

**Business Office Update
January 23, 2017 Meeting**

Travel Policy

- HB4379 was signed on July 22, 2016 by the Governor. This law requires school districts to place regulations on the travel, meal, and lodging expenses of its administrators, employees, and board members.
 - Effective January 1, 2017, the district is prohibited from reimbursing entertainment expenses unless ancillary to the purpose of the program or event.
 - Approve board member and corporate authorities (administrators) expenses in a public meeting by roll call vote beginning March 2, 2017.
 - Adopt a resolution regulating travel, lodging, and meal expenses no later than June 30, 2017. If no resolution is adopted, the board is not authorized to reimburse any travel expenses.

Property Tax Revenue

- Millburn District 24 received \$13,590,146.69 or 99.79% of the property tax revenue estimated for the 2015 pay 2016 taxes.

Financial Profile Score

- The Millburn District 24 Financial Profile Score remains at 2.55 for 2017 based on the 2015-16 school year data. The district remains on the Financial Watch List. A copy of Millburn's Profile Score is attached.
- Two major factors are bringing down Millburn's Profile Score
 - Fund Balance to Revenue Ratio – Millburn has a score of .35; the maximum score is 1.40
 - Percent of Long-Term Debt Margin Remaining – Millburn has a score of .10; the maximum score is .40
- In the last 5 years, Millburn District 24 has substantially improved the Fund Balance to Revenue Ratio, however, since the fund balance remains negative, our score is still low. Additionally, the percent of long-term debt has been decreasing.
- Our financial profile score based on the 2011-12 school year was 2.35 and has improved to 2.55

Lead Testing

- Governor Rauner signed legislation requiring testing of water in schools for lead. According to the Daily Herald, the law requires that schools built before 1987 be tested by the end of 2017 while schools built after 1987 to be tested by the end of 2018.
- Once I have reviewed the exact language and the requirements, I will schedule the testing.

Flooring Issues in the Spectrum Wing

- During winter break, I became aware that some of the asbestos floor tiles had broken off and there was a void under the floor in that location. I took photos and emailed Charli at Fanning/Howey regarding the issue.
- On January 10, 2017, Gary Matthews from Fanning/Howey and Blake Mellecker from Midwest Environmental Consulting Services, Inc. did a site visit.
- During the site visit, it was determined that there is a void under the floor at the east end of Rooms 204 & 205 that extends the width of the room. The recommended solution was to hire a contractor to remove 2-3 rows of the asbestos floor tile.
- Once the tile is removed and the area is cleared, the void will need to be filled with hydraulic cement. Once this cures, VCT flooring would be installed to replace the tile that is removed.
- The cost of the consultant and the asbestos floor tile removal is \$6550. We are in the process of determining if the hydraulic cement and floor tile can be installed by Millburn staff or if we will need to hire a contractor for this work.
- We are planning on having these repairs done over Spring Break

Update on Summer 2016 & Future Projects

- On January 10, 2017, Terry Miller and I met with Gary Matthews from Fanning Howey to review summer work projects that will require a bid.
- On January 13, 2017, I had a conference call with Gary Matthews and the engineer that is working on our boiler replacement project.
- Mr. Lind and I authorized Fanning-Howey to begin preparing the bid documents.

Financial & Human Resource Software

- We are in the process of compiling an additional set of questions regarding specific features and the functionality of the software that will be requested from the prospective vendors.
- The goal remains to make a decision regarding a vendor no later than mid-February.

Copier Issue

- One of our oldest copiers has reached the end of its life. We were hopeful that it would last the full 5 years of the service agreement. Unfortunately, it can't be repaired. The copier is located at Millburn Middle School.
- Mr. Lind and I met with David Ursan from Techstar on January 18, 2017
- A demonstrator model with only 70,000 copies has been ordered. Each of our copiers average about 400,000 copies per year.

Surveys/Reports/Renewal Applications Due in January

- January is a busy month for reporting in the Business Office. The following reports and surveys are generated each January by the Business Office
 - Illinois Health Insurance Survey
 - Collective Liability Insurance Cooperative Renewal Applications
 - ISBE Non-Certified Salary Survey
 - ISBE Teacher Salary Study
 - Quarterly Federal & State Grant Reports
 - School District Financial Profile Score Report, Operating Expense per Pupil Report, & Per Capita Tuition Charge Report – Review & Approve
 - SEDOL – End of the Year Report for Pre-K & IDEA Flow-Through Grants & Single Audit Questionnaire
 - ISBE – Single Audit Questionnaire
 - ISBE Special Education Excess Cost Report
 - File tax-exempt property with Lake County
 - Review and approve the Financial Profile Score and the Expense Per Pupil Per Capita Tuition Charge
 - School Onsite Nutrition Review at each building prior to February 1 each year

Activities

- December 21, 2016 - Filed the 2016 pay 2017 Levy with the County Clerk's Office
- January 6, 2017 – Attended the Northeastern Illinois Association of School Business Officials Meeting in Buffalo Grove, IL. During the meeting, I learned about best practices for administering 403b tax sheltered programs. Our insurance cooperative, CLIC, has already had one suit filed against a school district in relation to the district-sponsored 403b program. This was also in the news last fall when several high profile universities were sued because their employees felt their return on their investment was below what it should have been.
- January 9, 2017 – Attended the IASBO Planning & Construction Professional Development Committee meeting in Naperville, IL. This meeting was to review presentations that will be presented at the Facilities Conference in March, 2017 as well as at the IASBO annual conference that will be held in April, 2017.
- January 12, 2017 – Bernadette Hanna and I participated in a Webinar regarding the Wage and Hour rules. Based on this and another session I attended, Millburn will need to review and verify the non-exempt status of our non-certified employees.

Illinois State Board of Education
Tony Smith, Ph.D., State Superintendent of Education
School Business and Support Services

1/19/2017

2017 Financial Profile Designation
Based On the 2015-2016 Annual Financial Report Data

County: Lake
District: Millburn CCSD 24
RCDT Code: 34-049-0240-04

1. Fund Balance To Revenue Ratio:		Total	Ratio	Score	1.00
Total Sum of Fund Balance (P8, Cells C80, D80, F80 & I80)	Funds 10, 20, 40, 70 + (50 & 80 if negative)	-1,644,217.00	-0.107	Weight	0.35
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70	15,241,416.00		Value	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C53 thru D73)	Minus Funds 10 & 20				
2. Expenditures To Revenue Ratio:		Total	Ratio	Score	4.00
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)	Funds 10, 20 & 40	14,299,065.00	0.938	Adjustment	0.00
Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)	Funds 10, 20, 40, & 70	15,241,416.00		Weight	0.35
Less: Operating Debt Pledged to Other Funds (P8, Cell C53 thru D73)				Value	1.40
Possible Adjustment:					
3. Days Cash On Hand:		Total	Days	Score	3.00
Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)	Funds 10, 20 40 & 70	4,328,013.00	108.96	Weight	0.10
Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)	Funds 10, 20, 40 divided by 360	39,719.63		Value	0.30
4. Percent of Short-Term Borrowing Maximum Remaining:		Total	Percent	Score	4.00
Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11)	Funds 10, 20 & 40	0.00	100.00	Weight	0.10
EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)	(.85 x EAV) x Sum of Combined Tax Rates	9,860,255.56		Value	0.40
5. Percent of Long-Term Debt Margin Remaining:		Total	Percent	Score	1.00
Long-Term Debt Outstanding (P3, Cell H37)		15,643,692.00	-5.10	Weight	0.10
Total Long-Term Debt Allowed (P3, Cell H31)		14,883,241.83		Value	0.10
				Total Profile Score	2.55

Note:

* Estimated Total Profile Score may change based on information
Final score will be calculated by ISBE