

Regular Board Meeting
November 14, 2017
Board Conference Room

Call to Order:

President Jennifer Murray called the meeting to order at 6:00 p.m. in the Board Room, whereupon roll was subsequently taken. Melissa Bartels, Melissa Bell-Yates, Leroy Duncan, and Jennifer Murray answered the roll call to establish a quorum. Absent: Mike Redman and Mark St. Peters. Present were administrators and/or directors John Pearson, Leigh Robinson, and Kevin Gockel. Also, Steve Pembrook and Sarah Smith from Scheffel-Boyle were present. Finally, several Wood River off-duty police officers were also in attendance.

Board Communications:

None.

Public Comments:

Brad Wells, a parent and an off-duty Wood River Police officer, addressed the Board on school security and other concerns he perceived with the high school. These concerns ranged from his perception that the Board should lock-down the exterior doors of the high school, to dropping the \$35 parking charge for student parking lot use (or some not using the lot), and to numbers of empty classrooms in the Main Building (implying that all the classes could be housed in the Main and South Buildings).

[Mike Redman arrived at 6:02 p.m.]

He asked the Board to “go on the record tonight” as to whether it would lock down the doors immediately of the high school.

The Board thanked him for his input.

Presentation of FY 2017 District Audit:

Steve Pembrook and Sarah Smith, accountants from Scheffel-Boyle, presented the FY 2017 Audit. Prior to reviewing several items of interest in the Audit Report, Mr. Pembrook noted that there were no material findings of the audit and that the firm’s accountants found the District’s staff to be accommodating.

He reported that the District slightly improved its net cash position since FY 2016, by \$198,000. However, the District did lose a combined \$478,000 in total combined fund

balances, since FY 2016. The biggest fund balance loss occurred in the Education Fund, which lost \$547,461 in FY 17.

The positive news is that the District made it back on the Financial Recognition List with a score of 3.55/4.0 average across the five fiscal indicators of the Financial Profile report, mandated by the state of Illinois. The “Recognition” category is the top of the four rating categories under the Financial Profile System.

The auditors pointed out that the auditing firm has to note that it prepares the financial papers for the audit, which – in some larger districts – is performed in-house. But, they also noted that this is common in smaller districts that do not employ a CPA as a business manager. Mrs. Smith noted that the journal entries that were attached to the Audit Report were a result of the District using a “modified accrual” basis of accounting, with Scheffel-Boyle assisting the District in that work, too. She also noted that most districts they serve operate on a cash basis, which does not require those sorts of decisions, between one fiscal year and the preceding one.

They also gave the superintendent copies of the AFR as well as extra bound copies of the audit report.

Minutes:

Motion by Mr. Duncan; second by Mrs. Bell-Yates, to approve the minutes of the Regular Meetings of October 3, 2017 and October 10, 2017. Motion Carried Voice Vote.

Approve Payment of District Bills and Quick Pays:

Motion by Mrs. Bartels; second by Mr. Redman, that the payment of bills as presented in the amount of \$71,141.84 be authorized; that salaries for the month of October in the amount of \$431,536.32 and bills quickly paid for the month of October in the amount of \$34,168.46 be approved and that November salaries and bills to be paid quickly be authorized. Aye: Ms. Bartels, Mrs. Bell-Yates, Mr. Duncan, Mr. Redman, and Mrs. Murray. Nay: None. Motion Carried.

Estimate of 2017 Tax Levy:

Dr. Pearson presented the estimated levy figures to the Board, again (They had also been presented the previous Tuesday.). He discussed the history of the tax base and that, in the last 10-12 years, the District only had one year in which the growth in the equalized assessed valuation grew by more than 5% (2011, the first year that the WRB Refinery improvements came on the tax rolls). As a matter of fact the District lost EAV for many of those years. So, the projection from the November 7th Regular Meeting showing an assumption of 5.6% growth in the EAV (that would still result in an

aggregate levy increase of less than 5% of last year's extension) would likely be safe, in terms of capturing its rate in the restricted rate levies.

But, he observed that the Board could assume less risk and balloon its levy to the point in which it would have to purchase the large (\$800) ad in the paper and conduct a levy hearing. That would leave less of a chance that the District would not be able to capture its restricted fund rates.

After some discussion, there was a consensus to estimate the levy figures as shown to those gathered at the meeting, which uses a 5.6% growth assumption along with some decreases in the IMRF/Social Security levies and a \$20,000 increase in the Tort Levy.

Motion by Mr. Duncan; second by Mrs. Bartels, to estimate the levy using a 5.6% EAV growth assumption in the restricted rate levies, and the following levy amounts in the other levies: Tort - \$340,000 (Increase of \$20,000); IMRF / Social Security - \$190,000 (Decrease of \$10,000). Aye: Ms. Bartels, Mrs. Bell-Yates, Mr. Duncan, Mr. Redman, and Mrs. Murray. Nay: None. Motion Carried.

The Board would officially adopt the final 2017 Levy on December 12, 2017.

2018-19 School Calendar Adoption:

This action is tabled due to a late request from Wood River-Hartford #15 to change one date on the combined calendar upon which the three districts had tentatively agreed last month. (The date in question is to change the schedule on the 2nd day of parent-teacher conference in October 2018.) The superintendent reported that the administrators did not have enough time to deliberate about the proposed change, and that East Alton Elementary would also have to approve the change. He hoped that an accommodation could be worked out and that he would have a recommendation back to the Board, maybe at the December 12, 2017 Regular Meeting.

Discuss the County School Facilities Sales Tax Resolution:

Dr. Pearson reminded the Board that there is a push by the majority of Madison County school superintendents to place the CSFST question back on the ballot. The election would be on March 20, 2018, with the deadline for districts that comprise at least 50.1% of the county's school enrollment to submit their ballot resolutions to the ROE of January 2, 2018.

He reminded the Board that the CSFST had the advantages of providing the funds for school construction and renovation, that aren't necessarily covered under Life, Safety codes and/or could be used for partial or complete abatement of District tax rates in Debt Service, Life Safety, or O&M funds, depending upon the use of the tax proceeds.

He also reminded the Board that the estimates of tax revenue from the 1-cent sales tax would be about \$330,000 per year.

Another advantage of the CSFST is that about 30% of the proceeds would be paid-for by non-county residents with the remainder spread not only to property owners but also to all citizens of Madison County. And, this sales tax cannot be used for any salaries, benefits, supplies, or other functions, except for building renovation, maintenance projects, or construction.

This ballot question failed by less than 200 votes countywide last year, so perhaps there might be a good chance to pass it next March. Voters in many surrounding counties have approved the CSFST (e.g., Bond, Macoupin, Jersey, Greene, Monroe, Randolph), with almost half of the counties in Illinois having already approved and benefitting from the school facilities sales tax.

Supt. Pearson presented a couple of options: The Board could either postpone this issue until the Dec. 5th Meeting, or could adopt it tonight.

Motion by Mr. Duncan; second by Mrs. Bell-Yates, to adopt the following resolution:

RESOLUTION directing the Regional Superintendent of Schools for The County of Madison, Illinois, to certify to the County Clerk of said County the question of imposing a retailers' occupation tax and a service occupation tax to be used exclusively for school facility purposes for submission to the electors of said County at the consolidated election to be held on the 20th day of March, 2018.

* * *

WHEREAS, Section 5-1006.7 of the Counties Code of the State of Illinois, as amended (the "*County School Facility Occupation Tax Law*"), authorizes the imposition of a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of the government of the State of Illinois, at retail in The County of Madison, Illinois (the "*County*"), on the gross receipts of the sales made in the course of business and a service occupation tax upon all persons engaged in the County in the business of

making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the County as an incident to a sale of service, at a rate of 1% to provide revenue to be used exclusively for school facility purposes (the “*County School Facility Occupation Taxes*”) if a proposition for the County School Facility Occupation Taxes (the “*Proposition*”) is submitted to the electors of the County at a regular election and approved by a majority of the electors voting on the Proposition; and

WHEREAS, for purposes of the County School Facility Occupation Tax Law, “*school facility purposes*” means (i) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment and the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities and (ii) the payment of bonds or other obligations heretofore or hereafter issued, including bonds or other obligations heretofore or hereafter issued to refund or to continue to refund bonds or other obligations issued, for school facility purposes provided that the taxes levied to pay such bonds are abated by the amount of the taxes imposed under the County School Facility Occupation Tax Law that are used to pay such bonds; and

WHEREAS, for purposes of the County School Facility Occupation Tax Law, “*school facility purposes*” also includes fire prevention, safety, energy conservation, disabled accessibility, school security, and specified repair purposes set forth under Section 17-2.11 of the School Code of the State of Illinois, as amended; and

WHEREAS, the County School Facility Occupation Tax Law provides that upon receipt of a resolution or resolutions of school district boards that represent more than 50% of the student enrollment within the County, the Regional Superintendent of Schools for the County (the "*Regional Superintendent*") must certify the Proposition to the proper election authority in accordance with the Election Code of the State of Illinois, as amended (the "*Election Code*"); and

WHEREAS, the Board of Education (the "*Board*") of [Name of School District] (the "*District*"), deems it necessary, advisable and in the best interest of the District that the Regional Superintendent certify the Proposition to the County Clerk of the County (the "*County Clerk*") for submission to the electors of the County at the general primary election to be held on the 20th day of March, 2018 (the "*Election*");

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of [Name of School District], 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. Direction to Regional Superintendent. The Regional Superintendent is hereby directed to certify the Proposition to the County Clerk in the form set forth in the County School Facility Occupation Tax Law and in accordance with the Election Code, for submission to the electors of the County at the Election.

Section 3. 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, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 4. Repeal. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted November 14, 2017.

President, Board of Education

Secretary, Board of Education

Aye: Ms. Bartels, Mrs. Bell-Yates, Mr. Duncan, Mr. Redman, and Mrs. Murray. Nay: None. Resolution Adopted.

Principal's Report:

Mrs. Robinson gave an oral report, which highlighted the following:

I. Upcoming dates to remember

Nov	22-24	Thanksgiving Break
Dec	6	Christmas Gathering

II. Committees

Focus groups will meet during the 2017-18 school year.

III. Miscellaneous

The October 27th half-day was about social/emotional issues of our students. Mrs. Caraway from the Guidance Department presented to the staff about resources, strategies, and indicators.

A total of 62 students took advantage of the 1st semester exemption by

completing all of their required community service hours by November 1st.

Superintendent's Report:

Supt. Pearson noted that the District would stand to lose \$277,000 in CPPRT receipts in this fiscal year. All districts would lose in these receipts this year, due to an issue a couple of years ago, in which state auditors determined that an overpayment was made to local governmental units, with the solution being that those revenues would be "held back" from CPPRT receipts in the coming year. The problem is magnified for about 15-20 districts in the state, for which the CPPRT represents a large percentage of their respective total operating revenues (Wood River – Hartford and Venice are the other two Madison County Districts to which that applies.). Dr. Pearson further noted that CPPRT accounts for about 16% of EAWR's total revenue.

A bill that attempted to address the issue somewhat for these 15-20 districts (HB 4130) was introduced in the House and co-sponsored by State Representative Dan Beiser (D-Alton), with a companion bill in the Senate. The House version of the fix would have restored about \$113,000 to EAWR of that aforementioned CPPRT loss this year. Unfortunately, it could not garner enough support in the Fall Veto session to make it to the Senate. He hoped that it would maybe get some life in the January veto session or maybe next spring. He thanked Rep. Beiser for his assistance in co-sponsoring a bill, which was originated from representatives from the other side of the aisle.

Finally, the superintendent gave a status report on two commercial assessment appeals in which the District is intervening before the Madison County Board of Assessment Review: 1) The Emerald Ridge Housing appeal, in which the developer is asking for a property tax reduction of about 40%. Attorney Rob Jackstadt will join the superintendent at the hearing next week in Edwardsville to voice their objections, as was the case last year. 2) The Spectrum Brands Warehouse assessment appeal. Spectrum Brands, which built that warehouse in an Enterprise Zone (which meant it benefitted from abated taxes for 7 years), now has filed an assessment appeal in which they're asking for a assessed value of \$11, 532,000 down from the current tax assessment of \$14,789,000, which represents a 22% reduction in its taxes. That reduction would conservatively cost EAWR over \$45,918 per year in tax revenue, which the District can ill afford to lose.

Regarding the latter appeal, Dr. Pearson reported that Wood River – Hartford District 15 was considering hiring an attorney to represent them. He noted that he would be calling them to see what their plans were and to look into a joint effort.

Executive Session:

Motion by Mrs. Bell-Yates; second by Mr. St. Peters, to adjourn to executive session to:
a) The appointment, employment, compensation, discipline, performance, or dismissal

of specific employees of the District, b) Discuss collective bargaining matters, c) Discuss individual student matters d) Discuss pending or current litigation, and e) Discuss building security matters. Aye: Ms. Bartels, Mrs. Bell-Yates, Mr. Duncan, Mr. Redman, and Mrs. Murray. Nay: None. Motion Passed at 7:11 p.m.

Come Out of Executive Session:

Motion by Mr. Duncan; second by Mrs. Bell-Yates, to come out of executive session. Aye: Ms. Bartels, Mrs. Bell-Yates, Mr. Duncan, Mr. Redman, and Mrs. Murray. Nay: None. Motion Passed at 7:58 p.m.

Action Items:

Motion by Mr. Duncan; second by Mrs. Bell-Yates, to approve the destruction of the audio recordings of the Executive Session Minutes of May 2016. Motion Carried Voice Vote.

Motion by Mrs. Bell-Yates; second by Mrs. Bartels, to approve the Executive Session Minutes of October 3, 2017 (No executive session was held on October 10, 2017). Motion Carried Voice Vote.

Motion by Mrs. Bartels; second by Mr. Duncan, to appoint former EAWR administrator, coach, and teacher, Bob Kasten as a volunteer, non-paid Asst. Girls Basketball Coach. Motion Carried Voice Vote.

Mrs. Murray spoke to the assembled audience about the discussion that the Board had in executive session regarding some of the security concerns expressed by Mr. Wells earlier in the Public Comments portion of the meeting. She informed the audience that the Board, too, was concerned about certain issues related to building and campus security and was actively working on securing price quotes and studying options that would be feasible but that would still address the issues. She noted that would take some more time.

Some members of the audience who were off-duty police officers of the Wood River Police Dept. spoke of wanting to support the school and work with school officials for the betterment of school security. Mrs. Murray thanked them for that support.

Adjournment:

Motion by Mr. Duncan; second by Mr. Redman, to adjourn. Motion Carried Voice Vote at 8:23 p.m.