

**MINUTES**  
**BOARD OF EDUCATION MEETING**  
**PERU ELEMENTARY SCHOOL DISTRICT 124**  
**JULY 20, 2016, 6:00 PM**

**CALL TO ORDER**

The regular meeting of the month of July of the Board of Education of Peru Elementary School District 124, LaSalle County, Illinois, was called to order in the Conference Room at Parkside School, 1800 Church Street, Peru, IL, by President Jim Renk, on Wednesday, July 20, 2016, at 6:00 p.m.

**PLEDGE OF ALLEGIANCE**

President Renk led the Board and audience in the Pledge of Allegiance.

**ROLL CALL**

PRESENT: Members Rob Ankiewicz, Cindy Gustat, Simon Kampwerth, C.G. Pillai, Jeff Sheppard, Vice President Mark Lambole, and President Jim Renk.

OTHERS PRESENT: Superintendent Mark Cross, Eric Heagy, John Vezzetti, and Ben Hohenstatt.

**APPROVAL OF MEETING AGENDA**

**MOTION:** Moved by Vice President Lambole, seconded by Member Ankiewicz, to approve the meeting agenda of July 20, 2016. **ROLL CALL, VOTING AYE:** Lambole, Ankiewicz, Gustat, Kampwerth, Pillai, Sheppard, and Renk. **NAYS:** None. **The motion carried 7-0.**

**PUBLIC COMMENT, CORRESPONDENCE, AND ANNOUNCEMENTS**

There were no public comments, correspondence, or announcements.

**CONSENT AGENDA**

**MOTION:** Moved by Member Sheppard, seconded by Member Kampwerth, to approve the following items in the Consent Agenda:

- June 15, 2016 Board of Education Meeting Minutes
- Financial Reports
- Treasurer's Report
- District Bills

**ROLL CALL, VOTING AYE:** Sheppard, Kampwerth, Pillai, Lambole, Renk, Ankiewicz, and Gustat. **NAYS:** None. **The motion carried 7-0.**

**REPORTS, UPDATES, AND INFORMATIONAL ITEMS**

**Quarterly Treasurer's Report**

District Treasurer Eric Heagy presented his quarterly report. He reported the weighted average rate of return on all deposit accounts yields .56 percent. The roughly \$2.3 million in brokered accounts with Vezzetti Capital Management have a weighted average return of .92 percent, while the roughly \$1.65 million in the cash management accounts with Peru Federal Savings Bank have a rate of 0.28 percent. The total investment concentration in both accounts is \$3.919 million dollars.

**Fiscal Year 2016 Financial Review**

Mr. Cross provided a review of ending fiscal year 2016 revenues, expenditures and fund balances. Overall expenditures were under budget, resulting in actual deficits that were substantial, although not as bad as what was budgeted. Mr. Cross focused most attention on the Education Fund, which finished with an actual deficit of \$719,902, which was not as bad as the \$923,885 that was planned for the year. The FY16 Ed Fund deficit brought the total fund balance down to \$1,915,282 from the beginning fiscal year balance

of \$2,635,184. Despite decreasing staff and expenses over the previous six years, the Ed Fund balance has dropped significantly from its peak of \$4,924,723. Mr. Cross noted that after years of a decreasing tax base he is optimistic of improvement in this area as well as state funding. He said all of this is important for the Board to keep in mind as it considers the issuance of Working Cash Bonds later in the meeting. Mr. Cross also had concerns with the Transportation Fund due to the state reimbursements, but noted the Operations and Maintenance Fund should be healthier going forward due to the new construction and renovation work that has been completed in the district.

### **Food Service Program Financial Report**

Mr. Cross shared a detailed report on the district's food service program. Considerable discussion was held regarding the accounting change to include cafeteria supervision in the total program costs. While this changes nothing in total costs for the district, it does cause the finances of the food service program to go from a balanced to a deficit on paper. Mr. Cross noted that he felt including these costs in the report was important for transparency, even though it would not have to be included. This led to considerable discussion and questions about the program, including the increase in "food supply" costs. Mr. Cross noted that this was directly tied to the district providing food service to the Circuit Breaker and Regional Safe Schools Program, and the revenues increased accordingly to offset the costs. He said that is cost-neutral to the district.

### **Bright Futures Preschool Program Report**

Mr. Cross reviewed the Bright Futures Preschool Program report prepared by Mrs. McDonald. There were a total of 80 students enrolled in the program this year. There are three tiers of tuition based on the National School Lunch Program income eligibility guidelines, although the district decides who is in what tier. Mr. Cross reminded the Board that the money collected from tuition only covers about one third of what it costs to run the program, and some of this has been addressed with planned staffing and budgetary reductions for next year and the year after. Mr. Cross reported that \$50,934.50 in tuition and registration fees were collected this year and that 41 percent of students who attended the program were considered at risk. Both Mr. Cross and Mrs. McDonald remain hopeful that the district will at some point be eligible to apply for the state grant.

### **Superintendent's Report**

Mr. Cross reported on the current status of summer maintenance projects, the new state school funding reform commission which includes Senator Sue Rezin, the repurposing of the Washington School flagpole to the Village of Cedar Point and the Board's strategic planning process. The Board agreed to commence this process in the fall, starting in September. It was agreed to take a simpler approach, involve the staff and other people as appropriate and to focus on clear goals and priorities of the district.

### **ACTION ITEMS**

#### **Adoption of Resolution Providing for the Issue of Taxable General Obligation School Bonds, Series 2016, of Peru Elementary School District No. 124, in LaSalle County, Illinois, and for the Levy of Direct Annual Taxes Sufficient to Pay the Principal and Interest on Such Bonds**

Mr. Cross and the Finance Committee shared their recommendation and options for the Board to proceed with issuing working cash bonds. Mr. Cross reminded the Board that all steps had been followed to issue up to \$2.5 million in working cash bonds, subject to passing the resolution. However, while the recommendation is to pass the resolution, Mr. Cross emphasized that he wanted Board guidance on the amount to issue, with the recommendation of him and the Finance Committee to only issue \$1.5 million at this time. The reasons were to minimize the impact on local property taxpayers, only borrow what the district absolutely needed and to take advantage of historically low interest rates for the borrowing that is necessary. After some discussion and questions, the Board agreed to pass the resolution as presented with the understanding that \$1.5 million in bonds would be issued now, but that Mr. Cross would follow up with the Board if more of the remaining \$1 million was needed in the three year time frame in which the full \$2.5 million can be issued.

**MOTION:** Moved by Member Sheppard, seconded by Vice President Lamboley, to adopt a resolution providing for the issue of Taxable General Obligation School Bonds, Series 2016, of Peru Elementary School District No. 124, in LaSalle County, Illinois, and for the levy of direct annual taxes sufficient to pay the principal and interest on such bonds.

ROLL CALL, VOTING AYE: Sheppard, Lamboley, Renk, Ankiewicz, Gustat, Kampwerth, and Pillai. NAYS: None. **The motion carried 7-0.**

**Adoption of Resolution for Approval of Employee Health Insurance Reimbursement Arrangement, Health Savings Account Plans, and Health, Dental and Vision Renewal**

**MOTION:** Moved by Vice President Lamboley, seconded by Member Gustat, to adopt a resolution for the Peru Elementary District 124 Health Reimbursement Arrangement, Health Savings Account Plans, and Health, Dental and Vision Renewal.

ROLL CALL, VOTING AYE: Lamboley, Gustat, Pillai, Sheppard, Renk, and Ankiewicz. NAYS: None. ABSTAIN: Kampwerth. **The motion carried 6-0.**

**Adoption of Resolution Authorizing the Re-Establishment of the Working Cash Fund**

**MOTION:** Moved by Member Pillai, seconded by Member Gustat, to adopt the Resolution Authorizing the Re-Establishment of the Working Cash Fund. ROLL CALL, VOTING AYE: Pillai, Gustat, Kampwerth, Sheppard, Lamboley, Renk, and Ankiewicz. NAYS: None. **The motion carried 7-0.**

**Adoption of Illinois Department of Transportation Serious Safety Hazard Resolution**

**MOTION:** Moved by Member Kampwerth, seconded by Member Sheppard, to adopt the Illinois Department of Transportation Serious Safety Hazard Resolution. ROLL CALL, VOTING AYE: Kampwerth, Sheppard, Lamboley, Renk, Ankiewicz, Gustat, and Pillai. NAYS: None. **The motion carried 7-0.**

**EXECUTIVE SESSION**

**MOTION:** Moved by Vice President Lamboley, seconded by Member Kampwerth, to adjourn to Executive Session at 7:40 p.m. to discuss information regarding the employment, performance, or dismissal of employees or district legal counsel; and to review and consider the release of Executive Session minutes of meetings held on the following dates, with exceptions as noted in minutes in which the need for confidentiality remains: January 20, 2016; February 17, 2016; March 16, 2016; April 20, 2016; May 18, 2016. ROLL CALL, VOTING AYE: Lamboley, Kampwerth, Pillai, Sheppard, Renk, Ankiewicz, and Gustat. NAYS: None. **The motion carried 7-0.**

**Employment of Recommended Personnel**

**MOTION:** Moved by Member Kampwerth, seconded by Member Ankiewicz, to approve the employment of Jennifer Paszcyk as a part-time teacher aide at Northview School for the 2016-17 school year. AYE: 7. NAYS: 0. **The motion carried 7-0.**

**MOTION:** Moved by Member Sheppard, seconded by Member Pillai, to approve the employment of David Meyer as a custodian at Northview School for the 2016-17 school year. AYE: 7. NAYS: 0. **The motion carried 7-0.**

**Authorization of Destruction of Verbatim Audio Records from Executive Sessions Held Prior to January 1, 2015 per the Illinois Open Meetings Act, 5 ILCS 120**

**MOTION:** Moved by Member Gustat, seconded by Vice President Lamboley, to authorize the destruction of verbatim audio records from Executive Sessions held prior to January 1, 2015 per the Illinois Open Meetings Act, 5 ILCS 120. AYE: 7. NAYS: 0. **The motion carried 7-0.**

**Consideration of Approval to Release Executive Session Minutes**

**MOTION:** Moved by Member Pillai, seconded by Member Gustat, to review and release the Executive Session Minutes of meetings held on the following dates, with exceptions as noted in minutes in which the need for confidentiality remains: January, 20, 2016; February 17, 2016; March 16, 2016; April 20, 2016; and May 18, 2016. AYE: 7, Nay: 0. **The motion carried 7-0.**

**ADJOURNMENT**

**MOTION:** Moved by Member Pillai, seconded by Member Gustat, to adjourn at 7:56 p.m. Aye 7, Nay 0. **The motion carried 7-0.**

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Jim Renk, President

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Kim Vezzetti, Board Secretary