

**Business Office Update  
May 22, 2017 Meeting**

**Spectrum Lease**

- Dr. Lind and I are recommending that the board approve the lease renewal with Spectrum for the period of August 1, 2017 through July 31, 2018. A copy of the lease amendment is attached to the agenda.

**GASB 45 Actuarial Reports**

- School districts are required to conduct an actuarial study to determine the unfunded liability of post-retirement expenses. Last year, our auditor requested that we engage another firm to conduct this study.
- At that time, I obtained two proposals for this service. Lauterbach and Amen was hired since their cost was less than half the cost of the other proposal.
- In talking with Lauterbach and Amen, the work involved for the GASB 45 update for fiscal year 2017 is less than anticipated. The letter of engagement that is attached to your agenda for approval will replace the letter of engagement that was signed on in June, 2016. The cost currently is \$3400 for FY2016, \$3400 for FY2017, \$0.00 for FY2018
- The cost of the revised letter of agreement is \$3400 for FY2016, \$0.00 for FY2017, \$3400 for FY2018, and \$850 for FY2019.
- Dr. Lind and I are recommending approval of the revised Letter of Agreement.

**Workers' Compensation and Property Casualty Insurance**

- The Collective Liability Insurance Cooperative met on Thursday, May 18, 2017.
- Our Workers' Compensation renewal for 2017-18 will be going down by 8.14%. This year, our workers compensation cost was \$106,050 and it will be going down to \$97,413 for 2017-18.
- Our Property Casualty renewal for 2017-18 will be going down by 1.79%. This year, our cost was \$61,173 and it will be going down to \$60,076 for 2017-18.

**Amended FY 2017 Budget**

- It is recommended that the board authorize the administration to put the proposed Amended FY2017 budget on public display and place a legal ad listing the date of the Public Hearing for the Amended FY2017 Budget as June 26, 2017.

**Resolution for Inter Fund Transfers**

- At the June 26, 2017 meeting, the Board will be asked to approve resolution(s) that authorize the
  - Transfer of \$200,000 from the Education Fund to the Operations & Maintenance Fund
  - Transfer of \$150,000 from the Operations & Maintenance Fund to the Capital Projects Fund
  - Transfers of interest from the Debt Service Fund and the Education Fund to the Transportation Fund

**Approval to Advertise a Public Hearing for Inter-Fund Transfers**

- It is recommended that the board authorize the administration to advertise for a Public Hearing for the FY2017 inter-fund transfers.

**School Meal Prices for 2017-18**

- The administration is recommending that the district increase the student lunch price from \$2.75 to \$2.85 and the adult lunch price from \$3.35 to \$3.45
- No increase in the milk price is recommended. The current price of milk is \$0.60 per carton.

**Food Service Bid**

- A bid addendum was sent out to prospective bidders on May 17, 2017.
- The Bid opening will be held at 1:30 p.m. on May 31, 2017
- I am anticipating that approval of the recommendation for a Food Service Management Company (FSMC) will be on the agenda for a special board meeting to be held immediately prior to the June 12, 2017 Committee of the Whole meeting.

### **Food Service Administrative Review**

- A representative, Kathryn Dundon, from the National School Lunch program was onsite at Millburn Elementary School on May 17-18, 2017. She reviewed our administrative procedures, Arbor's nutrition information, and observed lunch at Millburn Elementary on May 18, 2017.
- The exit conference for the district's National School Lunch Food Service Administrative Review was held on Friday, May 19, 2017. The review was very positive. Comments and findings are listed below:
  - We did not check the direct certification database prior to mailing out the verification paperwork to the one family that was selected.
  - Drinking water was not readily available to the students throughout lunch at Millburn Elementary School. We were under the impression that allowing the students to walk to the drinking fountain near the cafeteria met this requirement. We were advised that the water fountain is too far from the cafeteria. We will need to add either pitchers or some type of dispenser in the cafeteria with potable water for students that want water with their lunch.
  - The district was commended on its Local School Wellness Policy review and wellness assessment that Dr. Lind completed when the wellness committee met.

### **Property Tax Collection**

- The district received the first property tax collection for the 2017-18 school year on May 18, 2017 in the amount of \$355,261.80. The total property tax revenue that we anticipate receiving in 2017 is \$13,941,025.78.

### **Apple iPad Lease**

- Dr. Lind and I are recommending that the board approve a 4-year lease with Apple Financial Services with a 1.45% interest rate. The lease has a \$1 buyout clause that means that the district owns the equipment at the end of the lease. The total amount of the lease is \$457,428.50 with four annual payments of 116,838.25 due on July 15 beginning with July 15, 2017.

### **Midwest Transit Bus Lease**

- We have had some challenges this year with having enough small buses available when a small bus is in the shop for repairs. The small buses are used for special education door-to-door transportation. Substituting a large bus for a small bus that is being repaired is often a problem because of the fact that many of our special education routes have cul de sacs that our large buses cannot safely navigate. We also have problems with roads that are sometimes more difficult to navigate in the multi-family housing sections of the district.
- Dr. Lind and I are recommending that the board approve the following two items:
  - Transfer assignment one of our 71 passenger IC CE buses from Millburn's current lease to Midwest Transit (Leased Vehicle Assignment Agreement)
  - Enter into a lease for a 2014 Chevy Starcraft 28 passenger school bus to replace the 71 passenger bus that will be returned.
  - The two documents that will transfer the 28-passenger small bus replacing the 71-passenger bus in our lease documents. Millburn's lease payment to Santander Leasing will remain the same for the remaining two years of the lease.