

**MINUTES OF HEARING TO DISCUSS INTENT TO SELL
WORKING CASH FUND BONDS
GLENCOE BOARD OF EDUCATION**

Monday, July 13, 2009

President Rob Bailey called the Hearing of the Glencoe Board of Education to order at 7:10 p.m. on Monday, July 13, 2009 in Young Auditorium of Central School, Glencoe, Illinois.

ROLL CALL

Present: Mr. Bailey, Mr. Burnham, Mr. Chez, , Mrs. Shaw, Mr. Sigurdson,
and Mr. Stauber

Absent: Mrs. Malehorn

Mr. Bailey identified the purpose of the hearing and asked for public comments. There were no comments made or statements presented to the Board.

Mr. Edelheit, Director of Finance and Operations, provided a review of the information previously discussed by the Board as a whole, Finance Committee, and Facilities Committee.

The Guiding Principles of the Board were reviewed:

1. Maintain Class Size with the Goal of 20 Students Per Class
2. Maintain and Enhance Educational Programs
3. Maintain Fiscal Responsibility
 - Maximize Revenues
 - Minimize Expenditures
 - Extend Timeline for Next Referendum

Information considered by the Board has included revised financial projections based upon 2 years of flat CPI, repairs and maintenance projects identified by the Board Facilities Committee, steps taken to minimize expenditures and maximize revenues, and revenue options discussed by the Board Finance Committee.

The revenue options discussed included an operating referendum, short term financing, and bond restructuring.

Operating Referendum

Pros: A permanent influx of revenue rather than one time infusion

Cons: The credit rating of the district would decline as reserves are used

An increase in the tax rate – amount to be determined
Renovation/Maintenance projects identified by the Facilities Committee would be on hold – safety and immediate needs would be considered

The District's credit rating declines as reserves decline

Short Term Financing

Pros: An Operating referendum could be placed on the April 9, 2013 ballot – Consolidated Election

Current interest rates are 1.5% (anticipated that one month payroll at that time would be \$1 million)

Cons: The current contract with GEA will be negotiated in 2012-2013
The credit rating of the district will decline as reserves are used
Renovation/Maintenance projects identified by the Facilities Committee would be on hold – safety and immediate needs

Bond Restructuring

Pros: Funds would be available for identified maintenance and renovation projects

\$8.0 - \$8.5 million would be available to the district without increasing the debt-service tax levy of \$1.6 million

ISBE Financial rating of the district would be maintained

Operating referendum would be delayed until April 4, 2015 for funds in 2016. If possible referendum delayed further.

Restructuring of bonds could occur prior to the annual bond payment in November

Cons: Debt levies scheduled to end in 2016 would be extended to 2028

Mr. Edelheit recommended the restructuring of the bonds with no increase in the debt service tax levy. This action would allow the district to capture between \$8.0 - \$8.5 million. Proceeds would then be used to pay the remaining district obligation for NSSED construction, district maintenance and renovation projects (The Facilities Committee would meet to prioritize projects), and maintain reserve funds to delay an operating referendum and maintain the Board's Guiding Principles.

Steps to implement the recommendation included:

The Board would approve a resolution at the July 13, 2009 regularly scheduled meeting declaring its intention to issue working cash fund bonds. Notice of the Board's intention would appear in the July 16, 2009 Pioneer Press. A resolution to issue the working cash fund bonds would be presented to the Board for approval at the August 17, 2009 Board meeting. This resolution would be presented to the Board, assuming there was no petition filed within the 30-day period.

Following approval by the Board it was anticipated the bond restructuring would be completed and funds available to the Board during the first two weeks of September 2009.

The Facilities Committee would reconvene to prioritize projects. It was anticipated that some work might be accomplished during breaks in the school year and the majority of work would be started during the summer 2010.

Mr. Burnham made a motion to adjourn the hearing and Mr. Stauber seconded the motion.

Aye: Mr. Bailey, Mr. Burnham, Mr. Chez, Mrs. Shaw, Mr. Sigurdson
and, Mr. Stauber
Nay: None
Absent: Mrs. Malehorn