

Business Office Update December 18, 2017 Meeting

Property Tax Levy

- The property tax levy is on the agenda for adoption.
- This levy is called the 2017 Property Tax Levy. The levy uses the equalized assessed value (EAV) from the 2017 calendar year and generates tax revenue that is received in June & September, 2018 that is then used to fund the FY2019 or 2018-19 school year budget.
- With the exception of new property that comes onto the rolls, the increase in the 2017 Property Tax Levy is limited to the increase in the Consumer Price Index – Urban (CPI-U). For this levy, the CPI-U from December, 2016 is compared to the CPI-U from December, 2015. The increase was 2.1%. This applies to all funds except Debt Service and the Special Education District of Lake County (SEDOL) IMRF levy.
- Dr. Lind and I are recommending that the board approve a levy that increases less than 5% (4.99%). Because the increase in the levy is less than 5%, we will not be holding a Truth in Taxation Hearing. The recommended levy gives us approximately \$295,624 in cushion in case something unforeseen would occur with regard to equalized assessed valuation (EAV) and/or new property EAV.
- The following will take you through the levy attachments that are linked to the agenda
 - The first sheet in the agenda link for the property tax levy is the Millburn 2017 levy calendar.
 - The second sheet in the property tax levy link from the agenda shows the step-by-step process that is used to determine the estimated increase in the tax capped funds for the 2017 property tax levy under the Property Tax Extension Limitation Law (PTELL). The total estimated increase is \$237,887.21.
 - The third sheet in the agenda link (with yellow and green highlighting) shows the estimated levy in the top half and shows the recommended balloon levy below. Also shown on the sheet is the statutory tax cap in yellow. This is a different cap than PTELL and can create some challenges in the levy process.
 - The fourth sheet is the “Certificate of Tax Levy” and is the document that are recommended to be approved. This document contains the levy amounts from the third sheet in the agenda link. The Certificate of Tax Levy doesn’t include the estimated \$3,530,960 levy in Debt Service. The Certificate of Tax Levy states: “...Therefore to avoid a possible duplication of tax levies, the school board should not include a levy for bonds and interest in the district’s annual tax levy.”
 - The remainder of the documents are various levy resolutions that will need to be approved by the board along with the adoption of the “Certificate of Tax Levy”.

Credit Card Processing

- We are in the process of adding a point of service credit card scanner at each school office. This will allow new parents to pay fees through our RevTrak system as well as allow current parents to pay at the office in addition to being able to pay online. There was a one-time cost of approximately \$95 per building.

Replacement Cafeteria Tables

- Dr. Lind and I are recommending that the board approve purchase of 10 cafeteria tables at Millburn Elementary School at an approximate cost of \$11,000 from Lowery McDonnell Company. This will replace half of the tables in the cafeteria for employee safety reasons. We started with the failure of the tortion bar in 5 of the cafeteria tables. After 3 months of use, we now have 5 additional tables that are very difficult to open and close as a result of the failure of the tortion bar.
- We received quotes from Lowery McDonnell, Virco, and from Frank Cooney Company. We were able to obtain a sample table from Lowery McDonnell and Frank Cooney Company to test in our cafeteria. The tables from all three companies were similarly priced (\$1049 - \$1160), but the ease of folding and unfolding of the Palmer Hamilton tables from Lowery McDonnell made their table the favorite of the custodial staff. The tables being recommended come with a 15 year manufacturer warranty.
- I am anticipating that we will need to replace the remainder of the tables during the 2018-19 budget year based on how quickly the number of tables with problems has increased since the start of the school year.

Snow Removal

- We had some problems clearing the first snowfall of the season. On the day of the snowfall, our plow truck was in the shop. MES staff cleared the snow with the tractor and a snow blower while MMS staff used the bobcat and a snow blower.
- Because of the consistency of the snow, it quickly became slick and icy. We contacted three contractors that have helped us in the past to spread salt on our lots. Every one of them had equipment problems and the staff ended up using a hand push spreader to spread salt at Millburn Middle School and the tractor to spread salt at Millburn Elementary School. One of the contractors had his equipment repaired and was able to salt the lots the next day. However, it is a problem when we have icy lots.
- The Operations & Maintenance budget for this year includes funds to purchase a second truck with a salt spreader for snow removal. SEDOL recently purchased a new Ford heavy-duty plow truck through the Illinois State Bid for about the same price as a used vehicle. We will start exploring state bid pricing for new equipment as well as looking at used equipment that may meet our needs. Once I have more information, I will share it with the board for their consideration.

Property Tax Distributions

- The district has collected 99.9% of the 2016 pay 2017 property taxes payable to Millburn School District 24.

Consumer Price Index – Urban (CPI-U)

- As of the end of November, the CPI-U for the past 12 months was 2.2%. The December CPI-U for 2016 was 2.1%.

CLIC Liability Insurance Cooperative

- The district will be receiving a check for \$7,037 from CLIC in February or March for property/casualty equity that is being returned to members from 2003-2004 through 2012-2013. Since we are self-insured through the Cooperative, as old claims are settled, the equity that is no longer needed to pay claims is returned to the member districts.

S & P Material Event Notice

- It is a common practice for a school district to take out bond insurance when issuing bonds. This insurance decreases the risk for the bond holders and allows the district to get a lower interest rate on the bonds.
- The bond insurance market has experienced problems over the past few years. Standard & Poors (S&P) withdrew their bond rating on National Public Finance Guarantee Corporation (NFPG) that was the successor bond insurer for the District's Series 2004 Bonds. This S&P action is a material event and the district was required to post notice of this event on the Electronic Municipal Market Access (EMMA). Holders of municipal bonds use the EMMA to get information on bonds that they hold.
- We posted a similar notice when the prior insurer, National Public Finance Guarantee Corporation (NPFPG) had problems. The posting is simply a result of the problems the bond insurance market has experienced recently and is not a result of anything the school district has done.

Garage Sale Update

- Before expenses, the garage sale brought in just under \$70,000.

CN-OPS-II Survey

- The USDA/FNS Child Nutrition Operations Study survey was recently completed. This survey focused on the school breakfast and lunch program. The survey took approximately 3 hours to complete.

Architect Selection Update

- The architect selection committee has narrowed the original pool of eight (8) firms to three (3) firms: Arcon Associates, Inc.; Tria Architecture; and WOLD-Ruck Pate. The committee will be visiting a site where each of the three firms completed a renovation project on Thursday, December 21, 2017.
- The next step in the process is the architect interview process. We were tentatively looking at conducting the interviews at the January 8, 2018 Committee of the Whole (COW) Meeting on January 8, 2017. The last time the board went through this process, I believe that the board opted to start the COW meeting at 6 p.m. instead of the normal 7 p.m. starting time. The interview process will take between 2.5 and 3 hours. The board could also opt to schedule the interviews on a separate night. This item is on the agenda for board discussion.

Millburn Elementary School Boiler Repair

- One of the three boilers in the 1999 addition of Millburn Elementary School is experiencing a problem with the refractory cement inside the boiler that has decayed and collapsed. This boiler was the lead boiler and this may have contributed to its decay. The lead boiler has been switched over to one of the other two boilers.
- The repair work is labor intensive and involves:
 - Removing the power head assembly
 - Removing all interior fire brick
 - Providing all new fire brick and mortar
 - Assemble the inside of the firebox and allow it to cure
 - Reassemble the boiler power head and perform startup
- The repair work is estimated to cost between \$15,000 and \$26,600 in a worst case scenario.

Millburn Middle School Roof Repair

- The roof at MMS has approximately 340 linear feet of flashing at the parapet (where the roof meets a wall) that urgently needs repair. Unfortunately, the MMS roof is out of warranty. After we received the first quote, we obtained a second quote because of the cost of the work involved.
- We received the lowest price for the work from Riddiford Roofing Company. Their quote was \$9482 and their Weatherguard's quote was \$10,900. We have had positive experience with both companies, so the work was awarded to Riddiford Roofing Company. The work will be completed as weather permits.
- In the Spring, we will need to examine the remainder of the roof as "blow out was observed in other areas of the roof flashing. However, those areas are not in immediate need of repair.