

# Hawthorn Board of Education Hawthorn C. C. District 73

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## MINUTES REGULAR BOARD MEETING HAWTHORN BOARD OF EDUCATION NOVEMBER 25, 2002

MINUTES of a Regular Meeting of the Board of Education of Hawthorn Community Consolidated School District Number 73, Lake County, Illinois, held in the Board Room of said School District at 7:30 p.m. on the 25th day of November, 2002.

The meeting was called to order by President Paul at 7:32 p.m., and upon the roll being called, the following members of the Board of Education answered present: Jose Hernandez, Mary-Jane Rattner, Bill Coli, Kevin Price, Jim Batson, and Rich Paul. Absent: Annie Christie.

### Public Comment Period

President Paul requested those wishing to address the Board to come forward; hearing none, the meeting proceeded.

### Student and Staff Accomplishments/Recognitions

Mr. Terry Thourson, of the Middle School, was commended by a parent and Mr. Sigler for the positive impact he had on a student. His encouragement, training and support instilled a love for basketball, resulting in a place on the Junior High team and recruitment by the Lady Cougar traveling team.

### Staff Presentations

There were no matters of this nature on the agenda.

### Consent Agenda

President Paul entertained questions concerning items contained in the Consent Agenda. Hearing none, he requested a motion for approval of the following:

- 10/02.45 Meeting Minutes, Regular Session - 10/28/02
- 10/02.46 Meeting Minutes, Regular Session - 11/12/02
- 10/02.47 Treasurer's Report - October 2002
- 10/02.48 Bid for HVAC in Tech Room at Junior High
- 10/02.49 SBM Maintenance Contract
- 10/02.50 Change Orders & Substantial Completion

Kevin Price moved and Bill Coli seconded the motion that the Board of Education approve the Consent agenda items, as presented. Voice Vote: 6 ayes; 0 nays. Motion carried.

### Action Items

#### Bond Sale from 2002 Referendum

Dr. Yomtoob and the Board thanked the community for their support of the recent referendum with 63% of the vote in the affirmative. He added 18% - 20% of all state school referendums passed. This would not have been possible without the dedicated support of community, volunteers and administration. This reaffirms the fact that Hawthorn has a strong foundation within the community along with leadership from the administration and an outstanding staff. By January 15 the Board anticipates providing information to the community and staff regarding the construction. Relative to the bond issue -- this is the first time Hawthorn has been rated by Moody (AA3 rating)

and S&P (AA+ rating). There are only seven districts in the nation holding a AAA rating, and Hawthorn is one of 50 within the State of Illinois to receive the AA3 rating. This rating will assist in the sale of the approved bonds.

Mr. Hahn added the sale of the bonds is the conclusion to the referendum. The timing for such sale could not be better as we are at a 30-year low for interest rates, providing a great value for the money. The District will begin the design and building phase immediately. The Board was presented with Resolutions authorizing sale of the bonds and surety bonds. This process will fix the par value, par interest rate of bonds, bond principal and interest amounts and repayment going out through 2020. Principal and interest payments are aligned so the tax rate will go out through 2020 and will not exceed 35.5¢/\$100 EAV. The Resolutions will also fix the price investors will pay for the bonds. Due to Hawthorn's ratings, the price will be very good with the closing of such sale to occur on December 16, at which time the District will receive bond proceeds of \$39.5 million. The yield investors will receive averages to approximately 5% with short-term bonds at 2% and long-term bonds at 5.6%.

Hearing no further comments, President Paul requested motions.

11/02.51A Bill Coli moved and Jim Batson seconded the motion that the Board of Education (1) approve all resolutions, documents and decisions for the sale of bonds, resulting from the November 5, 2002 Referendum. Voice Vote: 6 ayes; 0 nays. Motion carried.

11/02.51B Bill Coli moved and Jim Batson seconded the motion that the Board of Education take all steps necessary to complete the procedures and direct all steps to be taken in implementation of the bond sale. Voice Vote: 6 ayes; 0 nays. Motion carried.

### **Expenditure Reports - November 2002**

Mr. Hahn presented the Expenditures Reports for November 2002. The Board having reviewed same and hearing no questions, President Paul entertained motions.

11/02.52 Jose Hernandez moved and Mary-Jane Rattner seconded the motion that the Board of Education approve the Expenditure Report for November 2002, as presented. Voice Vote: 6 ayes; 0 nays. Motion carried.

11/02.52 Bill Coli moved and Kevin Price seconded the motion that the Board of Education approve the Expenditures Report for ETA/Cuisenaire expenditures for November 2002, as presented. Voice Vote: 5 ayes; 0 nays. 1 abstention by Jim Batson. Motion carried.

### **President's Report**

Members of the Board commented on the recent School Board Conference. Mr. Coli stated he found the technology presentations most interesting, especially the interactive black boards and memory clips for computers. Mr. Batson noted many presentations at the conference reaffirmed what Hawthorn is doing in the way of technology and curriculum -- we are right on track. Mr. Paul added a presentation dealing with construction of a new building also confirmed the procedures taken by the Board to gain community input was indeed correct.

### **Superintendent's Report**

There were no matters of this nature on the agenda.

### **Discussion Items**

Dr. Yomtoob noted the District has contracted with Johnson Controls to maintain the HVAC automation controls of our three buildings on the Original Campus for many years. However, their service and response has declined over the years. Our District Maintenance Department has successfully used Siemens' services on several projects this past year, successfully assisting with problems Johnson could not remedy. The District is in receipt of very good references for Siemens and expect a proposal from them which will be presented at the next meeting. He feels a contract with Siemens would better serve the District. as the contract would include technical support, labor and materials for the three schools on the Original Campus.

### **Committee Reports**

There were no matters of this nature on the agenda.

### **Unfinished Business**

There was no unfinished business to come before the Board.

### **New Business**

There was no new business to come before the Board.

### **Announcements**

There were no matters of this nature on the agenda.

### **Informational Items**

The Board was presented for informational purposes the following: (a) Congratulatory letters concerning the referendum; (b) Junior High maintenance issues; (c) Hawthorn in the News/Press Releases; (d) Financial Report; (e) The Report Card - Hinshaw & Culbertson, and (f) IASB Memo.

Having no further business to come before the Board, President Paul requested a motion to adjourn.

Bill Coli moved and Jose Hernandez seconded the motion adjourn. Voice Vote: 6 ayes; 0 nays. Motion carried.

The Board adjourned at 7:55 p.m.

### **Reconvening of Board for Public Hearing of 2002 Tax Levy**

President Paul reconvened the Board and called the Open Meeting to order at 8:15 p.m. for purposes of holding a Public Hearing of the 2002 Tax Levy. Upon the roll being called, the following members of the Board of Education answered present: Jose Hernandez, Mary-Jane Rattner, Bill Coli, Kevin Price, Jim Batson, and Rich Paul. Absent: Annie Christie.

President Paul requested a motion to close the Open Meeting of the Board.

Jim Batson moved and Bill Coli seconded the motion to close the Open Meeting of the Board and open a public hearing of the 2002 Tax Levy. Voice Vote: 6 ayes; 0 nays. Motion carried. The Open Meeting closed at 8:16 p.m. and the public hearing was declared open.

Mr. Hahn stated the Board is required to post notice of the Truth in Taxation, which law was written prior to the tax cap legislation. The levy he has proposed for Board approval would be an amount the District could levy using maximum tax rates allowed in various district funds. The tax is calculated as follows:  $EAV \times \text{maximum rate} = \text{levy}$ . As calculated through the Truth in Taxation publishing, this would equal about 21.6%, however, the district will not even get close to that amount. The tax cap limits the levy by the CPI, which is 1.6% for the 2002 levy. The actual dollar increase from 2001 to 2002 is 1.6%. In addition, the district can receive additional dollars for new construction (homes or businesses) added to the tax base. They would also pay that same rate, thus providing increased dollars for the district. Last year about \$43 million was added to the base EAV from new construction. Per the Truth in Taxation law, we are estimating high, at \$100 million, in new construction. Realistically, the District will receive about the same as last year, approximately \$45 million in new growth. To further explain, if the District estimates \$100 million in new construction and it becomes an actuality, the District would receive the full amount of new dollars through the levy. Should the district underestimate, and new construction surpasses the District's estimated amount, we would lose those additional dollars over and above our original estimated amount forever. This is the reason why the District always over estimates new construction.

Mr. Rich Berzanski addressed the Board questioning how additional dollars will be used with Mr. Hahn responding for operation of the school district pursuant to the 5-year projections and approved yearly budgets. Funds will also be used to provide for projected increased enrollments. Relative to the quadrennial reassessment, Mr. Hahn noted Libertyville and Vernon Townships reassess at the same time; however, if the assessed value of a

home/business increases, due to the tax cap the tax rate drops. Mr. Coli added that 80% of costs are "people costs", i.e., salaries and benefits, which increase each year. We must get the maximum amount we can to keep the district in a stable financial condition. Within the State of Illinois, 80% of all school districts are running at a deficit. Hawthorn is among the 20% whose finances are in the black because we have been able to manage expenses appropriately.

The Board will take final action on the 2002 Tax Levy at its December 9 meeting of the Board.

Hearing no further questions or comments from those present, President Paul requested a motion to close the public hearing and return to the Open Meeting of the Board.

Jim Batson moved and Bill Coli seconded the motion to close the public hearing and return to the Open Meeting of the Board. Voice Vote: 6 ayes; 0 nays. Motion carried.

The public hearing closed at 8:45 p.m.

President Paul requested a motion to adjourn the Open Meeting of the Board.

Jim Batson moved and Bill Coli seconded the motion to adjourn the Open Meeting of the Board. Voice vote: 6 ayes; 0 nays. Motion carried.

The Board adjourned at 8:46 p.m.

Respectfully submitted,

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Richard Paul, President

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Mary-Jane Rattner, Secretary

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