

Lake Forest School District 67
Policy Committee Meeting
Wednesday, February 19, 2014
8:15 a.m. Seminar A

Present: Mike Borkowski, Jeff Folker

Also Present: Bill Andersen, Mike Simeck, Jenn Hermes, Lori Wilcox, Rick Schuler
Allen Albus, Andy Henrikson, Eileen Faller

The meeting was called to order at 10:30 a.m.

Roll Call Vote: Mike Borkowski, D67 Policy Committee Chair
Jeff Folker, D67 Policy Committee member

Public Comment:
There was no public comment.

Two main topics were discussed at the meeting.

The Fund Balance policy 4:20 was discussed with input from the Finance Committee members who attended the meeting and will be presented to the Board for first reading at the March 11 Board meeting. The changes included defining a range of 10-15% as the targeted fund balance. The current policy has a range of 10%. If the Fund Balance falls below the 10% threshold, the Board will receive a report that would detail the recommended corrective action to be taken to increase the Fund Balance. If the Fund Balance is above 15%, a report to the Board would detail the rationale for the additional funds, including details on the planned uses of funds, timing of expenditures, and other pertinent information. In both cases, the report would be a presentation, separate from the budget and the five-year projection, specific to the Fund Balance.

This policy edit will provide the administration more flexibility, as it defines a broader range (10-15%) and does not restrict ability in any way and also provides more oversight and information to the Board. The changes will lead to not only increased transparency related to the fund balance and its intended uses, but also a more rational process for the Board during the tax levy request process. The policy has been finalized and is in the legal review process. The policy will be brought to the Board for a first reading at the March Board of Education meeting.

Salary increases were discussed, with a focus on the automatic 6% raises that are currently provided to all employees during the so-called "retirement pipeline". A number of perspectives were presented and debated. One perspective was that the automatic raises were justified and helped attract and retain employees, that it is common practice, and that the District would be at a competitive disadvantage if it was not done. Another perspective discussed was that raises should be merit based, not automatic, that great employees should be compensated handsomely for their work, that high salaries combined with great culture and real responsibility is the right answer to attracting and retaining talent, and that automatic large raises during the final four years of careers are a contributing factor to the financial problems within the state. A third perspective was that, if a public opinion survey was taken, the belief is that virtually all taxpayers would be opposed to this practice. A final comment was that this practice is currently required by most of our labor contracts.

The Compensation Committee was represented during this discussion, and the topic will continue to be discussed jointly by the Compensation Committee and the Policy Committee. It is hoped that a motion regarding this topic will be brought before the Board at the April BOE meeting.

Adjourn: The meeting adjourned at 10:15 a.m.