

**Business Office Update
June 27, 2016 Meeting**

Interfund Transfers

- Agenda Item VI-A - \$705,000 transfer from the Transportation Fund to the Operations & Maintenance Fund
 - Anytime a permanent transfer is made between the Education, Operations & Maintenance, and the Transportation Funds, a public hearing is required. A notice must be published in the newspaper at least seven, but not more than 30 days prior to the hearing. The notice for the Millburn District 24 hearing was published in the Daily Herald on June 16, 2016. The transfer must be for one-time non-recurring expenses. The proposed transfer will be used to pay for capital improvement projects such as Lighting, Drainage & Paving, and the Millburn Middle School Chiller replacement.
- Agenda Item VI-B - \$705,000 Interfund Transfer between the Operations & Maintenance and the Capital Project Fund
 - The Illinois Programming & Accounting Manual (IPAM) recommends that capital improvement projects be paid from the Capital Projects Fund. This resolution satisfies the requirement that the board authorize the transfer of funds to the Capital Projects Fund. The HVAC Chiller replacement at Millburn Middle School will be partially funded with \$55,000 of this transfer. If any portion of this is covered by insurance, the remaining funds will be used for other capital improvement projects.
- Agenda Item VI-C - \$180,000 Interfund Transfer from the Education Fund to the Capital Project Fund
 - The Illinois Programming & Accounting Manual (IPAM) recommends that capital improvement projects be paid from the Capital Projects Fund. This resolution satisfies the requirement that the board authorize the transfer of funds from the Education Fund to the Capital Projects Fund in the amount of \$180,000 that will be used to partially fund the HVAC chiller replacement at Millburn Middle School. If a portion of the chiller replacement is covered by insurance, the remaining funds will be used for other capital improvement projects.
- Agenda Item VI-D – Transfer of Interest from the Debt Service Fund to the Operations & Maintenance Fund
 - School Code Section 10-22.44 allows a school district to transfer interest earned from certain funds to be transferred to the fund most in need as long as the transfer was included in the district's annual budget.
 - Because the interest for June won't be posted until July 1, 2016, the board resolution indicates that the interest transfer will be in excess of \$1300.

Prevailing Wage Resolution

- Each Illinois School Board is required by law to adopt a "Resolution for Prevailing Wage" no later than June 30 each year.
- Typically, the Illinois Department of Labor has issued a listing of the current year prevailing wages for each County. I received correspondence from the Department of Labor affirming that a resolution needs to be adopted and that the 2015 rates remain in effect until the 2016 rates are available around the end of July, 2016.

Facilities Use Fees

- The "Facilities Use Fees" are on the agenda for adoption. The only change recommended at this time is a wording change in the "Certificate of Liability" section. The change adds that the insurance certificate naming Millburn School District 24 include the district as an "additional insured on a primary – noncontributory basis." This change was recommended by the CLIC insurance cooperative that provides our liability insurance.
- During the next year, the board can further analyze the fees received from the various groups that use the district's facilities and compare those to the costs incurred by the district. The goal is to have the fees be reasonable for the groups renting, but yet cover the costs that the district incurs.

Chiller Update

- The chiller for Millburn Middle School was ordered on Wednesday, June 22, 2016. There was a delay because we learned that the slightly larger unit that was originally proposed would have fit inside the existing brick enclosure, however, the enclosure wouldn't have allowed the doors to open to access the control panel of the chiller.
- The chiller that was ordered is a slightly lower capacity (approximately 2%) than the existing chiller, but both Fanning Howey and the HVAC contractor don't anticipate any problem with the chiller meeting the demand of the school. The existing chiller had 3 compressors and only rarely did the third compressor run.
- Once I know more about the anticipated delivery date, I will update the board and the MMS staff.

Lighting Update

- As the lighting project has progressed, we have run into some issues with regard to existing conditions. We have some areas where there are obstructions such as ductwork that make the installation of the specified 2' x 4' fixtures impossible. We also discovered some storage areas and custodial closets that were not included in the drawings.
- The architect is in the process of requesting a cost from the contractor for fixtures that will provide adequate lighting given the existing conditions. The architect will also request a credit for the existing 2' x 4' fixtures that we are unable to use as well as a cost to install those fixtures in another area.
- There are motion sensors in each parking lot. When motion is detected, the lights will change from dimmed lighting to 100% lighting.
- Photos of progress since the June 13, 2016 meeting:



Ceiling grid installed and sprinkler heads relocated



Completed classroom



Lighting being installed in the East Gym



NEW LED on the left and EXISTING on the right

Paving Update

- The paving project has not moved as quickly as had been anticipated, but there have been no issues with existing conditions up to this point that have impacted the project.
- The next step in the project is the location of drainage structures in the Millburn Elementary School hard surface playground as well as in the bus loop adjacent to the detention pond. The drainage structures in the playground area are designed to route water away from the building while the structures in the bus loop are designed to drain water from the bus loop into the detention pond. There is currently a spillway that routes water to the detention pond, but with shifting of the concrete, water seeps into the existing pavement and has caused potholes from the freeze/thaw cycle we have in the Midwest winters.
- At Millburn Middle School, we will also be locating a drain in the asphalt play area adjacent to the mulch area to drain water that collects after every rainfall.



Drainage problem at Millburn Middle School



Drainage structures to be used in the bus loop



MES East Playground



Excavation – MES – East Side

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PTO Donation

- The PTO donated a GaGa Ball Pit to the district. It has been installed at Millburn Middle School on Friday, June 17, 2016.
The game is played with a lightweight bouncy or foam ball. The object is to hit the ball at or below their opponents' knees to eliminate them from the pit. The last one left is the winner.



NRGCS PowerPay Demand Response Program

- Millburn District 24 is now enrolled in the demand response program.
- What this means is that from June 1 through September 30, 2016 between noon and 8:00 p.m., the district will need to reduce electrical energy demand by 220 kilowatts when notified 30 minutes prior to an event. Each event will be a maximum of 6 hours. Most years, energy demands don't reach the level of calling an "event." The program does an annual test for 1 hour in September.
- We now have the energy management system set up with an electronic button that we will use to reduce energy. We have two levels set up. The most severe level shuts off the chiller and increases the occupied setpoint to 76 degrees while the second leaves the chiller running, but also increases the occupied setpoint.
- During the first year, if we reach the goal of a 220 kilowatt reduction during event(s) or the annual test, Millburn will receive a check for approximately \$4300. In the second year, that would increase to approximately \$6500 and to approximately \$11,500 in the third year of the program. If the district is unable to make the 220 kilowatt reduction, there is no financial penalty to the district.

Activities

- On Wednesday, June 15, 2016, Terry Miller and I met with Millburn's HVAC contractor, Robert Grubbs, and an engineer from Chubb Insurance to look at the chiller at Millburn Middle School as a result of a claim I filed with our insurance company.
- On Wednesday, June 15, 2016, Terry Miller and I participated in the bi-weekly lighting project progress meeting.
- On Wednesday, June 21, 2016, Terry Miller and I met with Millburn's Civil Engineer, George Dreger, and the paving company to discuss the project schedule and their lack of progress on Millburn's job. Since that meeting, work has resumed.