maxey and seconded by Mr. Haselhorst to approve the non-bargaining, non-certified raises as discussed.

The motion was carried by unanimous roll call.

A motion was made by Mrs. Maxey and seconded by Mr. Haverly to accept the resignation of Julia Saunders, Director of Business Services and Transportation effective April 30, 2019.

The motion was carried by unanimous roll call.

A motion was made by Mrs. Maxey and seconded by Mr. Haselhorst to accept the resignation of Jim Novak, Director of Facilities effective at the conclusion of the 2019 summer projects, estimated at September 2019.

The motion was carried by unanimous roll call.

ANNOUNCEMENTS & OTHER INFORMATION

- A. Enrollment
- B. Student Activity Reports
- C. FOIA Log

ADJOURNMENT

A motion was made by Mrs. Maxey and seconded by Mr. Haverly to adjourn at 9:50 p.m.
The motion was carried by unanimous voice vote.

PRESIDENT *Matt Ellingson / S /*

SECRETARY *Mary Maxey / S /*

APPROVED: 11/14/17