

Regular Board Meeting
November 8, 2016
Board Conference Room

Call to Order:

President Nick Aguinaga called the meeting to order at 6:00 p.m. in the Board Room, whereupon roll was subsequently taken. Leroy Duncan, Amy Harding, Rebecca Leggett, Jennifer Murray, Mark St. Peters, and Nick Aguinaga answered the roll call to establish a quorum. Absent: Mike Redman. Present were administrators and/or directors John Pearson, Leigh Robinson, Kevin Gockel, and Gerry Mattix-Wand. In the audience was member of the media, Scott Cousins of the Telegraph, and Steve Pembroke and Sarah Smith, both of Scheffel, Boyle. No other audience was present.

Board Communications:

None.

Public Comments:

None.

Audit Presentation:

Scheffel, Boyle auditors, Steve Pembroke and Sarah Smith, presented an overview of the 2016 District Audit. Highlights of the audit were a review of the district's net position and the change in net position since 2015; end of year fund balances; pension obligations - along with a reminder that the General Assembly may still attempt to fix the pension mess by someday passing along the state's contribution obligations back to local school districts, who are ill-equipped to handle even more financial burden; and a review of the District's activity fund accounts.

Mrs. Smith presented the Board with its findings, two of which appear in every audit and also in many of the other school district audits that Scheffel performs. She noted that GASB rules call for an entity to produce its own auditing papers. Instead, the District contracts with Scheffel to provide that service. Also, the District uses Scheffel to supply all of the fiscal year "journal entry" corrections. The auditor duly noted that EAWR was like many districts that did not have a trained CPA to perform those tasks in house, so it uses its auditing firm for that purpose. The other finding was that the District overspent its budget in the Debt Service Fund by just over \$49,000.

Finally, she shared the District's Financial Profile score and calculations for 2016. The Profile score is a set of five ratios that attempt to accurately summarize the District's fiscal picture. In 2016, the District's FP Score equated to 3.45, which is characterized as

Financial Review, the 2nd highest rung of the four-tiered rating system. The scale has 4.0 as the highest rating possible, with a district needing to score a 3.54 to achieve the “Recognition” status.

Dr. Pearson showed the Board that the District had been on the Financial Recognition rating tier from 2008-2014, the District received the “Recognition” rating for six of those seven years, with the last two ratings (2015 & 2016) being 3.2 (2015) and 3.45 (2016), which are in the “Review” category. He also reminded them that, when the ratings system was first devised (2003), the District had a 1.65 Rating, which put it on the Financial Watch List. District finances took a steady climb towards improvement through the next five years (2003-2007).

There were no substantial or material findings or exceptions as a result of the audit.

Motion by Mr. St. Peters; second by Mr. Duncan, to accept the Audit Report and submit it to ISBE. Motion Carried Voice Vote.

Minutes:

Motion by Mrs. Murray; second by Ms. Leggett, to approve the minutes of the Regular Meetings of October 4, 2016 and October 11, 2016. Motion Carried Voice Vote.

Approve Payment of District Bills and Quick Pays:

Motion by Mr. St. Peters; second by Ms. Leggett, that the payment of bills as presented in the amount of \$61,161.28 be authorized; that salaries for the month of October in the amount of \$424,193.75 and bills quickly paid for the month of October in the amount of \$63,818.91 be approved and that November salaries and bills to be paid quickly be authorized. Aye: Mr. Duncan, Ms. Harding, Ms. Leggett, Mrs. Murray, Mr. St. Peters, and Mr. Aguinaga. Nay: None. Motion Passed.

Estimate Levy - 2016:

The superintendent recommended that the restricted rate levies be increased so that they can capture the full minimum tax rates, without exceeding the 105% trigger that would produce an obligation to conduct a levy hearing next month as well as purchase an expensive ad in the paper. He demonstrated to the Board how it could levy with a 9% EAV increase assumption in those restricted rate levies, but still keep the aggregate levy increase under 5% (4.53%, specifically). The calculation to “balloon” the Levy is designed so that the District does not inadvertently lose tax revenue, because it guessed too low on what the EAV / tax base might be next spring (after the Levy is already filed).

He reminded the Board that, since the assessed value would not likely increase by 9 percent, these levy figures for the restricted tax rates would not come to fruition. He observed that - in 2015 (last year) - the EAV rose about 3.5%, which was a relief to the District and the taxpayers both, since the higher EAV (tax base) rises, the lower the total tax rate becomes.

The main reason why the District could levy with a 9% increase assumption is that the Board is tentatively estimating its discretionary levies in Tort and IMRF/Social Security to be lower. The Board is considering reducing the Tort Levy by another \$60,000 in 2016, due to the healthy fund balance in Tort. Even with that reduced levy, the projections show that it would still provide enough revenue (along with the existing fund balance) to pay for anticipated Tort / Risk Management expenses and some upgrades to the school's security camera and PA systems.

The reduction of the Tort Levy from last year allows the Board the ability to guess high on where the equalized assessed value goes, but still keep any overall tax rate actually below the total EAWR rate from 2015.

Dr. Pearson observed that a more realistic scenario would be a growth in the EAV anywhere from 0% - 3%, which in any of those scenarios would still produce an overall EAWR total tax rate of at least five cents less than the current rate. For example, a 3% increase in the tax base (EAV) would produce a tax rate for the high school of \$2.24. A "no-growth" tax base would produce a tax rate of \$2.27. Both of these are lower than the current (2015) rate of \$2.32 - again, largely due to the big levy reduction in Tort and IMRF offsetting any gains in the restricted rate levies.

After some discussion, there was a consensus to approve these recommendations.

Motion by Mr. Duncan; second by Mr. St. Peters, to estimate the Levy with the Tort Levy set at \$320,000; IMRF/Social Security set at \$200,000; and the restricted rate levies to be increased by 9% (which would only be captured if the EAV grows to that extent). Aye: Mr. Duncan, Ms. Harding, Ms. Leggett, Mrs. Murray, Mr. St. Peters, and Mr. Aguinaga. Nay: None. Motion Passed.

2016-17 Calendar Amendment:

Motion by Mr. St. Peters; second by Mr. Duncan, to approve the "swap" of the March 31st School Improvement Half-Day on the calendar, with a date of April 28, 2017. This switch of half-student attendance days is designed to assist in the planning of the EAWR Career Fair, now scheduled for April 28, 2017. Previously, there was no half-day scheduled for April. Now, there will be no School Improvement Day scheduled for March.

The superintendent is hereby directed to alert parents and students of this switch, as well as amend the ISBE School Calendar. Motion Carried Voice Vote.

Loan to Madison County Regional Vocational System Approved:

The Board discussed the request from the Madison County RVS for a \$920 short-term loan to tide the RVS office over. This loan would be repaid when the Illinois Comptroller releases the expected state vocational grant money - likely sometime in February 2017. The funds are past due to the RVS, but have been held at the Comptroller's office due to the backlog of bills at the state level. Since those funds have not been received, the RVS would have to cease operations to run its small office and administer its other grants. All of the high schools in Madison County are members of the RVS and are being asked to contribute a proportional share of the total loan request.

The superintendent noted that this loan request apparently would be a discussion item at the next ROE Superintendents Meeting in early December. Dr. Pearson reported that he was not aware of this being a discussion item until after the EAWR Agendas and Board packets were already distributed. He recommended that the Board could go ahead and authorize this small short-term loan, and then have analyze the discussion at the ROE Superintendents Meeting to see if things would change to the point whereby the Board would not necessarily be loaning that amount of money to the Regional Vocational System. But, if that turns out to be the ultimate decision, then the Board has already been on record of having authorized the loan of \$920.

Motion by Mr. Duncan; second by Mr. St. Peters, to authorize the short-term loan of \$920 to the Regional Vocational System. Aye: Mr. Duncan, Ms. Harding, Ms. Leggett, Mrs. Murray, Mr. St. Peters, and Mr. Aguinaga. Nay: None. Motion Passed.

Declare That the Old UTV (Golf Cart) is Surplus and Obsolete Equipment and to Authorize its Disposal:

The superintendent reported that the old golf cart is inoperative and surplus equipment. The motion recommended would allow Mr. Foxall, Maintenance and Transportation Director, to either dispose of the machine or sell to someone who might be able to invest his/her money in parts and labor towards the piece of equipment. Mrs. Murray inquired as to any potential buyers, to which Dr. Pearson replied might be a former graduate who might be interested in putting that amount of time and his own money into replacement parts into this older machine. Of course, the District does not employ a person who could necessarily perform that kind of work and it would be cost-prohibitive for the District to repair that old cart to make it serviceable.

Mrs. Murray asked where would the proceeds of the sale be deposited, to which the superintendent replied: "In the district revenue accounts of the fund in which it had been originally purchased - probably the O&M Fund.

Motion by Mr. St. Peters; second by Mrs. Murray, to declare that the old UTV is surplus and obsolete equipment and to authorize its disposal. Motion Carried Voice Vote.

Freshmen Baseball Schedule:

The Board tabled this discussion until December, so that the head baseball coach could attend and discuss the issue with the Board.

School Report Card Presentation:

Dr. Pearson and Mrs. Robinson took turns in presenting the 2016 School Report Card to the Board.

The superintendent used the Illinois Interactive Report Card (IIRC) Website for his portion of the presentation. First, he reviewed the “School Environment” section, noting the data involving per student spending; number of school days, and average class size.

He then reviewed the teacher demographic page, which addresses the percent of teachers with Masters or higher; pupil teacher ratio; average salaries; and total teaching staff. With several of these pieces of information, he showed the Board how to “drill down” and look at 5-10 year trend data and its comparisons to the state averages.

Next, the Board examined administrator data in terms of staff and student ratios and average salaries.

Mrs. Robinson then explored the Academic information on the Report Card. Using a PowerPoint presentation she recently utilized with teachers in a faculty meeting, she reviewed a breakdown of the ELA (English, Lang. Arts) PARCC subtest from last spring, and the Math (Algebra II) subtest. In addition to viewing the percentage of students that meet, exceeded, or were “approaching meeting standards,” she showed the Board the average raw assessment score for each subject area.

She pointed out that the students who took the ELA assessment actually performed three score points higher than the state average raw score, which is encouraging. Also, she noted that even though the math performance needs more attention, in terms of percent of students who are “college ready” (“meets” or exceeds”), the average EAWR Algebra II student’s raw assessment score was only 3 points lower than the state average raw score, which, although we need more students to move from “3” to “4” and more to move from “4” to “5,” our students performed on the PARCC assessment very close to the state average, in reality.

Mrs. Robinson also noted the improvement from 2015 in both the Graduation Rate (85% compared with 86% as the Illinois average); the “freshmen on track to graduate” rate being slightly above the state average; and the percentage of students who are taking some sort of remedial coursework in college is almost at the state average (50% for EAWR graduates, as opposed to 49.4% for the Illinois average).

Finally, Principal Robinson reviewed the student demographics portion of the IIRC site, looking at percent of low-income students, students with disabilities, and attendance, mobility, and chronic truancy rates.

Policy Revisions - 1st Reading:

The Board reviewed two policy provisions and/or issues that were included in the broader discussion of policy changes at the November 1st Regular Meeting.

One of those provisions involve the Board needing to set maximums for is reimbursement rates for Board member and employee travel in the areas of lodging, mileage reimbursement; and meals. It is not sufficient under the new statute for the Board to state a limit of “reasonable and appropriate” for the particular locale or function. There has to be an actual dollar limit stated in a resolution, that needs to be adopted by March 2017.

Dr. Pearson recommended that the Board ultimately set its maximum rates of reimbursement equal to the Federal GSA rates, since they seem to be more realistic than the state of Illinois maximum rates.

The other provision involves a policy change based on a new Public Access Counselor (PAC) decision regarding a FOIA request and search of not only organizational email domains (e.g. the school’s assigned domain for board members and staff), but also of employees and board members private email accounts that may contain official school business or school-related discussions and posts on those private email accounts.

Since the PAC has essentially found that private email accounts that have school district-related documents are subject to FOIA requests, she observed that the use of search terms to find such private emails that contained school-related information could not be limited to just one. Conversely, the search should ideally include two or more terms involved in the search for any board work and documents on those private email accounts.

Dr. Pearson passed along the attorneys’ admonition that board members and staff should refrain from using private emails to communicate job or Board-related topics, since that would open up the possibility of one’s private account being subject to a FOIA search. Even though emails and documents in those private accounts should have any student or personnel names redacted as appropriate, it still involves a search of

one's personal email account, which some employees and/or Board members may find distasteful. Therefore, it's better to err on the side of caution and use school emails for school business, instead of using both private and school accounts for that school communications.

He reminded the Board that if they had any questions about the other policies reviewed last week (or these latter emphasized policies) to please contact him. He also informed the Board that he was going to introduce a second large batch of policy recommendations at the December meetings for their "first reading" and ask the Board to approve the initial batch of revisions - also at the December meeting. The second batch would be adopted at the January Board meeting.

Facility Use Requests:

Motion by Mr. St. Peters; second by Mr. Duncan, to approve the facility use requests as follows - pending receipt of appropriate liability insurance certificates: a) The Machinist Union to use the Memorial Gym on Sunday, December 4, 2016 and b) Lewis & Clark Jr. High to use the EAWR Auditorium for its Graduation on May 26, 2017. Motion Carried Voice Vote.

Principal's Report:

Mrs. Robinson reported on the following:

Upcoming dates to remember

Nov	11	Veterans Day
	23	11:15 Student Dismissal—SIP Day for Faculty
	24-25	Thanksgiving Break

Committees

- Focus groups continue to meet throughout the 16-17 school year.

Miscellaneous

Heroin Presentation—the presentation was very impactful and well done. I want to thank Nate Kamp, Ty Bechel, Brett Buttry, Clarissa Moss, Fred Slow, and the WRFD for all of their help.

Mock Debate/Mock Election—EAWR held a mock presidential debate and election on Monday the 7th and Tuesday the 8th. A big thanks goes to Jesse Daniels and the social studies department for putting everything together. I would also like to offer a big thanks to Jesse Daniels (Trump), Kelly Gardner (Clinton), John Marshall (Johnson), Kristen Miller (Stein), and Jeni Timmins (moderator) for participating in the debate.

Superintendent's Report:

Dr. Pearson reported on a recent Tax Increment Financing (TIF) District hearing at the Wood River City Hall. He noted that the City was considering a renewal application of its TIF District, due to the current TIF agreement expiring. The current TIF ran the statutory maximum of 23 years, with the proposed renewal expected to last another 23 years.

The renewed TIF district would incorporate the same geographic area of the western portions of Wood River. That would include the Envirotech Park, Little Italy and the surrounding industrial area; West Ferguson in the Downtown area; Old St. Louis Road commercial and industrial area; and the path of real estate on either side of Wood River Avenue up to the Central Park/Pool/Roundhouse/Tennis Courts area.

As a part of anticipated development in this TIF corridor would be the new residential development planned for the recently demolished Lincoln School and its property on Wood River Avenue. The superintendent reported that he expressed his concern at the TIF hearing that, if the student count from the nine new houses in that development (or any other residential development in the TIF corridor) becomes impactful to the public school districts, then he would like to be able to discuss possible sharing of some portion of TIF revenue with the schools. He further reported that the city officials present remarked that the City would entertain a discussion about that, if those conditions present themselves.

Executive Session:

Motion by Mrs. Murray; second by Ms. Leggett, to adjourn to executive session to: a) Discuss individual student matters, b) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the District, c) Discuss collective bargaining matters, d) Discuss pending or current litigation, and e) Discussion of emergency security procedures. Aye: Mr. Duncan, Ms. Harding, Ms. Leggett, Mrs. Murray, Mr. St. Peters, and Mr. Aguinaga. Nay: None. Motion Passed at 7:38 p.m.

Come Out of Executive Session:

Motion by Mr. Duncan; second by Ms. Leggett, to come out of executive session. Aye: Mr. Duncan, Ms. Harding, Ms. Leggett, Mrs. Murray, Mr. St. Peters, and Mr. Aguinaga. Nay: None. Motion Passed at 7:50 p.m.

Action Items:

Motion by Mr. Duncan; second by Ms. Leggett, to approve the destruction of the audio recordings of the Executive Session Minutes of May 2015. Motion Carried Voice Vote.

Motion by Mrs. Murray; second by Ms. Leggett to approve the Executive Session Minutes of October 4, 2016 and October 11, 2016. Motion Carried Voice Vote.

Adjournment:

Motion by Ms. Leggett; second by Mr. St. Peters, to adjourn. Motion Carried Voice Vote at 7:51 p.m.