



FINANCE COMMITTEE MEETING

Tuesday, October 3, 2013

Crystal Lake Central High School
Auditorium
45 West Franklin
Crystal Lake, IL 60014

MINUTES

Roll Call

Committee Members Present: Ted Wagner, Barbara Slusin, Dr. Gary Oberg-late, Dave Secret, Dr. Johnnie Thomas, T. Ferrier and Erica Bruso

Discussion

1. Approval of Previous Meeting Minutes
2. Facility Needs Analysis-Discussion on the building ages ranging from 17 to 91 years with half being over 30 years old. The properties constructed new would cost approximately \$345,000,000. The district has been working to develop a long-range, comprehensive capital improvement plan of the existing buildings. For planning and development purposes, administration maintains a long-range capital outlay/improvement plan that correlates with our educational goals, building utilization, and site improvement and maintenance schedule. The administration develops preliminary grouping of projects that are identified as immediate. There are four major construction and building renovation project priorities identified for the next several years. 1- Science Lab upgrades and renovations 2- Roof Replacements 3- Security Upgrades and 4- Cafeteria Improvements and Upgrades. The Health Life Safety Code is a document prepared by the State Board of Education with the advice of the Department of Public Health, and the Capital Development Board, and the State Fire Marshal to "conserve the health and safety and general welfare of the pupils, school personnel, and others who use public school facilities." The last time the district presented this document was in 2006. At this point, the 10 Year Facility Plan estimates \$21 to \$27 million of corresponding health-life-safety work. The district is currently in the process of working with FGM to review the 2006 health life safety survey and determine what items have yet to be addressed by the district and therefore may

increase the estimated health life safety project costs. We are looking at other options to help pay for these expenses. Bonding, through non referendum would be one of these options. This bond would only be used for Health Life Safety. Mr. Eric Anderson is here to explain this option. Another option would be performance contracting. The district would bid out and enter into an agreement. The district would ask for a "request for proposals". The district would look at all proposals. We are requiring bids to supply us with a "energy audit" at no cost to the district. This audit gives the district a better idea of who is qualified to work with the district. Start with a smaller project first. Board Member- would like to see a model or cost break down of what they would be doing. Would give the board an idea of what it would cost. The great thing about this is-the board does not have to go with this vendor if they don't want to. Board Member- wants to see "why" are we doing this? There would be a "meter" savings approach to this, the RFQ would help outline these details. T- Asking the board for approval to move forward with this type of approach. District 47 is going through a very similar process. Potentially we could chose the same vendor and maybe work out a cost savings plan. "To share services, money and ideas". The nice thing about this bid process is requiring a meter base line. This is supposed to be a one-time cost to the district. This should to free up costs for the future. Pepper will be involved as our "owner rep" in this process. Pepper will actively work with these companies. We are not required to spend any money until we decide what we want to do. It is imperative that the district maintain fund balance levels for operations and financial planning purposes. As of the end of 2013-2014 the fund balance projected in the Capital Project Fund is \$14million. This is reserve that could potentially be used to fund these projects. Do to the amount of these projects to be completed the Projects Fund reserve could quickly be depleted and fall into a negative. Eric Anderson of BMO Capital Markets developed the bonding options available to the district. It is recommended that the Board of Education authorize:

1. Administration to submit a request for proposal for Energy Performance Contracting services;
 2. Administration to proceed with the refinancing of the 1995 bond series; and
 3. Administration to proceed with the steps necessary for the issuance of health-life-safety bonds.
3. Student Activity Funds: The district has 374 activity funds totaling more than \$1.3M, with 13 of them operating at negative levels. This is down 80 activity funds or a total of more than \$475K from FY 11. More than \$1.3M is currently being managed via data located on the building principal secretaries' computers and cannot be directly access by sponsors or district office. The revenue and expenditures running through the activity funds are not being reported on the district's finance software nor are they being approved by the Board. The District has saved over \$113,000 is just the change over in staff. We are asking to use a portion of this to fund this new position. This position would be much like the "Bookkeeper" position. This position would help

manage the school requirement that is currently not being met. We are recommending a salary of \$35,000-\$41,000 right now.

4. Motion to Adjourn