

BREMEN TOWNSHIP TRUSTEES OF SCHOOLS
REGULAR QUARTERLY MEETING

April 1, 2013

7:08 P.M.

A Regular Quarterly Meeting of the Trustees of Schools, Township 36 North, Range 13 East, Cook County, Illinois was held at 7:08 p.m. on April 1, 2013 at Tinley Park High School, Room 109, 6111 West 175th Street, Tinley Park, Illinois.

1. Call Meeting to Order

Mr. Duggan called the meeting to order at 7:08 p.m.

2. Pledge of Allegiance

Mr. Duggan asked everyone to stand for the Pledge of Allegiance.

3. Roll Call

On roll call the following Officers and Members responded present:

Kathy Novak	Secretary and Member
Joseph G. Bertrand, Jr.	Member
Michael Duggan	Member
Dionne Freeman-Cooper	Member
Jason Hedke	Member
Joanne Keilman	Member
Tina M. Moslander	Member
Joseph J. McDonnell	Treasurer and Ex-Officio Clerk

Absent: Ms. Deborah A. Stearns, Ms. J. Kay Giles, Ms. Julienne W. Mallory

Ms. Keilman made a motion to nominate Mr. Duggan as President Pro Tem, seconded by Ms. Novak. Members voted as follows:

AYES: Novak, Bertrand, Duggan, Freeman-Cooper, Hedke, Keilman, Moslander

NAYES: None

ABSENT: Stearns, Giles, Mallory

Motion carried 7-0

4. Approval of Minutes

Ms. Giles arrived at 7:13 p.m.

Mr. Bertrand stated that he would like to change the wording of the minutes of January 7, 2013 – Regular Quarterly Meeting to reflect that the agenda item to approve invoices for services rendered by the law firm of Scariano, Himes and Petrarca, Chtd. was not a reimbursement to Mr. Bertrand, but that it was for the approval to pay these invoices to the law firm of Scariano, Himes and Petrarca, Chtd.

Mr. Hedke stated that he would like to change the wording of the minutes of January 7, 2013 – Executive Session to reflect that all School Districts within the State of Illinois are having financial difficulties, not only School District #142.

Ms. Keilman made a motion to approve the minutes of January 7, 2013 – Regular Quarterly Meeting as amended, the minutes of January 7, 2013 – Executive Session as amended and the minutes of January 14, 2013 – Special Meeting, seconded by Ms. Moslander. Members voted as follows:

AYES: Giles, Novak, Bertrand, Duggan, Freeman-Cooper, Hedke, Keilman, Moslander
NAYES: None
ABSENT: Stearns, Mallory

Motion carried 8-0

5. Recognition of Public

Mr. Duggan asked if there were any members of the public that would like to address the Board. After receiving no response, Mr. Duggan proceeded with the agenda.

6. Approval of Treasurer's General Surety Bond Amount for Fiscal Year 2013/2014

Mr. McDonnell explained the formula used to calculate the recommended annual General Surety Bond amount for the upcoming fiscal year 2013/2014. Mr. McDonnell mentioned the history behind the calculation of this required General Surety Bond amount and how the current calculation came to be used by School Treasurers throughout Cook County. Per the formula used to calculate the surety bond amount, Mr. McDonnell is recommending that the General Surety Bond amount for fiscal year 2013/2014 remain the same at \$11,000,000. Ms. Novak made a motion to approve the treasurer's General Surety Bond in the amount of \$11,000,000 for fiscal year 2013/2014, seconded by Ms. Keilman. Members voted as follows:

AYES: Giles, Novak, Bertrand, Duggan, Freeman-Cooper, Keilman, Moslander
NAYES: Hedke
ABSENT: Stearns, Mallory

Motion carried 7-1

7. Treasurer's Report

Mr. McDonnell presented to the Board for approval the Treasurers' Office Statement of Expenditures for the periods ending January 31, 2013 and February 28, 2013. Mr. McDonnell mentioned that the bank cash balances, investment details by type of investment and a detailed listing of all investments in the portfolio are not available due the continued development of our reconciliation process as a result of the new financial system conversion.

Mr. McDonnell explained that, for the eight month period ending February 28, 2012, the cost of operating the Treasurer's Office remains below budget. Mr. McDonnell also mentioned that the amount of bank fees and interest earnings will be presented after completion of the reconciliation process under the new financial system.

Under District communications, Mr. McDonnell stated that there were three letters sent to all School Districts serviced by this office: (1) Treasurer's Office Expense Allocation for 2012/2013, (2) Annual Statement of Operations for 2011/2012 and (3) Allocation of Interest Earnings for January 1, 2012 thru June 30, 2012. Mr. McDonnell explained the content of each letter and attachments.

Under other items, Mr. McDonnell reminded the Board members that they should be filing their Statement of Economic Interest forms shortly, and to please forward a copy to him for the files.

Ms. Novak made a motion to accept the Treasurer's reports as presented, seconded by Ms. Keilman. Members voted as follows:

AYES: Giles, Novak, Bertrand, Duggan, Freeman-Cooper, Hedke, Keilman, Moslander

NAYES: None

ABSENT: Stearns, Mallory

Motion carried 8-0

8. Examination of the Books and Records of the Township School Treasurer's Office for the Fiscal Year Ended June 30, 2012 and Acceptance of the Annual Audit as prepared by the Auditing firm of Mathieson, Moyski, Celer & Co., LLP

Mr. McDonnell presented the annual audit for the fiscal year ended June 30, 2012 as prepared by the auditing firm of Mathieson, Moyski, Celer & Co., LLP. Mr. McDonnell explained the various sections of the annual audit and noted that there were no audit findings.

Ms. Keilman made a motion to accept the annual audit for the fiscal year ended June 30, 2012 as prepared by the auditing firm of Mathieson, Moyski, Celer & Co., LLP, seconded by Ms. Giles. Members voted as follows:

AYES: Giles, Novak, Bertrand, Duggan, Freeman-Cooper, Keilman, Moslander

NAYES: Hedke

ABSENT: Stearns, Mallory

Motion carried 7-1

9. Approval of Engagement Letter from the Auditing Firm of Mathieson, Moyski, Celer & Co., LLP

Mr. McDonnell presented for approval the engagement letter from the auditing firm of Mathieson, Moyski, Celer & Co., LLP. Mr. McDonnell mentioned that he had a conversation with the Business Managers of the school districts that use the same auditing firm. All Business Managers were in agreement to recommend retaining the auditing firm of Mathieson, Moyski, Celer & Co., LLP. Mr. McDonnell stated that they were able to include language in the engagement letter to opt-out of a multiple year engagement, if the auditing firm does not provide their best effort in completing the audits within a reasonable time period. Mr. McDonnell mentioned that there was a favorable discount if the Board chose a multiple year engagement. Ms. Keilman asked if the engagement letter would remain the same if one of the other school districts decided not to engage this firm. Mr. McDonnell stated that the engagement letters are separate for each group and would remain the same.

Mr. Bertrand asked how the auditing firm can charge this amount for auditing just the Treasurer's Office, when our budget is less than a million dollars. Mr. McDonnell explained that the auditors not only perform the audit of the Treasurer's Office, but they also audit all the revenues received by the Treasurer's Office on behalf of each school district serviced, and they also prepare the Annual Financial Report document, which is required by the Illinois State Board of Education, on behalf of most school districts we service. Discussion took place regarding the services the auditing firm performs for the Treasurer's Office and the various school districts.

Ms. Keilman made a motion to approve the engagement letter from the auditing firm of Mathieson, Moyski, Celer & Co., LLP for a three year period, seconded by Ms. Giles. Members voted as follows:

AYES: Giles, Novak, Bertrand, Duggan, Freeman-Cooper, Keilman, Moslander

NAYES: Hedke

ABSENT: Stearns, Mallory

Motion carried 7-1

10. Approval of Commercial Insurance Proposal from Lucas Insurance Service Group, Inc.

Mr. McDonnell presented for approval the commercial insurance proposal from Lucas Insurance Service Group, Inc. Mr. McDonnell explained the items covered under this insurance proposal. Mr. McDonnell stated that there was not much of an increase versus the prior year. Ms. Keilman made a motion to approve the commercial insurance proposal from Lucas Insurance Service Group, Inc., seconded by Ms. Novak. Members voted as follows:

AYES: Giles, Novak, Duggan, Keilman, Moslander

NAYES: Bertrand, Freeman-Cooper, Hedke

ABSENT: Stearns, Mallory

Motion carried 5-3

11. Approval of 2013/2014 Tentative Budget for Township School Treasurer's Office

Mr. McDonnell presented for approval the 2013/2014 tentative budget for the Township School Treasurer's Office. Mr. McDonnell mentioned that, according to the operating policy of this Board, a tentative budget for the upcoming fiscal year is to be presented to the Board for approval at the April Regular Quarterly meeting. Mr. McDonnell discussed each of the pages within the tentative budget report presented and explained several of the significant line items within the tentative budget. Discussion took place regarding some of the line items in the tentative budget.

Mr. Duggan made a motion to approve the 2013/2014 tentative budget for the Township School Treasurer's Office, seconded by Ms. Giles. Members voted as follows:

AYES: Giles, Novak, Duggan, Keilman, Moslander

NAYES: Bertrand, Freeman-Cooper, Hedke

ABSENT: Stearns, Mallory

Motion carried 5-3

12. Old Business

Approval of invoices in the total amount of \$22,033.11 for services rendered by the law firm of Hogan Marren, Ltd. for the defense of former Trustees Dennis G. McGlynn and Ronald W. Szabo in the lawsuit filed by Joseph G. Bertrand, Jr. against the Bremen Township Trustees of Schools

Approval of an invoice in the total amount of \$1,204.80 for services rendered by the law firm of Hinshaw & Culbertson LLP for the defense of Treasurer Joseph J. McDonnell in the lawsuit filed by Joseph G. Bertrand, Jr. against the Bremen Township Trustees of Schools

Mr. McDonnell mentioned that the Board had requested a recommendation letter from the Board Attorney, Mr. Murphey, at the last Trustee meeting. Mr. McDonnell stated that he has not been able to meet with Mr. Murphey yet, but has scheduled a meeting with him for next week to discuss the history behind the various lawsuits from which these legal fees were incurred.

Ms. Novak made a motion to table approval of these two items, pending further review and recommendation from the Board attorney, seconded by Ms. Keilman. Mr. Bertrand asked when the next meeting would be held. Mr. McDonnell stated that the next Regular Quarterly meeting would be held on July 1st. Mr. Bertrand stated, for the record, that his term will expire on May 21st and that this is an issue that has been on the table for quite some time. Mr. Bertrand mentioned that it is his hope that the Trustees would make a decision based on all the

information that is available and asked the Trustees to be fair. Members voted as follows:

AYES: Giles, Novak, Bertrand, Duggan, Freeman-Cooper, Keilman, Moslander

NAYES: Hedke

ABSENT: Stearns, Mallory

Motion carried 7-1

Mr. Hedke stated, for the record, that we have been messing around with this since he got on this Board and he is tired of tabling this, and that the Board needs to vote on this. Mr. Hedke stated that the excuse that the Board does not have enough information, just keeps backing it up with no resolution or clarification. Mr. Hedke continued by stating that, as a representative of School District #142, they are tired of this and they want this voted on.

Discussion took place regarding why the Board attorney has not given his recommendation. Mr. McDonnell stated that the Board attorney gave a recommendation on one of the three items that were tabled previously under Old Business, but was not aware that he was also requested to provide a recommendation on these two items, as well. Mr. McDonnell mentioned that, as he was putting together the information for this meeting, he noticed that he had not received anything from the Board attorney regarding these items. Mr. Murphey, however, was not able to meet with Mr. McDonnell until next week.

Mr. Bertrand left the meeting at 8:15 p.m.

13. New Business

There was no new business presented to the Board.

14. Adjournment

There being no further business before the Board, a motion to adjourn was made by Ms. Novak, seconded by Ms. Giles. Members voted as follows:

AYES: Giles, Novak, Duggan, Freeman-Cooper, Hedke, Keilman, Moslander

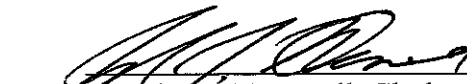
NAYES: None

ABSENT: Bertrand, Stearns, Mallory

Motion carried 7-0

Mr. Duggan declared the meeting adjourned at 8:17 p.m.


Michael T. Duggan, President Pro Tem


Joseph J. McDonnell, Clerk