

Regular Board Meeting
November 10, 2020
Library

Call to Order:

Vice President St. Peters called the meeting order at 6:00 p.m. in the Board Room, whereupon roll was subsequently taken. Melissa Bartels, Leroy Duncan, Mike Redman, and Mark St. Peters answered the roll call to establish a quorum. Absent: Missy Bell-Yates, Jennifer Murray, and Jamey Westbrook. Present were administrators and/or directors John Pearson, Leigh Robinson, Kevin Gockel, Mark Beatty, and Gerry Mattix-Wand. Also present were Sarah Smith and Josh Andres from Scheffel-Boyle.

Board Communications:

None.

Public Comments:

None.

Minutes:

Motion by Mrs. Bartels; second by Mr. Redman, to approve the minutes of the Regular Meetings of October 6, 2020 and October 13, 2020. Motion Carried Voice Vote.

Approve Payment of District Bills and Quick Pays:

Motion by Mr. Redman; second by Mr. Duncan, that the payment of bills as presented in the amount of \$39,384.08 be authorized; that salaries for the month of October in the amount of \$462,050.04 and bills quickly paid for the month of October in the amount of \$97,978.02 be approved and that November salaries and bills to be paid quickly be authorized. Aye: Mrs. Bartels, Mr. Duncan, Mr. Redman, and Mr. St. Peters. Nay: None. Motion Carried.

Audit Presentation:

Sarah Smith and Josh Andres from Scheffel-Boyle presented the Fiscal Year 2020 District Audit and Annual Financial Report. Mrs. Smith reported that the Audit was a “clean audit” with no material findings (although there were some matters that needed correction according to “single audit” and GATA standards).

Mrs. Smith reported that the audit report featured some areas in which increased analysis was needed to new additional auditing standards, as well as the fact that, since the District exceeded the \$750,000 threshold in Federal revenues in FY 2020, it now needed the

additional scrutiny of the Federal “single audit” vis a vis Title Grants and the School Nutrition program.

Several of the corrective actions noted in the increased audit analysis related to some non-material errors related to the free-reduced lunch verification program and some mistakes made with reporting a classroom aide - who was paid with Title I funds - that was not the name of the classroom aide shown in the general ledger for Title I.

Other errors (which have since been corrected) were: 1) A \$156,000 CPPRT payment mistakenly sent from the Dept. of Revenue to Wood River - Hartford School District instead of EAWR (which District #15 cashed mistakenly) but was not detected by the superintendent until the auditors caught in their September on-site review. That payment was reimbursed by a check from District #15 to EAWR this fall but will not show on the FY20 accounting. 2) A \$55,000 bond interest payment invoice was never sent to the District by the 2018 Bonds purchaser (Worth Township School Trust). That was also discovered during the audit review in September. The superintendent contacted Worth Township School Trust’s Treasurer by phone, whereupon the Treasurer apologized, sent the invoice, and EAWR immediately paid the invoice for the 2018 Bond Interest. 3) Three funds overspent their respective budgets (Transportation, Debt Service, and Life Safety). Dr. Pearson remarked that, when he recommended the amended budget last June, he should have added more to the “contingency” account in those three funds to avoid that last issue.

Highlights of the 2020 Audit were as follows:

Fund balances as of June 30, 2020 were Education: \$1,269,544 (a loss of \$54,546 from the previous year); O&M Fund: (\$68,997) (a loss of \$93,799 from the previous year); Transportation Fund - \$121,500 (a loss of \$12,186 from the previous year); Working Cash Fund - \$2,323,830 (a gain of \$113,232 in FY20); Tort Fund - \$110,857 (a gain of \$101,752 from the previous year); Debt Service Fund: (\$48,714) (a loss of \$16,787 from the previous year, with the increase loss attributable to a one year “abatement” in the levy extension for Tax Year 2019 at \$18,426); Fire Prevention and Life Safety Fund - \$1,529,621 (reflecting the increase of the \$1.7 Million in Life Safety Bond sale proceeds combined with Life Safety project spending in FY 20); and the IMRF/Social Security Fund - \$82,930 (a gain of \$24,157 from the previous year).

The District’s Financial Rating for June 30, 2020 showed a slight downturn going back to 3.55 / 4.0 (down from 3.65 in FY 19), attributable to the Life, Safety bond sale and the resulting increase in long-term debt. However, the District is still in “Financial Recognition” under Illinois State Board of Education rules, which is the highest designation.

Estimate 2020 Tax Levy:

Dr. Pearson reviewed the overall Levy estimate recommendations for 2020, with a focus on estimating the levy with enough presumed growth in District #14’s 2020 tax base (or “Equalized Assessed Valuation,” that won’t be known until May 2021) to capture its

statutorily-set tax rates - especially critical in this uncertain future with state revenues. To that end, he recommended the Board consider a 10% EAV growth assumption in all of its restricted rates. Even though that would necessitate a “Truth-in-Taxation” notice in the newspaper, it’s probably wiser to err on the side of caution, so as not to capture it’s rates in the restricted rate levies (Education, O&M, Transportation, Special Education, Tech Lease)

He also continued to recommend the same dollar levies in IMRF / Social Security that the District levied last year, with an increase of \$50,000 in Tort, reflecting the discussion from the November 3, 2020 Regular Meeting.

Whether the District stayed the same in its tax base next spring or grew as much as 10% (which is highly unlikely), the EAWR combined tax rate with this levy would only fluctuate between \$2.28 per \$100 EAV and \$2.36 (\$2.36 per \$100 EAV), depending upon where the final assessment for the District’s tax base comes in. The current (FY 2019) tax rate is at \$2.33.

Vice President St. Peters took a straw poll of the members, with a consensus to use the 10% growth estimate for the estimated levy.

Motion by Mr. Duncan; second by Mrs. Bartels, to estimate the levy with a 10% EAV growth for all restricted rate levies and to estimate the IMRF/Social Security levies at \$230,270 and Tort at \$480,000. Aye: Mrs. Bartels, Mr. Duncan, Mr. Redman, and Mr. St. Peters. Nay: None. Motion Carried.

Approve Posting of the Illinois School Report Card:

Mrs. Robinson reminded the Board that the Designation of the high school would remain at “Commendable” for the 2019-20 school report card, but that the remainder of the usual measurements (metrics) of a school’s performance were not either reported out or measured at all, due to the huge disruption to the 2019-20 school year. Assessments were not completed last year and school attendance and truancy figures were skewed due to the loss of the spring quarter of the 2019-20 school year under the Governor’s emergency pandemic shutdown statewide.

Motion by Mrs. Bartels; second by Mr. Redman, to approve the posting of the 2020 Illinois School Report Card for EAWR #14. Motion Carried Voice Vote.

Consider Resolution Partially Abating the Working Cash Fund:

Dr. Pearson observed that, due to the loss several years ago of the unanticipated tax assessment settlement obligation to Olin of approximately \$28,000 and the local abatement assumption used in the 2018 Bond issuance of \$18,426, the Debt Service should have a longer-term solution rather than borrowing through Interfund Loans every year.

The solution is to abate \$60,000 from the Working Cash Fund with a permanent transfer to the Debt Service Fund. That amount should put the Debt Service Fund Balance in the black. He proposed the following resolution.

Motion by Mr. Duncan; second by Mrs. Bartels, to adopt the following resolution:

RESOLUTION PARTIALLY ABATING
THE WORKING CASH FUND OF THE
EAST ALTON-WOOD RIVER COMMUNITY HIGH SCHOOL DISTRICT NO. 14

WHEREAS, the Board of Education (“the Board”) of the East Alton-Wood River Community High School District No. 14 (“the District”) has hereto created and established a Working Cash fund (“the Fund”) in and for the District; and

WHEREAS, the Board has determined and does hereby determine that it is necessary and in the best interest of the District that the Fund be partially abated; and

WHEREAS, Section 20-10 of the School Code of the State of Illinois (“the Code”), as amended, authorizes the Board to partially abate the Fund.

WHEREAS, there are no outstanding loans from the Working Cash Fund to any other funds of the District.

NOW THEREFORE, be it and it is hereby resolved by the Board of Education of the East Alton-Wood River Community High School District No. 14, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

Section 2. Amount of Abatement. The Fund shall be abated as of the date hereof by the amount (“the Abatement Amount”) of \$60,000.

Section 3. Permanent Transfer. The School Treasurer of the District is hereby authorized and directed to forthwith permanently transfer the Abatement Amount to the Debt Service Fund of the District, which the Board hereby determines to be the fund most in need of the money.

Section 4. Remaining Funds. As a result of this abatement, the District shall maintain an amount to the credit of the Fund, including taxes levied pursuant to Section 20-3 and not yet collected and amounts transferred pursuant to Section 20-4 and to be reimbursed to the Working Cash Fund, at least equal to 0.05% of the current value, as equalized or assessed by the Department of Revenue, of the taxable property in the District.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining of this Resolution.

Section 6. Effective Date. All resolutions or parts thereof in conflict herewith shall be and the same are hereby repealed and that this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted November 10, 2020 by the following roll-call vote:

Ayes:

Nays: None

Absent:

*President, Board of
Education of the East Alton-
Wood River Community
High School District No. 14*

ATTEST:

*Secretary, Board of Education of the
East Alton-Wood River Community
High School District No. 14*

Aye: Mrs. Bartels, Mr. Duncan, Mr. Redman, and Mr. St. Peters. Nay: None. Motion Carried.

Amend 2020-21 School Calendar:

Dr. Pearson reminded the Board that the administration is recommending changing the school calendar to change Dec. 22, 2020 from a Half-Day for School Improvement to a Remote Planning Day. Mrs. Robinson reminded the Board that the action would also include the one-time suspension of the final exam policy to make the final exams optional in December 2020, due to the hybrid scheduling and remote learning issues.

Motion by Mrs. Bartels; second by Mr. Redman, to approve the calendar change and the one-time suspension of the final exam policy (making final exams in December 2020 optional). Motion Carried Voice Vote.

Consider Participation in IHSA Basketball in the Winter Season of 2020-21:

Supt. Pearson reminded the Board that the Governor announced a couple of weeks ago that basketball was considered a “high risk” sports activity and therefore games could not be played under IDPH guidelines. The IHSA subsequently defied that order when it ruled that it would conduct a basketball season, under its medical committee’s rules and procedures, but that local school districts had the option as to whether each would participate this year.

Dr. Pearson noted that it is uncertain if its insurance carrier would indemnify any tort loss from a civil action related to the District participating in basketball games in defiance of an IDPH/Governor’s order to the contrary. That is due to such participation being an intentional act which as an exclusion under the school’s general liability policy.

In the case of a civil action loss (which could be in the millions of dollars), the District would have to issue Tort Judgment Bonds to pay off the claim, which would be a large and unnecessary burden on the taxpayers.

Therefore, the superintendent recommended that the District not participate in the winter basketball season, as long as basketball was not released from the Governor’s order. He reported that the school attorney is not recommending participation under these conditions.

However, he did observe that the recent letter that he and 200 other superintendents signed held out the possibility that, if the Governor would meet with school superintendents and IHSA to craft a safe set of procedures to conduct basketball (which should make the insurance companies policy exclusion issue moot), then he would be in favor of resuming basketball.

The Board briefly discussed the issue. Mrs. Bartels also observed that there was not only the risk of huge financial loss to the District, but that playing basketball in this rising COVID-19 pandemic would put many athletes and coaches in harms way. Dr. Pearson noted that she was correct and that Attorney Merry Rhoades also expressed her fear that players wearing masks in a game requiring a lot of running might seriously injure or kill a student who might have an undiscovered heart condition not normally detected in a routine sports physical.

The superintendent observed that the collection of risk involving student and employee health coupled with the risk of enormous financial loss was a large price to pay to participate in a much-different version of high school basketball to which we are all accustomed a game without fans, parents, cheerleaders, and pep bands.

Motion by Mr. Duncan; second by Mrs. Bartels, to not participate in the IHSA winter basketball season as long as the current Governor’s emergency order is in place for basketball as a high risk activity. Motion Carried Voice Vote.

Principal’s Report:

Mrs. Robinson gave an update on the effects of the Coronavirus at EAWR, noting the numbers of students and staff that were under quarantine, as well as the extent of her active involvement with the school nurse in screening, contact tracing, monitoring the social distancing of students, etc. She also reported on tutoring activities involving remote learners.

Superintendent's Report:

No report.

Executive Session:

Motion by Mr. Duncan; second by Mr. Redman, to: a) Discuss the appointment, employment, compensation, discipline, performance, or dismissal of specific employees, specific individuals who serve as independent contractors in an educational setting, or specific volunteers of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee, a specific individual who serves as an independent contractor in an educational setting, or a volunteer of the public body or against legal counsel for the public body to determine its validity; b) Discuss collective bargaining matters; c) Discuss individual student matters; d) Discuss pending or current litigation; and e) Discuss emergency security procedures. Aye: Mrs. Bartels, Mr. Duncan, Mr. Redman, and Mr. St. Peters. Nay: None. Motion Carried at 7:11 p.m.

Come Out of Executive Session:

Motion by Mr. Redman; second by Mr. Duncan, to come out of executive session. Aye: Mrs. Bartels, Mr. Duncan, Mr. Redman, and Mr. St. Peters. Nay: None. Motion Carried at 7:32 p.m.

Action Items:

Motion by Mr. Redman; second by Mr. Duncan, to accept the retirement letter from Superintendent John Pearson, effective June 30, 2021. Motion Carried Voice Vote.

Motion by Mr. Duncan,; second by Mrs. Bartels, to destroy the verbatim audio tapes of the May 2019 Executive Session. Motion Carried Voice Vote.

Motion by Mrs. Bartels; second by Mr. Redman, to approve the Executive Session Minutes of October 6, 2020 and October 13, 2020. Motion Carried Voice Vote.

Adjournment:

Motion by Mr. Duncan; second by Mr. Redan, to adjourn. Motion Carried Voice Vote at 7:35 p.m.