

HARVEY PUBLIC SCHOOLS DISTRICT 152
Finance Committee of the Whole Meeting Minutes
Tuesday, January 15, 2019
5:30 P.M.

The meeting was called to order at 2:00 p.m.

Present at the meeting were: Board Members: Mrs. Janet Rogers, Ms. Linda Hawkins, Ms. Casey Nesbit, Mr. Tyrone Rogers, Ms. Myra Gardner, and Ms. Felicia Johnson

Administration: Mr. John Thomas, Dr. Matt Wilkinson, Dr. Quintella Bounds, Mr. Oscar Herrera, and Ms. Nicole Wright

District Financial Summary

Dr. Robert Grossi presented the District's Financial Summary. Dr. Gossi said the District's Fund Balances of \$18.6 million is a very positive thing. He also said the significant expenditure reductions last year allowed for revenues to exceed expenditures, this has not occurred since 2012. Dr. Gossi expressed concern about declining enrollment and extremely low property tax collections effecting future revenues. Dr. Gossi indicated that the District must address its major life safety needs in all of its buildings and must spend \$12.6 million over the next five year. Dr. Grossi also presented the District's Debt Service Extension Base which recommends borrowing \$1.6 million per year to maintain a consistent tax levy and rate. Dr. Grossi reminded the Board that it is only collecting 50% to 60% of the property taxes necessary to repay the Working Cash borrowed. Therefore, the District will need to supplement the unpaid property taxes with its Fund Balances.

Again, if the Board chooses to do nothing, the District is projected to incur cumulative deficits of \$6.1 million over the next five year. Dr. Wilkinson recommendation that the Board issues a Working Cash Bond for \$1.6 million at the January 22, 2019 meeting. Dr. Wilkinson also recommend that the Board issue Working Cash Bonds for \$1.6 million over the next four fiscal years to address the District's major life safety needs in all of its buildings. .

2019 Health Life Safety Work and Funding

The Health Life Safety (HLS) "A" Projects at Brooks, Bryant, Holmes, and Whittier need to be completed over the summer for the District to be in compliance with the school code. The HLS projects total \$422,600, plus \$65,000 for security items for a combined total of \$487,600.

The estimated architect fees for the 2019 HLS projects will be \$45,000. Since the 2019 HLS projects will be at multiple schools and involve multiple trades, STR Architects has recommended using Doug Lim of Gilbane Construction as a project manager for these projects. The project management costs are estimated to be about 10% of the total project costs or \$48,760. Therefore, the total project cost is estimated at \$581,360.

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The Finance Committee has recommended moving forward on these projects. In order to do so, the Board must approve funding in the form of a working cash bond and approve the development of specifications and soliciting of the bids.

Seconds Matter Safety Solutions

Milos Klipic presented the Second Matters Safety Solutions police and medial alert systems for school. The Finance Committee will tour District 148 schools to see the systems in use and will bring a recommendation back to the Board of Education.

Online Registration

The online registration was tabled until the January 22, 2019 meeting.

Client First Contract

Mr. Oscar Herrera presented the Client First contract for erate consulting services. Mr. Herrera said that Client First has been very helpful working with the District to address erate and other technology needs for the District. It was recommended to present the Client First contract for approval at the January 22, 2019 meeting.

Flexible Spending Account

Flexible Spending Account (FSA) information was presented. On Wednesday, January 16, 2019, the Insurance Committee will be reviewing the FSA proposals and recommending a provider to be approved at the January 22, 2019 meeting.

The Finance Committee next meeting is scheduled for February 4, 2019 at 1:00 p.m.

The meeting adjourned at 6:52 p.m.

Action Items for Recommendation:

1. Resolution providing for the issue of not to exceed \$1,600,000 taxable general obligation limited tax school bonds of the District for the purpose of increasing the working cash fund of the District, providing for the levy of taxes to pay the bonds, and authorizing the sale of the bonds to the purchaser thereof.
2. Approval to prepare specifications and solicit bids for 2019 Health Life Safety "A" projects at Brooks, Bryant, Holmes, and Whittier.
3. Approve Client First Contract as presented.