



Glen Ellyn School District 41

Dr. Jack Barshinger, Superintendent

MINUTES BOARD OF EDUCATION SPECIAL MEETING NOVEMBER 29, 2004 - 7:30 P.M. DISTRICT 41 CENTRAL SERVICES MARY J. LUGINBILL BOARD ROOM

- I. **CALL TO ORDER & ROLL CALL:** President Vivoda called the meeting to order at 7:30 p.m. Members present: DiFabio, Hoffman, Marcheschi, McElvain, Ruckstaetter, Snodell and Vivoda.
- II. **PLEDGE OF ALLEGIANCE**
- III. **PUBLIC PARTICIPATION:** There was no public participation.
- IV. **FACILITIES WORKSHOP DISCUSSION ITEMS**
 - A. Demographic Report: John Correll presented the Board with a review of the executive summary of the demographic report prepared by the Center for Governmental Services at Northern Illinois University. Dr. Correll reported:
 - The study looked at national data and local factors
 - It is likely District 41 will have 3800-4000 students by the year 2011
 - Increased diversity will mean increased program needs
 - The enrollment growth is fueled by factors such as the attractiveness of our community, more households, greater retention of younger families, intergenerational turnover, private school transfers and socioeconomic changes.

Dr. Barshinger's best estimate of our current student capacity (assuming that classroom sizes for special programs currently housed in the buildings would remain smaller than the average classroom size) is approximately 3100. The Board discussed whether to maintain current class sizes, and, whether to continue its policy regarding equity among District 41 schools. If so, it will require District boundary changes. The Board will be looking for a recommendation from the Administration that includes a programmatic analysis.
 - B. Facilities Task Force Report: John Correll, Julie Worthen and Jeanette Kreuz presented a summary of the Facilities Task Force Recommendation to build a new school, renovate existing schools and to change the District's educational program model from four

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kindergarten through fifth grade elementary schools and one sixth-through eighth grade junior high school to:

- Four Kindergarten through fourth grade elementary schools
- One fifth/sixth-grade intermediate school
- One seventh/eighth-grade junior high

The Administration supports this recommendation, which is based on two distinct needs the District is currently facing: space for current and future students and the right space for existing programs. This recommendation meets current and projected needs and provides flexibility for future needs as well as enrollment fluctuations.

It was noted that the Facilities Task Force studied other school districts that are successfully operating fifth/sixth-grade centers and found them to be good models that allow for developmentally appropriate groups. What the Task Force did not study was the impact on our elementary and junior high schools and on student achievement.

Discussion ensued about the transition to this educational program model, specifically, the advantages vs. the disadvantages. The advantages: educational benefits for kids, improvement of developmental groupings, equitable impact district-wide, reduces Hadley's size and provides space relief for all District 41 schools; the disadvantages: all schools will face programmatic changes, poses logistical challenges for families, more students will be bused and additional administrative and support staff will be needed for the new building.

The estimated cost to fund a new school, renovate the existing buildings and change our educational program model is \$29.3 million. This does not include land acquisition and it was noted that no costs estimates are currently available. The District would likely need to place two referendum questions on the ballot: one requesting a bond issue to fund the construction, and the other, a request for an increase to the District's Education Fund to staff the new building. The Board will need to decide whether these questions should be placed on the April 2005 or March 2006 ballot.

- C. Financial Analysis: The Board heard a report from Jeanette Kreuz on the work of the Finance Committee with PMA Financial Network to update the District's financial plans. The Finance Committee asked PMA to develop models that represented options available to the Board that would maintain their fiscal health.

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Scott Smith of PMA presented the Board with a five-year Financial Planning Program model. Mr. Smith reviewed the program plan process including how the district will use the plan for budget planning, trend analysis, to set fiscal policies and for scenario analysis. He continued with a review of operating fund projected year-end balances for fiscal years 2005 through 2010 for the following financial models:

- Base model or a “do nothing” scenario
- Portables model (continue adding the necessary portable classrooms)
- Portables model with \$.05 Educational Fund Rate increase in 2006 Levy
- New fifth/sixth-grade center Model
- New fifth/sixth-grade center Model with \$.25 Educational Fund rate increase in 2006 Levy
- New K-5 building model with \$.20 Educational Fund rate increase in 2006 Levy
- New K-6 building model
- New K-6 building model with \$.25 Educational Fund rate increase in 2006 Levy

Referendum Scenario Summary

For a home with an equalized assessed valuation (EAV) of \$100,000, the annual cost to the taxpayer would be:

\$.05 rate increase = \$50
 \$.20 rate increase = \$200
 \$.25 rate increase = \$250

The only models that will not require the Board to ask taxpayers for additional dollars is the “do nothing option” that will increase current class sizes.

D. Finance Options: Elizabeth Hennessey of William Blair & Company joined the meeting to discuss finance options available to the District for the above models.

- Option 1 – Level Debt: \$5.3 Base/Portable Model
- Option 2A – Level Debt: \$24M fifth/sixth-grade center plus \$5.3M Base/Portable Model for a total of \$29.3
- Option 2B-Wrap Structure: \$24M fifth/sixth-grade center plus \$5.3M Base/Portable Model for a total of \$29.3M

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- Option 3-Level Debt: \$20.7M K-5 center plus \$5.3M Base/Portable Model for a total of \$26M
- Option 4-Level Debt: \$23.3M K-6 Center Plus \$5.3M Base/Portable Model for a total of \$28.6M

Ms. Hennessey also summarized the interest rate sensitivity for each of these options.

Possible sources of revenue for repaying the debit are: Debt service extension base, any tax levy that is not restricted for a special purpose (i.e. IMRF), special service tax/transition fees, TIF settlement revenues, corporate and personal property replacement taxes, developer donations or state aid

Financing Alternatives include Debt Certificates and Alternate Bonds.

The board unanimously agreed they were not interested in considering non-referendum financing options given the amount of money that was needed.

The board discussed the feasibility of the wrap structure vs. level debt and had mixed feelings about which of the options was the most appealing.

The Board unanimously agreed that the Facilities Task Force Recommendation is the best option programmatically. The Board noted that in keeping with its policy of equity among all schools, a boundary change is imminent regardless of the option and that this needs to be communicated to all stakeholders. It was also noted that the costs for property acquisition were not included in any of the options presented and that no cost estimates are available at this time.

President Vivoda reiterated that this is a programmatic decision, not just a building decision and he does not want the public to misunderstand that the new school will definitely be a fifth/sixth-grade center. Instead, the District might opt to construct a seventh/eighth-grade center, or convert an existing building to a fifth/sixth-grade center.

- E. Referendum Process: Todd Faulkner, District legal counsel joined the meeting to discuss the various details and legal parameters for drafting one or more referendum questions. Mr. Faulkner presented three types of referendum questions that could appear on a ballot: a request for a tax rate increase to the Education Fund, a construction question that can include a request to replace, repair, renovate and

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equip and build additions, and a request for borrowing to finance the construction. The request for a tax rate increase must be a separate question on the ballot, but the questions related to the construction and borrowing to finance can be combined. Mr. Faulkner noted that the state statute does not require the Board to go to referendum for land acquisition.

Mr. Faulkner reviewed the referendum calendar:

- February 22, 2005 (Consolidated Primary): Date to pass resolution approving Referendum ("Resolution")-December 20, 2004 (Monday)
Date to certify public question-December 23, 2004 (Thursday)
- April 5, 2005 (Consolidated Election)
Resolution-January 31, 2005 (Monday)
Certification-February 3, 2005 (Thursday)
- March 21, 2006 (Consolidated Primary) (Third Tuesday in March; 10 ILCS 5/2A-1.1)
Resolution-January 16, 2006 (Monday)
Certification-January 19, 2006 (Thursday)
- November 7, 2006 (General Election) (First Tuesday after the first Monday in November; 10 ILCS 5/2A-1.1)
Resolution-September 4, 2006 (Monday)
Certification-September 7, 2006 (Thursday)
- February 27, 2007 (Consolidated Primary) (Last Tuesday in February; 10 ILCS 5/2A-1.1)
Certification-December 28, 2006 (Thursday; they may provide an extra day due to Christmas)
- April 3, 2007 (Consolidated Election) (First Tuesday in April; 10 ILCS 5/2A-1.1)
Resolution-January 29, 2007 (Monday)
Certification-February 1, 2007 (Thursday)

F. Potential Timelines: Dr. Barshinger shared potential construction timelines that were developed by FGM Architects for a March 2006

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referendum. While it is possible to have all the information and recommendations ready for an April 2005 election, Dr. Barshinger did not feel that there was enough time to gather the specific information the public wants (i.e. location, building design, staffing needs, etc.). The board agreed with Dr. Barshinger's recommendation. By delaying a referendum until the March 2006 election, the Board hopes to present the public with all of the information they are expecting.

President Vivoda polled the Board as to whether or not they were willing to spend roughly one million dollars of reserve funds for preliminary architectural plans and to pursue the purchase of land for a new school in order to prepare for the March 6, 2004 referendum. The Board agreed that it was necessary to spend the money to prepare properly.

G. Recommended Actions for December 13, 2004 Board Meeting: The Board is expected to take action at their December 13th board meeting.

V. Adjournment: *There being no further business, Mrs. McElvain moved and Mrs. Hoffman seconded to adjourn the special meeting of the Board of Education at 10:50 p.m. Motion carried on a unanimous voice vote.*

Recorded: November 29, 2004

Deborah M. Hoffman, Secretary

Approved: December 13, 2004

John J. Vivoda, *President*