

Special Meeting
Board of Education
January 26, 2009

The Board convened in special session at 6:00 p.m. in the Diagnostic Learning Center. The following members answered the roll call: Butler, Gorenz, Parker, Ross, Spangler, Stowell and Wolfmeyer.

PRESENTATION BY AUDIENCE ON ACTION ITEMS – none

ACTION ITEMS –

APPROVAL OF LEASE AGREEMENT FOR BUSES – Moved by Stowell, seconded by Spangler that the Board of Education enter into an 18 month lease-purchase agreement with Central State Bus Sales, Inc. for the acquisition of 19 school buses previously awarded for purchase by the Board of Education (October 6, 2008) for a revised price to include interest or \$1,313,152.81.

Mr. Cahill presented background information on the proposal. He stated that the buses would be delivered this fiscal year but that payment would be deferred until July 2009 and July 2010. He noted that we would take possession of the buses this year and will get the amortization from the state this year. The interest cost will be 6% or \$71,000. Buses are traded in every year and are kept in our fleet for five years.

Mr. Stowell emphasized that if the deficit and interest rate rise, it would make it prohibitive to start any new programs or add things we would want to do. He stated that the economy is continuing to deteriorate.

On roll call, 6 ayes. Butler, Parker, Spangler, Stowell, Wolfmeyer, Gorenz
1 nay. Ross. Motion carried.

APPROVAL OF DISCONTINUANCE OF ARMORED CAR SERVICE – Moved by Stowell, seconded by Spangler that the Board of Education terminate its contract for armored car services with Garda Cash Logistics effective January 31, 2009 per terms of the agreement allowing for the same.

On roll call, 7 ayes. Motion carried.

INFORMATION ITEMS – REPORTS FROM SUPERINTENDENT AND STAFF –

1. Goal 2 – FISCAL RESPONSIBILITY

BUDGET ADJUSTMENTS 08-09 – Each item on the list was discussed and noted if it had been accomplished: A total of \$4.5 million needs to be saved this fiscal year.

Mr. Cahill presented information on the status of each item:

- Sale of buildings - funds must go into the Site and Construction Fund and be used for capital expenditures. Irving School will be on the market soon, but Mr. Cahill did not speculate on if it would be sold.
- Health insurance savings are realized with the new contract and the base is now set at a lower level.
- The Board just voted to approve a "lease for payment" of the buses deferring payment to July 2009 & July 2010 at an additional cost of \$71,000.
- The drop in energy prices has allowed us to renegotiate the diesel and natural gas prices.
- The decision has been made to allow schools to keep their funding for the rest of the year, there will be no reduction on purchases.
- The Education Fund has been reimbursed from the Workman's Comp Fund

- The armored car service will be discontinued.
- The change to the bell system and discontinuance of rental of the Central pool will not be implemented this year. The use of the pool will be considered for next year. Mr. Stowell asked for more information on the pool usage.
- Discussion was held on redeploying the towel matrons and eliminating bus monitor positions. Those items will be rolled into the line item on Reduction in Force. Administration will work with the unions to develop a plan. Mr. Walvoord reported that statute does not allow for the temporary furlough of employees. Statute does allow for Reduction in Force of non-certified employees and it may occur at any time during the work year, but they must be given 30 days notice.
- During a meeting with the unions the idea to move up the 5+ 5 time line for IMRF employees was discussed. That would require a re-opening of the contract and renegotiation.
- Mr. Stowell would like a list of contract employees and grant employees that are not teachers.
- There is an additional \$100,000 in the budget that was budgeted but not used for pay increases regarding principals.

ITEM	GOAL	ACTUAL	TOTAL
Superintendent and Controller-Treasurer forgo FY2008-2009 base wage adjustment	\$12,400.00	\$12,400.00	\$12,400.00
Deposit sale from sale of White School into Operations and Maintenance Fund	\$750,000.00	\$750,000.00	\$762,400.00
Deposit sale from sale of Irving School into Operations and Maintenance Fund	\$750,000.00	\$0.00	\$762,400.00
Favorable employee insurance, insurance bid premium savings	\$301,650.00	\$301,650.00	\$1,064,050.00
Defer paying for buses ordered until July 2009 and July 2010	\$1,242,000.00	\$1,242,000.00	\$2,306,050.00
Amend diesel contract	\$240,000.00	\$240,000.00	\$2,546,050.00
Lock in consortia pricing for natural gas	\$125,000.00	\$125,000.00	\$2,671,050.00
Obtain 1 - 2.5% reduction in supply costs and/or place a moratorium on non essential purchases	\$137,000.00	\$0.00	\$2,671,050.00
Refund and transfer worker's compensation claims paid as a consequence of sick leave bank	\$68,125.00	\$68,125.00	\$2,739,175.00
Discontinue armored car services	\$6,500.00	\$6,500.00	\$2,745,675.00
BELOW THE LINE ITEMS			
Revisit 3 tier bell schedule	\$75,240.00	\$0.00	\$2,745,675.00
Cease rental of Central Park Pool	\$60,000.00	\$0.00	\$2,745,675.00
Redeploy towel matron FTE's	\$94,000.00	\$0.00	\$2,745,675.00
Eliminate bus monitor positions	\$86,261.00	\$0.00	\$2,745,675.00
Defer wage adjustment for policy 5:215 personnel	\$130,601.00	\$0.00	\$2,745,675.00
Furlough select administrative and non-certified employees	\$386,000.00	\$0.00	\$2,745,675.00

Goal	\$4,500,000.00
Achieved	<u>\$2,745,675.00</u>
Needed	\$1,754,325.00
Extra savings on Principal increases	<u>\$100,000.00</u>
STILL TO BE ACHIEVED	\$1,654,325.00

Mr. Stowell asked about cell phone usage. Mrs. Parker stated that she would like to take the extra year and look for those things that we need to look for – she feels there is too much to figure out and we need more time.

Dr. Gorenz emphasized that the Board of Education cannot afford to wait to make more cuts. We have no reserves. Now we must borrow money and that means spending money on interest and not spending it for the classroom. Another big concern of his is that people are willing to lend us money because we have demonstrated that we are working toward a balanced budget and he does not want that to change.

Mr. Hinton stated that stimulus money from the Obama plan will flow into special education, Title 1 and construction – not operational funds.

Mrs. Ross stated that she will be submitting a report on ways to cut the budget – those things that worked in the past. She feels we should take some time and look. She does not know if principals were asked about budget cutting and feels we need to have each school cut their own budget. She stated that in 2003 we had a RIF of attrition and we did hire back most of those people. She also stated that she did not know why there was a loss in the CPPRT tax or why the district projected such a large increase.

Dr. Gorenz stated that no decision is a decision – next year the deficit will be \$9 million.

Mr. Stowell stated that he too would like time, but the stimulus package is just a stimulus and it would not add revenue each year. He emphasized that we do need to look at these things closely and the Board does have hard decisions to make, but he is not in favor of waiting until the end of the year – March will be decision time.

Dr. Gorenz replied that the Board had said that by April 1, 2009 they would make decisions for next year, but if a decision is made sooner for this year the savings would be greater. He emphasized that the Board will need to make a decision soon on the issue of staff reductions. He asked that authority to begin bargaining with the unions regarding RIF issues be brought to the Board of Education on Monday, February 2, 2009. He asked the preference of the Board on voting on the towel matrons and bus monitor positions.

Mrs. Wolfmeyer stated that she felt that if the District was going to lay off personnel, it should occur at one time. She also noted that the need for third shift custodians at the high schools came up in discussion. She also would like to see on paper if Skyward is saving the District money. She would also like an evaluation of the on-line purchasing system.

Mrs. Spangler stated that there needs to be a balance and process where there is a list of “wants and needs” and “must have” to run the district. She noted that we need to work better as a team.

Mrs. Ross stated that these are important decisions and we are in the business of “right sizing” this district. We have schools that we staff for “x” number of students and the needs changed. We have one-half the students and twice the staff. She stated that this is a serious matter and the District would be adding to the unemployment rolls if we lay off people and the district job is the only income for some families.

Dr. Gorenz emphasized that if we do nothing now we could be jeopardizing the jobs of far more people.

BUDGET ADJUSTMENT CONSIDERATIONS FOR 09-10 – Mr. Hinton began the discussion by stating that there was “no right decision as to the school” – he wants to provide a start for young students by making a campus area for birth through eighth grade students. He stated that he knows the Board will be pleased with the concepts that are being developed; his concern is the administrative capacity to do all that needs to be done in the time given. He shared that building administration has asked that the decision be made so that planning can take place. Dr. Hannah is working to identify the questions and challenges. Mr. Hinton stated that he is recommending the closing of a high school.

Mrs. Spangler noted that if Peoria High School is used as the high school it might be eligible for construction money being one of the oldest schools in the district.

Mrs. Ross addressed the issue of the recommendation of closing a high school if the enrollment for high schools went under 3900. She stated that there is no research to support that. She noted that the Gates Foundation says that smaller high schools (around 500) are better. She also spoke to the re-drawing of boundaries and the inclusion of the Hines Von Steuben area in Richwoods High School. She feels this promotes segregation of students. She stated that she does support the K-8 concept, but asked, "How many do we need?" Mrs. Butler noted that she has talked with people that feel there is a lack of "truth" in what the District is saying and the district needs to make sure the community knows that they can trust us.

Mr. Cahill replied that the Master Facility Plan called for consolidating more students in newer buildings. He also stated that if the community were to look at the last three years of budgets they would see that they came in as expected.

Mrs. Butler stated that she has heard the statement that we are closing a high school and is now hearing that that information is not correct. She would like more information. She also stated that when she is asked about the closing of Woodruff she reports to people that when we look at the budget, a way to reduce cost is to close a building and save in personnel and programs. She also noted that perhaps the community can see this as a help for early learners. She asked that we not jeopardize our funding by our bond rating – and noted that if we do not continue to move toward a solvent budget, we may not be able to get funding. She pointed out that with this change we could still provide a quality education program for early learners and keep ourselves in a position to grow the district.

Mr. Cahill agreed with Board member Butler's statement and reported that the Board's decision will have a direct affect on the bond rating and whether we will have access to the funds to build the new Harrison school. Mr. Cahill stated that administration needs the authority to begin negotiations – negotiating takes time.

Mr. Stowell reported that he did not want to give up the hope that our district will grow again. He stated that he had an idea – proposals have been coming from administration to the Board – and that if the Board wants another way of looking at it, we need someone to look from the outside in.

Dr. Gorenz stated that there will be further discussion at the Monday, February 2, 2009 meeting on the 2008-09 and 2009-2010 budgets.

Mrs. Spangler asked for an explanation from Attorney Walvoord on the issue of "revoking a high school charter." Attorney Walvoord explained that the Charter of 1855 is not exclusive to Peoria High School. In 1855 the City of Peoria was granted a charter to create the school district. That charter was amended in 1869 and 1871 and has come through various changes and changed again in 1939. In 1939 they voted to go to an "Article 33 district" and retain all the rights in the charter until then, but also have the powers of the school code. He clarified by saying, "Regarding some of the discussion in the community and any changes to Peoria High School, that charter is for the District."

ADJOURNMENT – Dr. Gorenz adjourned the special meeting at 8:30 p.m.

Julia A. Cramer,
Board Secretary

ATTEST:

David L. Gorenz
Board President

