CHICAGO PUBLIC SCHOOLS

PUBLIC HEARING

FY18 CAPITAL PLAN

held on

Monday, August 21, 2017

STENOGRAPHIC REPORT OF PROCEEDINGS had in the above-entitled matter at Norman A. Bridge Elementary School, 3800 North New England Avenue, Chicago, Illinois, commencing at 6:00 p.m.

PRESENT:

MS. JENNIE HUANG BENNETT, Presenter,
Chief Financial Officer of Chicago Public Schools

MS. BETSY SMITH, Chicago Public Schools

MR. EDUARDO CESARIO, Moderator, Chief of Schools for Network 2

Reported By:  Karen Fatigato, CSR
License No.:  084-004072
MR. CESARIO: Good evening, my name is Eduardo Cesario, I'll be the moderator. I am the Chief of Schools for Network 2. Today we also do have a Spanish-language interpreter and a sign-language interpreter. So if there's anyone that is in need, both are available to my left.

The Capital Planning Hearing will begin at 6 p.m. and end promptly at 8:00 p.m. or when the last speaker has concluded, whichever is first.

All who sign up to speak will be given an opportunity to make a statement of up to 2 minutes until the meeting is adjourned. All those wishing to speak are asked to please sign in from 5 to 6 p.m. on the speaker's sign-in sheet at the entrance registration table and each speaker will be given a number. Please note that no one will be able to sign up to speak after 6:30 p.m.

Speakers will be limited to addressing topics related to the Capital Plan. Speakers are asked to limit their comments to 2 minutes so that everyone that would like to speak will
have the opportunity to do so.

When multiple speakers from the same organization or school are listed, only one member per organization or school will be allowed to speak regarding the same issue.

If the speaker has a follow-up question, we ask that you please speak to CPS staff members who will be on site to help you fill out a follow-up card.

The full Capital Plan is on the CPS website. You can provide feedback or leave questions on the website as well. We will respond to all questions on the website, including any that we are unable to respond to at this meeting. Visit cps.edu\capitalplan for additional details.

I'd like to introduce the CFO, Jennie Huang Bennett.

MS. BENNETT: Good evening, everyone, my name is Jennie Huang Bennett, and I'm the CFO of CPS. I'd like to welcome you to the Capital Planning Hearing today. As you know, we hold three Capital hearings across the city to take your feedback on the proposed Capital Budget
that was released earlier this month.

I'd like to thank you for all coming here and taking time to come and hear about the Capital Plan, be involved in CPS and tell us your thoughts about the Capital Plan. Obviously we have a lot of needs in the District, and we do our very best to prioritize the most urgent needs in the District. With unlimited resources we could obviously do more, but we do the best we can with the resources we have.

So with that we're going to do a short presentation on the Capital Plan just to go over the thoughts and details related to the Capital Plan, after which we'd be happy to take any questions or comments that you might have.

Okay. This first page has a quick Capital Budget Overview. We believe that all students in every part of the city deserve to learn in modern facilities that are welcoming, conducive to learning and safe.

Over the past six years, CPS has invested more than $3.7 billion to build new schools and annexes, to improve facilities to expand academic programs, to improve access to
technology, provide air conditioning and
playgrounds, repair and maintain facilities,
such as, renovating roofs, fixing chimneys and
replacing boilers and other mechanical systems.

In addition to that, the Capital Budget
funds long-term investments in the District,
such as, construction of new schools, renovation
to existing schools, critical investments to IT
infrastructure and school security.

The Capital Budget is funded through
bonds issued by the District, but also other
proceeds from the sale of real estate or from
various other outside sources.

Last year CPS initiated almost $938
million, nearly a billion dollars of capital
investments pursuant to an original and a
supplemental Capital Plan. Capital projects are
currently underway for that billion dollar
Capital program, and given the size of that
program it will take a number of years to
finish. We are underway at 140 schools with
those various Capital projects.

Those Capital projects were funded
through the new Capital Improvement property tax
levy specifically for Capital projects. That new property tax levy helped to keep the impact of debt service that funds the projects from impacting our operating budget which also impacts schools as well.

The Fiscal Year 2018 Capital Budget totals $136 million, and it is really meant to prioritize urgent facility renovations and maintenance projects, IT investments and school security equipment, all building upon the Capital Plan from last year which incorporated a number of substantial Capital investments.

These projects, as we mentioned earlier, will be funded by CPS bonds but also the sale of real estate proceeds and other potential outside sources.

The table that you see here at the bottom of this page provides a breakdown of the types of projects that are funded by this Capital Plan. Approximately $109 million in facility needs largely to address the more urgent projects that I mentioned before. About $7 million of IT and security investments. Another $13 million of various Capital project
support services which are necessary to maintain
the various Capital projects we have for this
year and previous years. And then in addition
to that there's a smaller allocation for various
externally funded projects that come to us
during the course of the year.

On Page 5 we have a discussion of some
of the urgent facility needs. These include 109
million of some of the more critical facility
needs, such as 17 million of priority renovation
projects at schools, including major roof,
envelope and mechanical repairs, various other
replacement needs, and another $36 million will
be used for unplanned major renovation and
maintenance projects, various emergencies that
come up through the year that require immediate
attention.

In addition to the 109 million of
facilities repairs, there's also another $7
million that will be used for IT and security
investments. 5.3 million will go towards
various IT upgrades, which are necessary to make
sure that we have secure firewalls and security
of information across the District. And then
another $2 million of funding will go to replace various security equipment at schools, which includes security cameras, intercom phones, alarms and screening equipment.

On the following page we have a picture, and you can find this on our website, it's kind of a little hard to see on the screen right here, but a picture of the various Capital investments from the FY17 Capital Plan. It was mentioned earlier this was nearly a billion dollar Capital Plan that funded various investments across the schools and -- across the city rather. And you can see that this is basically spread out across the entire city.

The various projects focused on overcrowding relief, facility needs, windows and air conditioning, programmatic investments, campus sites and playlots.

On the following page we have a summary of what some of the different projects were in the FY17 Capital Plan. There were approximately $317 million for various facility needs. About $266 million for overcrowding relief. Another $150 million for new school construction. $60
1 million for various programmatic investments.
2 $57 million for IT and other projects. $35
3 million for site improvements. $27 million for
4 air conditioning. And $23 million for capital
5 program management and design. So the totality
6 of these projects, obviously very much Capital
7 Planning last year, it will take a number of
8 years to complete, but it was meant to address a
9 significant amount of the Capital needs for the
10 District.
11
12 The following pages we have just some
13 examples of what some of the projects were that
14 were funded from the FY17 Capital Plan. There
15 were, as I mentioned, projects related to
16 overcrowding relief. There was new construction
17 at four new schools, which are in various stages
18 from pre-design through construction. Eight new
19 annexes, which will relieve overcrowding at
20 existing schools. And new modulars to house
21 classrooms to relieve overcrowding at three
22 different schools.
23
24 In addition to that the FY17 Capital
25 Plan addressed facility needs, which this Fiscal
26 Year 18 Capital Plan also addresses. They
included building envelope renovations, including roof and masonry repairs at 26 schools, and that's ongoing. Windows and air conditioning at 61 schools, which will provide cooling for students during the summer months. Programmatic improvements and interior renovations which will improve the learning environment at eight different schools. And then there is site improvement, including new turfs at 29 schools, as well as playlots at 13 different schools.

So that's our presentation and overview of the Capital Budget. If you have any questions or comments, we would love to hear from you at this point. If you have any questions or want more details about the Capital Plan, you can find more information at www.cps.edu\capitalplan.

And at this time we'll take our first speaker.

MR. CESARIO: Okay. Our first speaker is Karen Everman.

MS. EVERMAN: Good evening, my name is Karen Everman, I am the chair of the LSC at John
Palmer Elementary School. Can I ask how do you determine the priority of the schools that receive the funding that you're talking about?

MS. BENNETT: So I'll speak generally to the overall process, and Betsy can probably speak a little bit to some of the specific projects.

We do surveys of the various aspects in the District, take a look at needs and repairs, we'll take a look at buildings. Also, you know, surveys that come from outside companies who take a look at the status of different buildings, understand what the needs are in terms of overcrowding and, you know, basically take a look at how all of those various needs arise and to what obviously are limited resources for the District and how we allocate those funds.

MS. EVERMAN: Okay, I would like to speak to some needs that we're experiencing at our school.

Over the last five years Palmer has made tremendous, tremendous strides in our academic achievement. We recently received a
level 1 Plus rating, but we feel that this progress is in jeopardy because of the state of our facilities.

In our main building we have severe roof damage. We have severe water damage. There is paint peeling off the ceiling, it's peeling off the walls. Our windows leak. We have one stairwell that if we get a heavy rain becomes unusable because water moves on it. So that is a big problem in our main building.

We also have a modular building that is very outdated and also has water damage. It has damage to the -- warped floors. It is not secured. It does not have fire alarms. And it is not connected to the CPS safety and security building. And all three buildings are at capacity level. We also have an annex. So we are very concerned about our level of facilities and safety.

MS. BENNETT: Okay. And also, I'm not sure if you've been to our website, but we do have a place there for feedback and comments. We'll obviously take your comments and make sure that we're taking a look at all of the facility
needs at Palmer, but if you go to the website you can send a written request for them to help us in terms of making sure we keep track of information.

MS. EVERMAN: Great. Thank you.

MS. BENNETT: Thank you.

MR. CESARIO: Our second speaker is Dave Belanger.

MR. BELANGER: Good evening, and thank you for allowing us the opportunity to visit with you about our Capital needs. I represent the LSC at Hanson Park Elementary School, Belmont-Cragin neighborhood. We are at 145 percent capacity and are in desperate, desperate need of an annex so instead of being in three buildings we can be in one building where everybody is united. We have one small gym, and we have four PE teachers trying to facilitate classes out of that facility. We have one small cafeteria and we start lunch and we have about a three-hour window for lunch. So just we have a great need for an annex at Hanson Park. I have the details on here. I won't read it now, I'll just give you a copy. That's it. Thank you
very much.

MS. BENNETT: Great. Thank you so much.

ALDERMAN VILLEGAS: Good evening, my name is Alderman Villegas from the 36th Ward, and I am here to support the schools of the Belmont-Cragin community, as well as the Hermosa community. Mr. Belanger was correct in saying that we need an annex. We have achieved Level 1 plus schools in the Belmont-Cragin community, at the same time having severe overcrowding. And I see the slides, and it talks about the billion dollars was created for overcrowding, and I'd be interested in seeing how those schools were selected for the overcrowding because I looked at the map and I can see that on the south and west sides of the city there were infrastructure improvement plans, but at the same time there's a huge population loss in those communities. And I didn't see many investments in the northwest side of the city where there's a lot of Latinos in that community that are moving into that community. And so I think that there's an issue here as it relates to the
distribution of the Capital bonds.

WBEZ reported that the Latino community, African American communities are seeing less dollars, yet making up a huge percentage of the school population. Forty-seven percent of all the kids that go to CPS schools are Latinos, and those dollars are not being appropriated period. There's a huge issue there, and we need to address that issue. And I'm not sure how you come about identifying those Capital needs, I'd be interested in seeing that.

Also on the slides I also saw something about other sources, can you identify what are those other sources that you're talking about as it relates to the Capital plans?

MS. BENNETT: Sure. So the other sources are basically throughout the course of the year to the extent that, you know, for example, that they like to use towards their schools the money they get from outside grants for various projects. To the extent that we don't receive those grants, we need to make sure we have in the budget some allocation for
expenditures to fund those projects. So what other sources is meant to be, in essence, is reserving the ability for us to be able to fund those projects as we go through the course of the year.

ALDERMAN VILLEGAS: So then you're talking about --

MS. BENNETT: For alternatives sometimes we may go outside Federal and State grants as well.

ALDERMAN VILLEGAS: So I would just urge CPS to take a look at -- when you're talking about the Capital expenditures, take a look at where your customers, your students are predominantly coming from and spend money wisely because for the northwest side of the city we are not seeing the amount of dollars that we pay in property taxes, we're not getting that return on investment. In essence, we have become a donor area where we're sending our tax dollars and we're not getting a return on investment.

Also, besides the Hanson Park School, I would also take a look at Belmont-Cragin where you have a facility with one restroom for
multiple kids that have to travel multiple
floors in order to use the restroom. So I would
take a look at that. I want to see something
done. Thank you.

MS. BENNETT: Thank you for your
comments.

In terms of the prioritization, we also
do have a ten-year master plan on our website.
But I think to your question, there are a lot of
needs across the District, and we're doing our
best to be able to try to address them as best
we can. So thank you for your comments.

Do you want to speak?

MS. SCHWAB: I was just wondering do
you --

MS. BENNETT: Would you mind stating
your name?

MS. SCHWAB: My name is Jean Schwab.
And I'm just curious, are those schools that
need it the most getting the funds, getting the
upgrades and everything? I mean, that bothers
me that, you know, that there are some schools
that are like in really bad shape and are they
being -- are they being updated and fixed or who
is getting -- who is getting all of these wonderful things that we saw on the board?

MS. BENNETT: Right. So I don't know if you want to just go back, you know, just to speak to the prioritization. I mentioned earlier that we have, in essence, regular surveys of our facility needs. Obviously there are a lot of needs of the District, and again, we have limited resources to address all of them. We do have facility improvements that are occurring across the entire city, and it's prioritized by way of percentage of overcrowding, for example, the needs that the -- what Palmer mentioned in terms of keeping kids safe, warm and dry. Those are priority needs and that's why you see the Capital Plan that we just released includes a fair amount of that in order to cover the emergency needs that might come up.

Now, I hear that we may not be addressing all the needs as quickly we should, and again, that's in part due to resources. You know, we are seeking more funding from the State both by way of Capital and Operating dollars to
help address that, but we are doing the best we can in order to try to address the needs as fast as we can.

MS. SCHWAB: Capital funds are different than the funds that they're cutting in the schools now, right?

MS. BENNETT: Yes, they are. They are. But there are Capital dollars and also Operating dollars at the State and Federal level as well.

MS. SCHWAB: Thank you.

MR. AVILES: My name is Dan Aviles, I'm the LSC chair at Bridge. First of all, I'd like to thank Nick Sposato, our principal and the mayor for the annexa and the modular that we got recently. We addressed -- the LSC addressed the overcrowding issue recently, not recently, but we addressed the overcrowding issue and that was brought to us because of that. The Local School Council feels that although it's grateful for it and it's here and it's going to ease the kids' in the hallways, it's a temporary fix to our problem.

With that being said, we would like to look at -- or speak to somebody who can help us
look at maybe a three-year, four-year plan, you
know, down the road so that we're not having two
buildings for parents to go to. Our junior high
is at St. Priscilla's and, you know, our pre-K
through 4th grade is here, that's something we
as the LSC want to speak with somebody to
address.

Second, there is some improvements that
we need to make here. Our gym is leaking. It's
been leaking for 15 years. The floor there's no
point in permanently fixing it because it's
going to leak every time it rains. That needs
to be addressed. I don't know, can we get on
the list or something? I think we were on there
15 years ago and we just have fell off that
list. It needs to be fixed.

The playground is old, that, you know, is something that -- I know, you know, there's
other problems but, you know, if we can get a
playground and a parking lot that's paved so
people are not breaking ankles out there that
would be helpful to us. If you look outside,
the pavement by the modular is nice, but then
you have craters here. Like I said, people have
been hurt just walking and dropping their kids off at school. Maybe after this we can speak to somebody so that we can address those issues.

MS. BENNETT: Sure. And Betsy Smith is here from Facilities, if you want to -- she's taking notes, but if you just want to mention that to her, she'll be sure to take that back to the Facilities group well.

MR. SKINNER: Hi, I'm Jerry Skinner, Chicago Teachers Union and LSC member at Kelvyn Park High School. I saw during the presentation there's $150 million being budgeted for new school construction at four schools, can you tell me where are those schools -- those four new schools located and what's the rationale for building new schools in those areas?

MS. SMITH: Good evening, the $150 million allocated for new school construction, one of which is Reed Dunning, and the other one is South Side High School. So there's two new schools in that lineup.

MR. SKINNER: Okay. Not four schools, two?

MS. SMITH: Two schools.
MR. SKINNER: Is that taking all of
the -- the total $150 in new schools
construction, those two schools?

MS. SMITH: It is, yes.

MS. BENNETT: Anybody else?

Okay, great. Well, thank you for
coming. As I mentioned before, it's, you know,
really helpful to us to get feedback and to hear
about some of the needs at the various schools
just so that we know we're making sure and
keeping track of the needs as you see them.

Being in the schools you'll see them first
before we will, and so feel free to reach out to
us. And we really appreciate the fact that
you're taking time in the evening to come out
and hear about the Capital Plans, staying
involved in the District. And we'll make sure
we're doing the best we can to keep kids safe,
warm and dry. So thank you.

(Whereupon, these were all the
proceedings had at this time.)
STATE OF ILLINOIS  
) 
)  SS: 
COUNTY OF COOK  
)

Karen Fatigato, being first duly sworn, on oath says that she is a court reporter doing business in the City of Chicago; and that she reported in shorthand the proceedings of said hearing, and that the foregoing is a true and correct transcript of her shorthand notes so taken as aforesaid, and contains the proceedings given at said hearing.

Karen Fatigato, CSR

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