

**Business Office Update  
April 2, 2012 Meeting  
Submitted March 30, 2012**

**Property Tax Update**

- The Lake County Clerk's office has corresponded with taxing entities regarding the approximate dates when the tax rates will be certified:
  - April 11 – Department of Revenue sets state multiplier (anticipates that it will be a positive multiplier again this year)
  - April 13 – Extension worksheets are sent to the district for PTELL cuts
  - April 19 – Final certifications are sent to the districts for their approval
  - April 20 – Rates are certified to the Treasurer's office and the property tax billing procedure begins.

**Update on Bond Refunding**

- Mr. Lind and I met with Standard & Poors via conference call on March 15, 2012. We were also involved in follow-up calls to answer additional questions from S & P. As you are aware, the district's bond rating was downgraded from A (Stable Outlook) to A- (negative outlook). This rating will be re-evaluated by S & P in one year. Factors that caused the downgrade included items such as: previous years actual expenditures exceeding revenue received during the same fiscal year, the failure of the 2010 referendum, the current economic conditions, etc... The downgrade in the district's bond rating was reported to the current bond holders as required by the continuing disclosure undertaking rules on March 29, 2012.
- We were also hoping to be able to purchase bond insurance that would have guaranteed payment to the bondholders if the district were to default. When we tried to obtain bond insurance, we were denied coverage.
- Unfortunately for those of us trying to sell bonds, we have lost about 40 basis points in the market as a result of the recent upturn in the economy that is also reflected in home mortgage rates, the downgrade in our bond rating, and the district's inability to obtain bond insurance. On the positive side, there is still a significant savings opportunity for the district to pass onto the taxpayers.
- If the bonds were sold on March 26, 2012, we could expect savings of approximately \$260,000 versus the savings of \$386,930 had the bonds been sold on February 6, 2012. The threshold set by the board resolution for savings was 3%. The current market would result in savings of approximately 4% while the February savings would have been in the 6% range.
- We are proceeding to market the bonds and anticipate being able to close the sale assuming that the committee formed by the board resolution agrees that the bond sale meets or exceeds the minimum savings set by the board resolution. If the market is not able to meet the district's minimum savings, we have until August 22, 2012 to complete the sale. The board identified the following as their "Designated Representatives" in the February 22, 2012 resolution: the President of the School Board, the Superintendent, and the Business Manager. The "Designated Representatives" will meet and make a determination regarding whether to authorize the sale once we have information regarding what the actual savings would be to the district and taxpayers.

### **Budget Information**

During the month of April, I will be working with the administrative staff and the Finance & Facilities Committee to review the FY2011 and FY2012 budgets as well as the first draft of the FY2013 budget. After their review, the first draft of the FY2013 budget will be on the agenda for review at the Committee of the Whole Meeting on May 7, 2012.

### **Health Insurance Open Enrollment**

- Open enrollment for staff will be April 9 – 30, 2012. This is the only time each year when current employees can change their insurance coverage without a “Life Event” occurring such as marriage, divorce, adoption, loss of spouse’s insurance coverage, etc...

### **Medicaid Fee-For-Service**

- At the last Committee of the Whole, I reported that we had received Medicaid fee-for-service reimbursement in the amount of \$27,669.52 that would need to be expended for special education purposes. Laptop computers have been ordered for certified special education staff members with these funds as a part of the district’s technology replacement plan.

### **Fire Safety Update**

The annual inspection of fire extinguishers and related equipment was conducted. We had several fire extinguishers that were identified as needing repair and/or service. In cases where the cost of the repairs exceeded or was close to the cost of a new extinguisher, I authorized the purchase of new fire extinguishers. Additionally, the following have been completed:

- Central School - \$3346
  - Pressure testing and recharging of kitchen hood fire suppression system cylinder
  - Replace fire alarm system control panel processor
  - Replace fire department connection caps
- West School - \$286
  - Replace the riser pressure gauges on all 3 sprinkler risers

### **Donation**

The district received a donation in March, 2012 from Ms. Janet Stecklein of classroom furniture, games, and assorted supplies. A letter was sent on behalf of the Board of Education thanking Ms. Stecklein for her donation.

### **Building Security**

After the recent break-ins at Millburn West School, the district has been examining methods to increase the security in district buildings. Measures that were taken after the first break-in were effective in reducing the district’s losses during the recent break-in. Mr. Lind & I will be exploring both low/no cost measures as well as measures that will require an investment by the district.

### **Millburn Central School Sign**

The Village of Old Mill Creek approved the zoning variation application for the Millburn Central School sign that was purchased by the PTO last year. The request to use the internal illumination in the sign was not approved. Mr. Lind; Mr. Guss, Central PTO member; Ms. Brown, Central PTO President; Ms. DeLaMar; & I will meet on Monday, April 2 to discuss options for illumination and the next steps that need to be taken to install the sign at Millburn Central. The new sign will be located near the parking lot exit onto Millburn Road.

### **Maintenance Grant Program & Development of a Long-Range Facility Plan**

On Tuesday, March 27, 2012, we conducted a walk-through of both Central and West Schools to identify not only projects that would qualify for the \$50,000 matching maintenance grant program, but to identify other projects that need to be planned and scheduled for current or future implementation. I took photos and Mr. Lind took detailed notes regarding potential projects. Once compiled, we will begin to prioritize the various projects and map out a long-range facility maintenance plan.

Bruce Trongeau, Central Custodian; Colin Marshall, from Green & Associates Architects; and I met on Thursday, March 29, 2012 and walked the Central School roofs except the 2000 addition. Mr. Marshall will be taking the information from our walk so that we can include roof maintenance and replacement in the long-range facility plan. One of the smaller roof sections is beginning to show signs of "alligatoring". This is a single ply roof, so when the membrane deteriorates to this level, replacement of the roof should be scheduled. It is anticipated that replacement of this one section of roof would be in the approximate price range of the matching grant. I am anticipating receiving cost estimates from Mr. Marshall during the week of April 2, 2012.

Unless I hear something different from Mr. Marshall, I anticipate that Mr. Lind & I will be recommending at the April 16, 2012 meeting that the board authorize the administration to apply to for the Maintenance Grant Program to replace a section of the roof at Millburn Central School.

### **Future Grant Opportunities**

#### **Energy Efficiency Grants**

The district would also qualify to apply for an Energy Efficiency Grant authorized by the FY2010 Capital Bill. This grant would provide up to a \$250,000 matching grant that could be used for insulation, windows, doors, energy controls, lighting, energy recovery, energy conservation, alternative energy systems and other projects designed to reduce energy consumption. The Capital Bill provides \$50 million for these Energy Efficiency Grants. \$30 million was awarded in April 2011 and the remaining \$20 million will be awarded next Spring. If the grant application process follows the same cycle as this fiscal year, grant applications will be due in January, 2013.

### **Illinois Department of Commerce & Economic Opportunity Public Energy Efficiency Program**

It is anticipated that the next competitive grant program will begin on or about June 1, 2012. All grant approved improvements must be installed on or before June 2, 2013. The grant program provides for up to \$300,000 per location. This is also a matching grant program and has consistently been available from year to year. As I understand it, the funding for this program, is paid for through funds collected as a part of our monthly utility bills similar to the E-Rate funding that helps schools pay for phones and internet access. This grant will help pay for the energy efficiency improvements in the following categories: Lighting; Heating, Ventilation, Air Conditioning (HVAC) and Water Heaters; Motors; Kitchen. Our neighboring district, Beach Park, used this grant to replace an old inefficient boiler with an energy efficient boiler.

