

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 46
SPECIAL BOARD OF EDUCATION TOWN HALL MEETING
December 11, 2012
Grayslake Middle School, 440 N. Barron Blvd., Grayslake, IL**

The Special Board of Education Town Hall Meeting of the Community Consolidated School District 46, Lake County, Illinois was held at Grayslake Middle School, 440 N. Barron Blvd., Grayslake, IL on Tuesday, December 11, 2012.

President Millington called the meeting to order at 6:30 p.m.

Members Present: Ray Millington, Keith Surroz, Michael Carbone, Kip Evans, Shannon Smigielski, and Karen Weinert

Members Absent: Sue Facklam

Quorum was established.

Also present: Superintendent Ellen Correll, Business Manager-Anna Kasprzyk and district lawyer-Kevin Gordon

The Pledge of Allegiance took place at this time.

President Millington called for a motion for the approval of the December 11, 2012 Special Board Town Hall Meeting Agenda as presented. Motioned by Smigielski and seconded by Surroz for the approval of the December 11, 2012 agenda as presented.

Discuss Impact of Teacher Contract Proposal

President Millington provided an update on the teacher contract negotiation status, possible outcomes, and affects on district's future finances. Negotiations began in February 2012 and a federal mediator was appointed in October 2012. Final offer was presented to the Teachers' Union on November 28, 2012. Teachers' voted for a potential strike on January 16, 2013.

Kevin Gordon provided an update on the negotiation sessions. Both sides are talking about a 2-year contract. Kevin Gordon then provided a synopsis of offers from the Board of Education and the Teachers' Union.

Discuss Current CCSD 46 Finances

Kevin Gordon presented information regarding the district's budget. There is currently a 1.2M dollars deficit projected in the educational fund budget, primarily due to the fact that the school district is losing state aid revenue compared to last year. Federal programs and grants have also been cut. On the tax revenue side there is very little growth. Additionally there is a projected deficit budget for 2014. For the years 2009-2011 there has been 6M dollars in budget reductions and expenditures. Additionally, non-union support staff has not seen any salary increases over the last 3 years. State Board of Education recommends that fund balances be about 25% of total expenses.

Public Comment

At this time, the community was given the opportunity for questions and comments regarding the updates that were presented. Questions that cannot be answered tonight will be written down. President Millington shared that there is another Town Hall Meeting scheduled for January 9, 2013.

Resident #1 – How much money comes from local taxes, State of Illinois and federal government? Anna Kasprzyk responded most of our revenue comes from property taxes – about 70%. State funding is 16% and 4% from the federal government.

Resident #2 – Stated that non-union personnel not having an increase, is that the plan for another year? Superintendent Correll responded that it only includes 7 people in the district and there is no plan for this at this time.

Resident #3 – Appreciate what the teachers do but from an economic standpoint this community cannot afford to continue doing what it is doing. Personally believe that the push for the raises that the community cannot afford is coming from the union. In extreme situations, like our current budget situation, calls for extreme actions like putting the teachers' jobs out on the market. Is this a feasible option? Can we permanently replace a teacher who doesn't want to work for what we are offering to pay? Kevin Gordon responded that basically teachers' have the right to engage in a lawful strike. We cannot permanently replace someone who is engaged in a lawful situation.

Resident #4 – Would like to commend the school system and fully supports the teachers. When was the last time the teachers in District 46 did not get a raise? Superintendent Correll responded that she believes it has never happened.

Would teachers be guaranteed that no one would be laid off if they agreed to the offer? Superintendent Correll responded that they could not guarantee that there would not be lay offs.

What percentage of their health insurance is paid for? Superintendent Correll responded that employees receive 100% board paid for single HMO insurance and 95% board paid for PPO insurance.

What percentage does the taxpayer pay in pensions? Anna Kasprzyk responded that the Board contributes 2.4%.

Resident #5 – If tax increases continue, she will have to leave Grayslake. Why is the board not meeting more to negotiate? What are we suppose to do when teachers go on strike? Don't see the teachers coming to talk with parents. President Millington responded that the board has left the option open with the union to continue negotiations. The Board would like to do everything possible to avoid a strike.

Question from audience – Why aren't teachers required to continue to negotiate? Kevin Gordon responded that the law only requires them to negotiate in good faith. We have gotten to the point where the teachers and the board feel like they cannot make any more proposals. The teachers have opted to exercise their right to strike. We do anticipate that we will get together again.

Resident #6 – The teachers are wonderful and do a great a job, and he is sad that it has come to this point. It seems like the teachers can put pressure on the community and school board. What pressure can we put to on them to not strike? If they go on strike do they still receive their salaries? Superintendent Correll responded no they do not.

Resident #7 – What is the reason for the 5.75% increases for teachers who have put in a request for retirement 4 years prior to retirement, as they are already the highest paid teachers? Superintendent Correll responded that it's financially helpful if the highest paid teachers retire as new teachers can be hired at a much lower rate. It is an incentive and they must put in their request to retire by March 1st to receive this increase. This has also been previous practice.

Is there a way to force the teachers' to strike earlier or can you lock them out? Kevin Gordon responded that we do want to have as much time as possible to negotiate to the

last minute and to try and avoid disruption in the education process with the children. Is there anyway to renegotiate interest expenses that are currently being paid by the district? Anna Kasprzyk responded the board has been looking at options to abate or defease the bond payment schedules.

Resident #8 – If the strike is prolonged, what is the make-up time for students? Superintendent Correll responded that they have not discussed this yet to determine if this time would be made-up. It will depend on how long the strike lasts and how much loss of instruction occurred.

Resident #9 – If there is a strike, what happens to the state funding and do we still get that if students are not in attendance? Anna Kasprzyk responded that we are looking at the impact of each day. State funding is based on 176 days of instruction and would be about \$34,000 per day.

If the days were made-up would we still lose the funding? Anna Kasprzyk responded that if we reach 176 days then the funding would stay intact.

Resident #10 – Some possible solutions for decreasing the budget deficit has been closing a school or shifting to grade level centers. How seriously are these options being considered? How does the contract proposal compare to other surrounding districts, and how do our average teacher salaries compare to other surrounding districts?

Superintendent Correll responded that she is researching option of closing a school and grade level centers. She has already talked with Mundelein and Lake Villa districts. We are looking at research and it is going to take a while for answers to be determined.

Our teacher salaries are not at the top or at the bottom. We're about in the middle. What about the insurance proposal in the contract? Superintendent Correll responded that insurance and retirement is hard to determine. It's very difficult to compare one district to another.

Does the regional education office keep salary information on their website? Anna Kasprzyk responded that the state website, ISBE, does have salary comparison information on their website.

President Millington added that closing a school is a very lengthy process. It's going to be a 2-3 year process to research everything.

Resident #11 – The high school average medium pay for teachers is about \$12,000 more than the elementary district. Have you looked at the high school to understand why they can afford it and do not have any financial problems? Anna Kasprzyk responded that 70% of our revenue comes from property taxes and the high school district has a higher commercial base than District 46. Superintendent Correll responded that the high school has wider range of boundaries and typically high school teacher salaries are higher than elementary teacher salaries.

Resident #12 – At the next town hall meeting is it possible to look at all fund balances for all funds not just the educational fund balance? What is the goal of negotiations – is it money or what's best for students? President Millington responded we want to maintain quality education and class sizes. We have to consider these parameters as we go through this process.

Resident #13 – We are concerned about a possible strike but we have not had the opportunity to talk to the union or the teachers. Would like for the board to push for another meeting date. Someone needs to show you are trying.

Live stream question – The board says the door is open to negotiating but at the same time has given a final offer. What will negotiations do? President Millington responded

that there has to be some give and take and the board is waiting for some feedback to their final offer. We can't force them anymore but have left the door open.

Resident #14 – Does the union tell the teachers what is being negotiated? She is wondering what the union is telling our teachers. Superintendent Correll responded that you would need to ask the union, as the board is not aware what they are sharing. President Millington responded that the union is able to share financial information with their membership.

How many meetings have been held with the mediator and how long have these meetings been? Superintendent Correll responded that they have had 4 meetings with the mediator and 12 negotiation meetings prior to that. The meetings ranged from 2 hours to 8 hours. Member Smigielski shared that there was no movement in the last 2 negotiation meetings. Kevin Gordon shared that the board cannot talk to individual teachers themselves but parents can talk to teachers if they would like.

Are teachers allowed to use district email to respond to parents? Kevin Gordon responded that the answer is no. District email is to be used only for communication about students.

Does the 1.2M deficit budget include money in the final offer? Anna Kasprzyk responded that the deficit budget is 1.2M without any salary increases.

If we increase taxes are we still going to have a deficit budget? Anna Kasprzyk responded that a tax increase would not affect the deficit budget. The projection for future years budgets will be posted on the district website.

At a previous board meeting it was stated that we could not borrow any more money. Please address this. Anna Kasprzyk responded that our long term borrowing capacity is at the max. We can only borrow short term which is one year or less.

Could we cut the amount of employee insurance being paid? Anna Kasprzyk responded that it is a negotiated item. Ray Millington responded that three different insurance brokers have come in to give us other options. These options will be presented to the union and hopefully there will be a significant cut in insurance costs but the union has to agree to this option.

How much grant money is coming to the district? Anna Kasprzyk responded that we are in the process of hiring a grant writer. Member Carbone shared that grant money has also been reduced by the state.

Resident #15 - What is the plan for the next 30 days and what can we expect from the board? President Millington responded that this is the reason for the Town Hall meeting to get ideas from everyone. We need to get some feedback from the other side that they are willing to come to some agreement.

Resident #16 – Husband is a professional negotiator and his advice is to be quiet and see what the other side will do. We do not have a lot of time before January 16th so maybe the board should extend an invitation to talk.

Resident #17 – Thinks that everyone needs to sit in a room and try to negotiate. The process of waiting does not seem to be working. The board has to do right for the families.

Resident #1 again – Is the whole strike issue on salary or working conditions? Taxes in this community are too high. Superintendent Correll responded that they have agreed on working conditions. It's just salary and benefits.

Resident #18 – Seems that the board and the unions are looking at the financial picture totally different. What good can come out of this meeting? Member Smigielski

responded that things look much like before and if we go down the road of increasing our debt, then things will look different with larger class sizes and programs being cut.

Resident #19 – Asked when will the parents find out the strategy for a lock out or will schools be opened and staffed? When will parents find out their options?

Superintendent Correll responded that she has talked with Champions and they have offered to run programs at Prairieview and Meadowview at the cost of \$33 per day per student. Right now this is the only option we have for childcare. You can assume that if the teachers go on the strike, the non-certified staff will also go on strike. We will keep parents updated on the district's website.

Resident #20 – How would you characterize how much progress has been made up to this point? Who has actually moved from where they started? Kevin Gordon responded that he cannot get into the specifics of each proposal but there has been movement on both sides on a lot of issues. As far as compensation the board has made substantial change from where it started out last February. The teachers have moved with their proposals as well.

Resident stated that ultimately it's between the taxpayers and the teacher. It would be nice to have a Town Hall with the teachers. Superintendent Correll responded that she would relay this message to the teachers' union.

Resident #21 – What is the different in the revenue between D127 and D46?

Superintendent Correll responded that the regions are different. D127 has a larger range of revenue that they receive.

Resident feels we need to call the city of Grayslake to help redistrict the boundaries.

How do we bring in additional revenue? Member Carbone responded that tax percentages are the same for both districts; you have to remember the boundaries are different. It's also hard for the villages to attract new businesses because of the high tax rate.

Resident #22 – Has the board considered offering a plan to the teachers that includes increases after 2 years? Feels teachers may be willing to accept the current proposal if they knew they would be getting an increase in the future. Kevin Gordon responded that some school districts can project out that far but that's not always reliable because public bodies are dependent on the economy in general. They are beholden to state aid and federal grants. School districts are always going to lag behind in economic recovery. Until we know where the economy is going, it is too hard to project out 3 or 4 years.

Member Surroz responded that the State of Illinois is in debit with their pensions. We have to be careful because this could be another financial burden for the district. We don't have a lot of business and that really impacts the amount of dollars for our district. Resident also feels it is very frustrating that we have 2 school districts and one seems to be doing well and one is not. It's all the same community. Member Carbone responded that District 46 had a lot of development and built a couple new schools and that is where the bond debt comes from.

Resident #23 – What should parents be doing?

Resident #24 – If the teachers accept your proposal, what is the plan after 2 years of teachers having lane change freezes? President Millington responded that this proposal is for 2 years and it would be an issue that would have to be faced when negotiating a new contract.

Resident asked why the budget amount on the district website is different from what was presented at this meeting? Anna Kasprzyk responded that the budget is different than

cash balance. The financial statements online are on an accrual basis and the district runs their books on a cash basis.

Resident #25 – Where are the teachers and union coming from? It seems pretty clear that the money is not there. President Millington responded that the board's assumption is that the union is putting together all the fund balances, but we are limited to what we can pay out of the educational fund balance.

Resident wanted to thank the board members for continuing to work on this situation with vigor and passion.

Resident #26 – Shared that D127 passed a referendum in 2002 that raised the levy faster than what they promised. They are taking 2-3M extra per year than what they said in that levy. It looks like the pension shift is going to happen. Are you putting a clause in the new contract allowing the district to re-open the new contract if the pension shift does fall back locally? Do you have fiscal sustainability? Legally what box has the board put themselves into in regards to negotiations because of the final offer? Kevin Gordon responded that the pension shift was considered in the proposal by cutting the retirement percentage down from 6% to 3% increases. The district does have the right to drive the union to the table when there are economic situations. There is no box that the school district has been put in. It is up to the board to decide if they want to depart from their final offer to prevent a teachers' strike. We do anticipate that we will be back at the table to negotiate in the future.

Resident #27 – Feels the board has to stick by the best and final offer. If you don't stick by it, you have lost all leverage in negotiations. Has the union counter offered on the final offer? Kevin Gordon responded that the offer was no change in previous negotiations.

Resident asked if the items that the board has agreed to already have any financial bearing? Kevin Gordon responded that some of them do have negligible impact. All of the big-ticket items are still open and on the table at this time.

Resident asked if all board members sit in on negotiations? President Millington responded that all board members have sat in on the meetings with the mediator.

Resident asked what the board knows about negotiating? Kevin Gordon responded that board members are members of our community and come from varying backgrounds. Resident wants to know what can parents do, this question has not been address? Kevin Gordon responded that the board couldn't approach individual teachers as it is considered unfair labor practice, and they can't induce people to do it for them either. Parents can talk to each other and communicate to the board what they are thinking. President Millington responded that the board wants to inform the parents with as many facts as they can give.

Resident #17 again - At the negotiation meetings were there teachers at these meetings? Superintendent Correll responded that the union negotiating team is made up of teachers from our district. President Millington responded that they also have a professional negotiator assisting them. Kevin Gordon responded that he is assisting the board in preparing their materials and serves as the lead negotiator.

Resident asked if the union had been given paperwork that shows where we will be if the board accepts the teachers proposal – what information do they have? Member Smigielski responded that they have all this information.

Resident #2 again – Shared ideas for communicating to staff and parents like posting on facebook pages and phone calls. The more emails the teachers get, the more they will see that the community is not backing the strike.

Resident #28 – What is the average cost per student per year in this district and how does it compare to the state average? Anna Kasprzyk responded that we are not the highest or the lowest and the average cost is about \$11,000 per student. The state is close to \$12,000 per student.

Resident shared that he cannot afford the price for daycare during a strike and a lot of parents do not even know about the strike. Feels this process is a failure.

Resident #14 again – How many students are in the district? Superintendent Correll responded that there are a little less than 4,000 students.

Resident #29 – At what point can the district get the ball rolling to have people lined up to avoid a loss in education? Kevin Gordon responded that background checks have to be completed. The option is already being investigated. It will take a considerable amount of time.

Resident #30 – Feels the board should look at different ways to help with the district budget, for example your legal representation.

Resident #31 – If the tax increase will not help the financial situation, they why are we doing it? Who is responsible for this financial situation? This is for our kids so please keep that in mind.

There being no further questions to come before the Board of Education at this time it was motioned by Smigielski, and seconded by Carbone for the adjournment of the December 11, 2012 Special Town Hall Meeting at 8:39 p.m.

Respectfully submitted,

RAY MILLINGTON, Board President

KAREN SENASE, Recording Secretary