

MINUTES OF A REGULAR MEETING OF THE BOARD OF EDUCATION OF SCHOOL DISTRICT 133, COOK COUNTY, ILLINOIS, HELD ON MONDAY, JANUARY 9, 2012, IN THE BOARD ROOM AT THE ANNEX, 150 W. 137TH STREET, RIVERDALE, ILLINOIS AT 6:00 P.M.

1. Board President, Mr. Louis Peyton, called the meeting to order at 6:10 p.m. On roll call, Members Butler, Herron, Peyton, and Watts answered. Members Davis and Robinson did not answer. Superintendent, Dr. Frankie Sutherland and Business Manager, Ms. Nicole Dortch were also present.

Roll Call

2. Mr. Colin Thompson and Mr. Michael Tiberi from the auditing firm, Legacy Professionals LLP Certified Public Accountants, presented the district's Annual Financial Statements for the fiscal year ending June 30, 2011.

Presentation -
Legacy Professionals LLP
Public Accountants

Mr. Thompson went through the Independent Auditor's Report, the Statement of Assets and Liabilities, the Statement of Revenues, Expenditures, Other Sources (Uses) and Changes in Fund Balance, and the Footnotes to Financial Statements that include all of the additional disclosure items that are required under the regulatory basis of accounting.

Mr. Tiberi went over the Management Recommendation Letter. The Management Recommendation Letter included material weaknesses, recommendations, and management responses.

The second letter addressed by Mr. Tiberi was the Audit Communication Letter. Some of the items included in the Audit Communication Letter were difficulties encountered in performing the audit, which there were none according to Mr. Tiberi, corrected and uncorrected misstatements, disagreements with management, which there were none according to Mr. Tiberi, and management representations.

The Board Members asked questions that were answered by the auditors.

Ms. Dortch asked the auditors to address the issue regarding the findings in the Annual Financial Report that she brought to their attention.

Mr. Thompson acknowledged that they are working with Ms. Dortch on the finding that went to ISBE (Illinois State Board of Education) regarding the Title I RESPRO Grant. Mr. Thompson stated that they could not reconcile some of the district's general ledger reimbursement claims.

Ms. Dortch stated that the reason there's a question with the reimbursement claims is because there were expenditures that were not accounted for during the audit.

After further discussion and when there were no other questions regarding this matter, the Board thanked the auditors for their presentation.

3. Ms. Butler moved, Ms. Watts seconded, to approve the consideration of rescinding actions taken on December 12, 2011.

Consider Rescinding Action

President Peyton informed the Board that they need to take such actions because when former Board Member, Mr. Richard Nolan, submitted his letter of resignation to the Board, effective immediately, he should have no longer participated in the board meeting. However, Mr. Nolan continued participating in the meeting and voting on items until School Attorney, Mr. Brian Crowley advised against it, so the Board now needs to rescind and revote on items Mr. Nolan voted on after he resigned from his position as a Board Member.

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

4. Ms. Butler moved, Ms. Herron seconded, to rescind the actions taken on December 12, 2011, on the following agenda items:

Rescind Action

Financial Reports -

Replenish \$695.89 in the Imprest Fund for November, 2011

Approval of Accounts Payable thru December 12, 2011

Education Fund	\$193,607.18
O&M Fund	40,679.76
Transportation Fund	2,339.40
IMRF Fund	4,107.38
Soc. Sec./Med. Fund	6,737.86
Tort Immunity Fund	<u>4,045.43</u>
Total Expenditures	\$251,517.01

Approval of payroll for November, 2011

<u>11/04/11</u>	<u>11/18/11</u>	<u>Total</u>
\$127,043.04	\$126,337.80	\$253,380.84

Personnel – Tuition reimbursement (\$1,150 max)
- Gretchen Carthans - \$1,150

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

- 5. Ms. Butler moved, Ms. Watts seconded, to approve the following financial and personnel items:

Approval of Financial and Personnel Items

Replenish \$695.89 in the imprest fund for November, 2011.

Approval of Accounts Payable thru December 12, 2011

Education Fund	\$193,607.18
O&M Fund	40,679.76
Transportation Fund	2,339.40
IMRF Fund	4,107.38
Soc. Sec./Med. Fund	6,737.86
Tort Immunity Fund	<u>4,045.43</u>
Total Expenditures	\$251,517.01

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<u>11/04/11</u>	<u>11/18/11</u>	<u>Total</u>
\$127,043.04	\$126,337.80	\$253,380.84

Personnel – Tuition reimbursement (\$1,150 max)
- Gretchen Carthans - \$1,150

Approval of Personnel – Tuition Reimbursement

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

- 6. Committee Reports:

School Board Business

Buildings & Grounds Committee – No report.

Ethics Committee – No report.

Finance Committee – Committee Member Butler reported that the Finance Committee met and went over the financial reports on January 6th. The Committee found everything to be in order.

Policy Committee – No report.

- 7. Ms. Butler moved, Ms. Herron seconded, to approve the regular meeting minutes of December 12, 2011 as presented.

Minutes – December 12, 2011

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

- 8. The December 9, 2011, special meeting minutes of the finance committee was included in the board packets for informational purposes only. Minutes –
December 9, 2011
- 9. There were no correspondences and no one in the audience to address the Board. Communications
- 10. Ms. Butler moved, Ms. Herron seconded, to replenish \$362.41 into the imprest fund for December, 2011. Imprest Fund

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

- 11. Ms. Butler moved, Ms. Herron seconded, to approve the accounts payable schedule dated through January 9, 2012: Accounts Payable

Education Fund	\$280,638.45
O&M Fund	21,931.93
Transportation Fund	14,484.81
IMRF Fund	6,015.64
Soc. Sec./Med. Fund	9,950.22
Tort Immunity Fund	<u>4,772.45</u>
Total Expenditures	\$337,793.50

President Peyton asked Ms. Dortch if the expenditure amounts are higher than it usual.

Ms. Dortch said that due to the fact that there were additional payroll distributions in the month of December, the total amount for liabilities increased as well. The payroll liabilities are a part of the accounts payable total.

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

- 12. The payroll register included in the board packets, is used as a reference for the approval of the December payroll. Payroll Register

- 13. Ms. Butler moved, Ms. Herron seconded, to approve the payrolls dated December 2, 2011, December 16, 2011, and December 30, 2011: Payroll

<u>12/02/11</u>	<u>12/16/11</u>	<u>12/30/11</u>	<u>Total</u>
\$125,170.49	\$126,857.81	\$123,556.04	\$375,584.34

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

14. The student activity fund for December, 2011 was received and filed subject to audit.

Student Activity Fund

15. Ms. Dortch said that she asked to have “AFR” placed on the agenda so that if Board Members had questions/comments after Legacy Professionals gave their presentation, there would be an opportunity for them to do so. Ms. Dortch directed the Board to page 41 of the Annual Financial Statements – Schedule of Net Tax Collections. Ms. Dortch said that this page gives a breakdown of the taxes that the district has received for the past four years.

AFR

Ms. Dortch stated that she included a graph in the board packets. The graph is an expenditure analysis for fiscal year 2011 that is based on the total amount of expenditures that the district spent in the operating funds. The operating fund consists of the education fund, operation and maintenance fund, the transportation fund, and the working cash fund. However, because the district doesn’t usually have expenditures in the working cash fund, that information was excluded from the graph.

There was further discussion regarding this item.

16. There were no Board reports.

Board Reports

17. Principal, Mr. David Brown, included the Principal’s Report in the board packets. Mr. Brown highlighted the following items:

Principal’s Report

- Mr. Brown said that the Holiday Musical at Patton School was very successful. Mr. Brown was pleased with the staff, especially Mrs. Szillage, for the hard work that was put into coordinating the event.
- Mr. Brown said that the team from CSX, along with the CSX Santa, provided hats, scarves, and gloves to all Patton School students.
- Mr. Brown said that he spoke with Ms. Holmes, Ms. Stewart, Ms. Henry, and Mrs. McWhorter on January 9, 2012, to prepare for upcoming test.
- AIMSWeb testing is scheduled for January 25 – 27, 2012, in reading and math.
- Students will take the ISAT in March, 2012 and the Stanford Achievement Test will be given in May, 2012.

- Patton has a school improvement day on Friday, January 20, 2012
- Mr. Brown shared photos of two former Patton School students that were in the newspaper for their good deeds.

18. Superintendent, Dr. Frankie Sutherland, reported on the following items:

- Dr. Sutherland informed the Board that Ms. Dortch would be discussing the district's finances with the Board based on new information that was received.
- Dr. Sutherland said that she's attended several forums regarding school consolidation. The Governor suggested combining schools and have them operate under one school district to save money. However, Dr. Sutherland said that the data shared by some school districts show that consolidation could actually cost more money. Several years ago, 17 South Suburban school districts formed the ECHO Cooperative as a cost savings method for the districts. Districts will also share with the Governor's School Consolidation Committee other cost savings methods they've developed over the years.

19. Dr. Sutherland informed the Board Members that they should let Jennifer know if they plan to attend the Franczek Radelet Eighteenth Annual School Law Conference on Saturday, January 28, 2012 in Oak Brook, IL.

20. Ms. Butler moved, Ms. Herron seconded, to approve the request of the American Red Cross to use Patton School as a shelter site should 25 or more families become displaced.

Superintendent's Report

Franczek Radelet –
School Law Conference

American Red Cross

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

21. As previously discussed with the Board, Ms. Dortch has been looking into financing options for the district due to the shortage in the district's cash reserves.

Ms. Dortch stated that she's been working with Ms. Tammie Beckwith from PMA (Prudent Man Advisors) Network, on ways the district could receive additional funding.

At the request of Ms. Dortch, Ms. Beckwith created reports showing two scenarios. One report is on the basis of the district issuing working cash bonds at tax-exempt status and the other would be taxable. Ms. Dortch said that Ms. Beckwith stated that in order for the district to issue working cash bonds as tax-exempt, the district would have to show that it is going to experience a cash flow deficit in the very near future. Ms. Dortch will be working with Ms. Beckwith to decide which option is best for the district.

Ms. Dortch went over the packet that Ms. Beckwith provided to the Board for their review. Ms. Dortch stated that the Board will probably need to hold a special meeting sometime in January to get the process started.

Ms. Dortch said that Ms. Beckwith provided a breakdown of the costs associated with the district issuing working cash bonds. Ms. Dortch stated that she's also contacted other companies for a comparison of costs but they haven't gotten back to her yet.

Ms. Dortch distributed the December's Treasurer's Report, which she received the day of the board meeting and that's why it wasn't included in the board packets. Ms. Dortch said that based on the information shown on the report, she suggested that the district move forward with this process right away.

Dr. Sutherland stated that she had a conversation with Ms. Dortch after receiving the Treasurer's Report about expediting this process. Dr. Sutherland said that Ms. Beckwith has based the schedule of steps needed to complete this process on each of our regular monthly board meetings, with April being the month that the district receives the funds.

Dr. Sutherland informed the Board that they may need to have a special meeting in order to expedite this process. Dr. Sutherland said that Ms. Beckwith would be asked to attend the meeting to answer questions that the Board may have.

There was further discussion regarding this matter. The Board will be kept updated.

22. Dr. Sutherland informed the Board Members that they should let Jennifer know if they plan to attend the IASB Legislative Update Breakfast on Saturday, February 4, 2012 in Calumet Park, IL.

IASB Legislative Update
Breakfast

23. Ms. Butler moved, Ms. Herron seconded, to approve tuition reimbursement of \$1,150 for Ms. Tiffany David.

Personnel –
Tuition Reimbursement

On roll call, Members Butler, Herron, Peyton and Watts voted aye; nays, none; motion carried.

24. Ms. Butler moved, Ms. Herron seconded, to approve tuition reimbursement of \$1,150 for Ms. Sabrina Hawthorne.

Personnel –
Tuition Reimbursement

On roll call, Members Butler, Herron, Peyton, and Watts voted aye; nays, none; motion carried.

25. Ms. Butler moved, Ms. Herron seconded, to approve tuition reimbursement of \$1,150 for Ms. Mattie Young.

Personnel –
Tuition Reimbursement

On roll call, Members Butler, Herron, Peyton and Watts voted aye; nays, none; motion carried.

26. Ms. Butler moved, Ms. Herron seconded, to go into executive session at 7:32 p.m. for the discussion of the appointment, employment, compensation, discipline, performance, discussion or dismissal of specific employees of the public body, discussion of probable or imminent litigation, and discussion of minutes of meetings lawfully closed under the Act.

Executive Session

On roll call, Members Butler, Herron, Peyton and Watts voted aye; nays, none; motion carried.

27. Ms. Butler moved, Ms. Watts seconded, to reconvene to open session at 7:50 p.m.

Reconvene

On roll call, Members Butler, Herron, Peyton and Watts voted aye; nays, none; motion carried.

28. Ms. Butler moved, Ms. Watts seconded, to approve the closed session minutes of December 12, 2011, as presented.

Minutes – Closed Session
December 12, 2011

On roll call, Members Butler, Herron, Peyton and Watts voted aye; nays, none; motion carried.

Dr. Sutherland informed the Board that the Mayor’s Office requested the use of Patton School gym for a Tax Appeal Forum that they are sponsoring along with Commissioner Larry R. Rogers, Jr. on Thursday, January 19, 2012 at 7:00 p.m.

The Board Members approved their request.

29. Ms. Butler moved, Ms. Watts seconded, to adjourn the meeting at 7:55 p.m.

Adjournment

On roll call, Members Butler, Herron, Peyton and Watts voted aye; nays, none; motion carried.

President

Secretary

Date

Date