

## **Business Office Update June 4, 2012 Meeting**

### **FY2012 Tentative Budget Amendment**

- The budget hearing for the FY2012 budget amendment will be held at the June 18, 2012 meeting. Detailed information regarding the budget amendment was included in the May 7, 2012 “Business Office Report”.

### **Legislative Action**

- State Aid
  - The state budget that was approved results in a budget for K-12 education that is \$208 million less than the current funding level for FY12 (2011-12 school year).
  - General State Aid makes up \$162 million of the \$208 million in reductions. This results in the loss of approximately \$315,765 in general state aid for FY13.
  - Don’t forget that the FY12 payment was pro-rated at 95% resulting in a loss of \$149,203.21. The \$315,765 is in addition to the ongoing loss of \$149,203.21.
  - I am sure a portion of the remaining \$46 million in reductions in state education funding will also impact Millburn although I don’t yet have specific amounts or programs that will be impacted.
- Pension Reform
  - The legislature failed to act on pension reform and it is anticipated that the Governor will call a special session to work on pension reform.
  - All versions that have been presented would have resulted in additional costs to school districts. When this is coupled with the reductions in state funding for the last two consecutive fiscal years, the picture for school districts is bleak.

### **Property Tax Objections**

- I recently became aware of property tax objections that were filed for 2006 (\$4351.61) and 2007 (\$3356.36) alleging improper expenditures in the Tort Fund. Millburn’s property tax objection was a small part of the total objection. Over 300 plaintiffs are represented by one law firm that filed objections against a large number of school districts.
- A recent court case out of the 3<sup>rd</sup> District (Freeport) clarified that salaries of teachers or administrators are not allowable salaries in the Tort Fund. During this time period, Millburn was paying a portion of administrative salaries from the Tort Fund.
- I am recommending that the board authorize the Lake County State’s Attorney to settle the 2006 and 2007 property tax objections on behalf of Millburn C.C. School District 24.

### **Snow Removal Bid**

- The snow removal service bid specifications included an option to extend the bid for up to three additional one-year extensions. Ground Effects Maintenance has offered to extend the bid for one additional year at no increase in pricing. At the June 18, 2012 meeting, I will be recommending that the board extend the contract with Ground Effects Maintenance for the 2012-13 school year at the 2011-12 rates.

### **Property Tax Receipts & Tax Anticipation Warrants**

- The district received the first property tax distribution of \$314,290.84 was received on May 24, 2012. The May distribution in 2011 was \$68,286.69. The fact that the May distribution was higher than anticipated means that the total Tax Anticipation Warrants for the district was \$2,500,000 instead of the \$3,000,000 authorized by the Board of Education.
- The TAW resolution on the agenda will allow the tax warrants to be paid as property tax receipts are received by the district rather than wait until the June 18, 2012 board meeting. This will reduce the interest expense to the district.

### **Crossing Guards for the 2012-13 School Year**

- With the reconfiguration of schools for next year, a determination will need to be made if the crossing guards in the neighborhood adjacent to Millburn West School will be needed for the 2012-13 school year. The cost of the three crossing guards is approximately \$14,000 annually.
- There are two permanent crossing guards at the corner of
  - Independence & Heritage
  - Independence & Providence
- There is one walking crossing guard that walks students from the corner of Monroe & Adams to the corner of Independence & Franklin Lane.
- A map showing the location of the current crossing guards is attached.

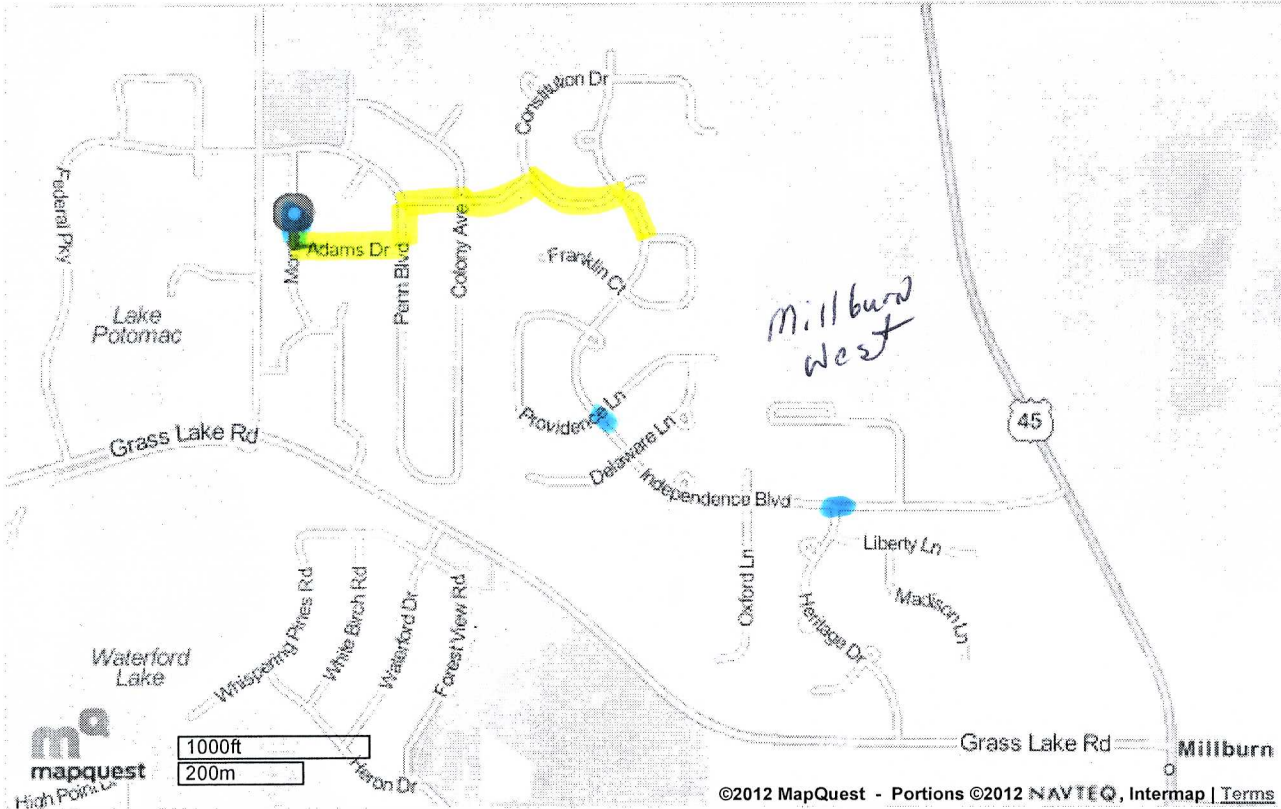


Notes

Map of:

**Monroe Dr & Adams Dr**

Lindenhurst, IL 60046



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