

DECEMBER 17, 2018
WILMETTE, IL
REGULAR MEETING

A regular meeting of the Board of Education was held on Monday, December 17, 2018 at the Mikaelian Education Center, 615 Locust Road, Wilmette, Illinois. President Mark Steen called the meeting to order at 6:00 p.m.

Members Present: Mark Steen, Jon Cesaretti, Tracy Kearney, Frank Panzica,
 Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler

Members Absent: None

Administrators Present: Ray Lechner, Ellen Crispino, Romy DeCristofaro, Heather Glowacki, Katie Lee

ADJOURN TO EXECUTIVE SESSION

Mr. Panzica moved, seconded by Mrs. Schaff to adjourn to executive session to discuss collective bargaining.

On a roll call vote on the motion, voting “yea” – Jon Cesaretti, Tracy Kearney, Frank Panzica, Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler, Mark Steen; voting “nay” – none; absent – none:

Motion Carried.

RETURN TO REGULAR SESSION

The meeting resumed at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Principal Rachel Filippi, Library Specialist Michelle Lawniczak, and Technology Teacher Julie Garry introduced McKenzie students who shared their Science, Technology, Engineering, Arts and Mathematics (STEAM) innovative learning experiences and then led the Pledge of Allegiance.

ARTWORK

Mr. Steen noted Linda Peritz’s Highcrest students created the beautiful artwork in the Boardroom. Sixth graders mixed acrylic paints to exactly match the packaging for their Pop Art paintings. Fifth graders studied Buddhist culture and used math skills to design beautiful mandalas. The Chicagoan Magazine was the inspiration for illustrations depicting students’ favorite city locations.

APPROVE THE MINUTES

Mr. Panzica moved, seconded by Mrs. Schaff, to accept the Board of Education and Executive Session Minutes for November 12, 2018; November 14, 2018; November 26, 2018; November 27, 2018; November 28, 2018; November 29, 2018; December 10, 2018; December 12, 2018; December 13, 2018.

On a roll call vote on the motion, voting “yea” – Jon Cesaretti, Tracy Kearney, Frank Panzica, Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler, Mark Steen; voting “nay” – none; absent – none:

Motion Carried.

ANNOUNCEMENT

Mr. Steen reminded everyone that this meeting is public and all are among neighbors and fellow residents. He stated appropriate conduct is expected from everyone. He asked that people speak only when called upon, that everyone treat each other kindly and with proper respect, and refrain from distracting behaviors such as such as loud conversations, cheering, clapping, or booing.

ADJOURN TO PUBLIC HEARING ON 2018 LEVY

Mr. Panzica moved, seconded by Mrs. Schaff to adjourn to the public hearing on the 2018 Levy.

On a roll call vote on the motion, voting “yea” – Jon Cesaretti, Tracy Kearney, Frank Panzica, Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler, Mark Steen; voting “nay” – none; absent – none:

Motion Carried.

FINANCIAL PRESENTATIONS

A. Fiscal Year Financial Audit

Dr. Lechner stated the annual audit is instrumental in creating financial projections. He noted District 39 continues to earn the highest “Financial Recognition” for financial stability with a weighted score of 4.0 out of 4.0.

Scott Duenser of Klein Hall Associates presented the audit report. He stated a new governmental accounting standard was implemented for Fiscal Year 2018 that related to Other Post Employment Benefits (OPEB) for Teachers Health Insurance Security (THIS). He explained this is not a new liability, however, this is the first time school districts are required to record the liability. Since the liability is part of a cost sharing program, the state of Illinois assigned an actuary to allocate the liability among all school districts in the State. The adoption of this accounting standard decreased the district’s net position on the government-wide financial statements by approximately \$37M as of July 1, 2017.

Mrs. Kearney reiterated that the new government accounting requirement adds another \$30M in liability to the District on top of the pension liability. Mr. Duenser explained this is not a current liability. The District’s share was approximately \$33.6M and the State’s share was \$44.1M. He noted the District is not expected to pay that amount of money, however the State could implement changes in the funding amounts required by districts.

B. 2018 Levy

Dr. Lechner stated the District’s goal is to maintain and improve educational excellence for students while living within its financial means. The District budgets conservatively with unknown variables in a given year. The Board now targets minimum fund balances at 40% of total operating expenditures to manage cash flow and provide reserves for unpredictable adverse impact from the State of Illinois. He noted the District’s primary source of revenue is property taxes which are tied to Consumer Price Index (CPI) plus new property growth. While CPI is known at 2.1%, new property growth is unknown and is an estimate at the time of the levy request.

Mrs. Crispino presented levy. She stated the 2018 levy is based upon several variables including CPI, the value of new construction, the county multiplier, and the Limiting Rate calculation. The District’s Equalized Assessed Value (EAV) is unknown at this time, but is projected at \$1,853,814, 693 assuming no increase from 2017. CPI is 2.1%. New property growth is estimated at \$37.3 million. The total requested levy is \$54,090,415. She noted the Cook County Clerk determines the final levy extension amount.

C. 2018 Supplemental Debt Service Levy

Dr. Lechner noted the Debt Service Levy is a requirement that allows the District to levy for bond payment obligations.

D. Five-Year Financial Projections

Dr. Lechner stated each year after presentation of the District's audit, an updated five-year projection is prepared. In the past, the District used "placeholder dollars" to plan for unpredictable impacts to fund balances. The Board raised the minimum fund balance targets from 30% to 40% and removed the "placeholder dollars" to allow projections to be more closely tied to budgets and still protect fund balances from unknown adversity. He reported the operating fund balance to expenditure ratio is projected to remain above the minimum goal of 40% in the combined operating funds through Fiscal Year 2024.

Mrs. Crispino reviewed assumptions built into the five-year projections. The assumptions included a property tax revenue increase by 2.1% (CPI) plus new property growth. CPI estimates for Fiscal Years 2020-2024 were based on Bloomberg estimates. For expenditure assumptions, Mrs. Crispino noted certified salaries are to be negotiated for Fiscal Year 2020-2024, health insurance costs are projected to increase 5% per year, and purchased services for outplaced tuition and supplies are projected to increase by 3% for each year.

BOARD DISCUSSION ON THE 2018 LEVY

Mrs. Kearney expressed her opposition to the levy extension noting it would be a 4.15% increase which is a 20% increase in the operating budget. She noted at year end revenue balances were \$3.9M. She reported the next triennial assessment for taxes will be in 2019. Mrs. Kearney also cited increasing interventions in property tax appeals, not recovering from the housing crash in 2010, and declining Illinois population as reasons for her opposing the levy request.

President Steen noted he strongly disagreed on many points Mrs. Kearney made which he felt were misrepresented, including the \$3.9M she referenced. He noted their differences of opinion for the record which were also expressed during the Committee of the Whole meeting.

Mr. Cesaretti said he was sympathetic to Mrs. Kearney's opinion, but felt the levy makes sense to keep up with inflation. He noted his commitment to review expenses and stay under the 65% upper end reserve. He stated after the schools and construction programs were well funded he looked forward to finding tax rebates.

Mrs. Sternweiler noted the Board discussed the levy many times though everyone was not in agreement. She stated the budget review had begun several times. Members input included assessing different areas and ways to review the budgets, which led to a pause in the process. She said at that point members agreed to seek an outside consultant for the expense review.

Mrs. Schneider-Fabes said Board members talk about the value of being a fiscally conservative District, and increasing the levy is consistent with that value. She noted costs increase every year and inflation continues to impact those costs. She noted the Board's commitment to keep Wilmette a high performing District, which included capital projects, security enhancements, fair compensation for staff, and ongoing renovations. She felt it necessary to increase the levy to protect financial health of District 39 this year and for the future.

Mrs. Schaff stated the Board's first duty is to be stewards of District finances and protect the District's financial health in order to maintain the priority of educating students. She felt the Board had been very responsible in running a lean budget and educating students. She felt continuing the levy process with CPI is prudent for the operating budget and ongoing education. She noted investments and improvements made in district buildings have directly affected education. She said it is important to keep moving forward in these areas.

Mr. Panzica noted the points Mrs. Kearney spoke of were discussed in multiple meetings. One item members addressed was unknown budget risks to reserves, which in the past were covered by adding best estimates for those risks. This year the Board introduced a more structured approach to reserves; increasing the minimum reserve level to 40% and adding a high-end target of 65%. He stated if assumptions were optimistic the Board would address ways to use reserve dollars, either for needed capital projects or a one-time rebate to tax payers, or other possible options. He said any decision would require a formal discussion.

Mrs. Kearney responded by noting the only budget review items discussed in Committee of the Whole were special education and foreign language. She said having a special committee was mentioned but members instead opted for an outside consultant to do an expense review. She felt it was an insult to discuss how to use the reserves if reserves reached 65%. She was adamant about easing instructional fees for parents.

President Steen noted the Board had very passionate feelings regarding the levy, however there would not be changes in the levy process at this time.

AUDIENCE RESPONSE TO THE 2018 LEVY PRESENTATION

Mark Weyermuller, Wilmette, spoke about property taxes, pension cost shift, intervention on property tax appeals, and being part of the collective bargaining process. He also noted the declining population in Illinois, declining property values, declining enrollments, and suggested cutting the levy and property taxes.

Beth Feeley, Wilmette, requested the Board not extend the levy. She noted her concern on rising property taxes, the outmigration for Illinois and Chicago, the lack of having completed an expense review, and extending the levy with a budget surplus. She requested a complete expense review prior to extending the levy.

Johann Joseph, Wilmette, requested the Board recess any further levies. He said Wilmette is an affluent community attracting new families who might be impacted by the levy. He said it is important to balance the effect on the community in order to promote diversity and be more inclusive.

Betsy Hart, Wilmette, reiterated previous comments regarding the promised budget review. She said there could be more money saved in the budgets. She commented on high property taxes and appeals forcing other families' property taxes to rise.

David Hyser, Wilmette, noted the combination of national, state, and county issues affecting families but the primary purpose of the Board of Education is to provide education for the collective community's children. He said the Board has to ensure District 39 has the resources for capital investments and the ability to hire qualified personnel. He noted the economic reality is that if the District fails to extend the levy it will cut funding and affect educational services.

ADJOURN TO REGULAR MEETING

Mr. Panzica moved, seconded by Mrs. Schaff to adjourn back to the regular Board of Education meeting.

On a roll call vote on the motion, voting “yea” – Jon Cesaretti, Tracy Kearney, Frank Panzica, Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler, Mark Steen; voting “nay” – none; absent – none:

Motion Carried.

BOARD REPORTS

A. Committees

Facility Development Committee – Mrs. Schaff stated the committee met as part of the Committee of the Whole on December 10th. They discussed HMS Phase II construction beginning next summer. Architects updated engineering portion of construction including an underground water storage system that needs to be installed in the outdoor classroom. She stated the garden committee plans to meet with designers in January and choose a firm to design the outdoor classroom. Mrs. Schaff stated the committee also reviewed budget estimates for Harper Phase I construction for kindergarten enrichment. She noted the next meeting is January 14, 2019.

School Finance Committee – Mr. Panzica stated the committee met as part of the Committee of the Whole on December 10th. The committee discussed the 2018 audit, the 2018 levy proposal, and five-year budget projections. He added student fees were discussed in great detail. He reported school fees generate \$750K per year and a reduction in fees would result in a significant impact on budget and students and families. Members agreed to continue discussion on school fees at the January 14th meeting.

B. Liaison

Community Review Committee (CRC) – Mrs. Kearney stated the committee met on December 3rd. She noted the current CRC topic is Mobile Learning. She reported the 4th grade and New Trier feeder schools survey had been completed and members visited three different schools. Their next steps are to create a District 39 Kindergarten through 3rd grade teacher survey, visit additional schools, and attend a Leap Innovations tour. The report the CRC is auditing is the 2014-2015 Cultivating Growth-minded Resilient Students. The next meeting is in February.

Educational Foundation – Mrs. Kearney stated the committee met on December 5th. The fashion show fundraiser was a great success, being held in the evening, and came in 20% over budget. The Annual Appeal went out in November and was highlighted as part of Giving Tuesday. The Foundation is preparing for Trivia Night on February 11th at St. Joseph’s Church. Bingo Night will be held March 1st at Highcrest cafeteria. Science Olympiad is underway with eight classes, eleven instructors and 80 students participating. The next meeting is January 16th.

Superintendent Search Update – Mrs. Schneider-Fabes stated first round interviews were held with eight candidates. Three were invited back for second round interviews. One candidate bowed out as they had received another offer. The stakeholder committee and the Board interviewed two excellent candidates. She reported an offer was made to one candidate and the Board hoped to have contract for presentation at a special Board meeting on Friday, December 21st.

C. Legislative Update

Mrs. Kearney stated there hadn’t been any legislative news as people of Illinois wait for Governor-elect Pritzker to be sworn in on January 14th.

INFORMATION ITEMS

A. Written Communication

Dr. Lechner noted the Board received written communication from Karleen Stevens McAllester, Katie Arnold, and Allyson Haut, Ph.D. opposing the Illinois Association of School Boards (IASB) resolution that supported arming of school staff. The Board also received written communication from Joyce Pollack regarding the successor to Dr. Lechner as District 39 Superintendent. Another communication was received from Carl Hopman opposing the maximum levy increase.

B. Administrative Announcements

Dr. Lechner announced kindergarten registration for the 2019-2020 school year would be held Thursday, January 17th from 9:30 am to 5:00 pm and Friday, January 18th from 8:00 am to 3:15 pm at the four elementary schools.

Dr. Lechner stated the District received a FOIA from Jennifer Smith Richards of the Chicago Tribune requesting all logs detailing instances of students isolated time out, seclusion, confinement and/or restraint occurring between August 1, 2017 and the present.

C. Annual Business

1. 2019-2020 Draft School Calendar

Dr. Lechner reported the first draft of the proposed school calendar for 2019-2020 was posted. Per past practice, the District aligns its schedule with New Trier township holidays. The calendar would be presented for approval in January.

D. Board Policy Review

1. Third and Final Reading of Board of Education Policies 4:10 and 4:15

Dr. Lechner stated the policy revisions made were based on Board members suggested edits and are ready for final approval.

PUBLIC COMMENTS

None

ACTION ITEMS

A. Consent Agenda

Mr. Panzica moved, seconded by Mrs. Schaff to approve the personnel report dated December 17, 2018, which included educational support personnel full-time employment of **Tracy Dubose**, effective November 26, 2018; **Beatrice Kulp**, effective January 7, 2019; **Leslie Ruiz**, effective December 3, 2018; educational support personnel resignation of **Eric Anderson**, effective December 7, 2018; **Allison Radin**, effective December 21, 2018; **Patrick Sullivan**, effective January 15, 2019; release of probationary employee, **Toni Poyser**, effective 12/14/2018; **Eleni Pronos**, effective 11/28/2018; **Valerie Weber**, effective 11/28/2018; educational support personnel retirement of **Clarence Jackson**, effective February 12, 2021; educational support personnel request from sick leave bank for **Employee 16443**, grant 5 days from SSU sick leave bank: to accept the fiscal year 2018 annual financial audit and Comprehensive Annual Financial Report for Wilmette Public Schools as presented by Klein Hall CPAs, of Aurora, Illinois: to approve a resolution authorizing a supplemental tax levy to pay the principal of and interest on outstanding limited bonds of School District 39, Cook County, Illinois: to approve as third and final reading of revised Board of Education Policy 4:10 *Fiscal and Business Management* and 4:15 *Budget Planning*: to approve the accounts payable for bills listed between November 13, 2018 – December 17, 2018 in the following amounts: Educational Fund \$591,712.40; O&M Fund \$185,266.32; Debt Service Fund \$710,871.25; Transportation Fund \$134,252.24; Capital Projects \$193,174.00; Tort Fund \$197,751.00;

total all funds: \$2,013,027.21: to approve the manual checks issued between November 13, 2018 – December 17, 2018 in the following amounts: Educational Fund \$1,106,295.84; O&M Fund \$8,071.61; Transportation Fund \$291.46; total all funds: \$1,114,658.91.

On a roll call vote on the motion, voting “yea” – Jon Cesaretti, Tracy Kearney, Frank Panzica, Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler, Mark Steen; voting “nay” – none; absent – none:
Motions Carried.

B. Adopt the 2017 Levy

Mr. Panzica moved, seconded by Mrs. Schaff to approve the 2018 Levy and accompanying resolutions contained herein for requested amounts that can be summarized as Educational \$41,862,439; Operations & Maintenance \$9,254,492; Transportation \$652,622; Working Cash \$86,887; IMRF \$351,412; Social Security \$1,274,351; Life Safety \$0; Tort Immunity \$289,625; Special Education \$318,587; Total Aggregate Levy: \$54,090,415.

On a roll call vote on the motion, voting “yea” – Jon Cesaretti, Frank Panzica, Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler, Mark Steen; voting “nay” – Tracy Kearney; absent – none:
Motion Carried.

CONFERENCE ITEMS

A. Old Business

None

B. New Business

President Steen reported the Board appointed Ellen Sternweiler as the Illinois Association of School Boards (IASB) representative. Mrs. Sternweiler attended the Triple I conference in November.

Mrs. Kearney noted ED RED meets monthly and she attends these very informative meetings, though attendance is not mandatory. She suggested a Board member continue to attend ED RED in the future.

C. Good and Welfare

None

Mr. Panzica moved, seconded by Mrs. Schaff, to adjourn to executive session to discuss specific personnel.

On a roll call vote on the motion, voting “yea” – Jon Cesaretti, Tracy Kearney, Frank Panzica, Alice Schaff, Lisa Schneider-Fabes, Ellen Sternweiler, Mark Steen; voting “nay” – none; absent – none:
Motion Carried.

The meeting adjourned to executive session at 8:19 p.m. and returned to the regular meeting of the Board of Education at 10:41 p.m.

Being no further business, Mrs. Schaff moved, seconded by Mrs. Schneider-Fabes, to adjourn the regular meeting of the Board of Education. It adjourned at 10:43 p.m. by **General Consent.**