

**Business Office Update
May 12, 2014 COW Meeting**

Cash Flow

- The district continues to be ahead of last year with regard to the need to borrow money (TAW's) for cash flow.
- To date, the district has borrowed \$1 million in TAW's (March & April).
- We received approximately \$263,000 in state revenue for special education and transportation that I had not anticipated receiving until late May or June.
- We will not need to borrow to meet the May payrolls, but we may need to borrow to pay the bills at the May 27, 2014 board meeting. The revenue we receive in May as well as the size of the early property tax distribution on May 22, 2014 are still unknown and will impact our need to borrow.
- At the May 27, 2014 Board Meeting, the board will be asked to approve a resolution that will authorize the administration to pay off the TAWs after the bulk of the property tax revenue is received.

Architect of Record Search

- The committee is progressing on the search for an architectural firm.
- We anticipate notifying the short list of architectural firms by May 14, 2014.

Arbor Management

- The district's contract with Arbor allows the price to increase by the Food Away From Home CPI for the 12 month period ending in January (2.1%).
- At the May 26, 2014 board meeting, I will be recommending that the Arbor Management Contract be renewed at an increase of 2.1%.
- For the 2014-15 school year, Arbor will be working with the district to create a student advisory committee that will meet approximately three times per year. I anticipate that this committee would sample food products that are being considered to be added to the menu. Arbor's dietician will also provide information at one or more of the meetings.
- Arbor plans to have a stocked fruit & vegetable bar set up at the fall open house. Samples of menu items will also be available for parents to sample.

IUPC Settlement

- The Intergovernmental Utilities Purchasing Cooperative reached a settlement with the consultant that had previously been used by the Cooperative.
- The district received a check in the amount of \$6486.39 as our portion of the settlement.

Asbestos Awareness & Safety

- All of the Millburn custodial staff attended a two-hour training on Asbestos Awareness and Safety on Wednesday, May 7, 2014

Professional Activities:

- On April 25, I attended the IUPC Energy Consortium meeting of which Millburn is a member. A recommendation for budgeting purposes was shared with members.
 - For natural gas, members in the managed program, a reduction of 10-15% was recommended from the 2013-14 expenditures.
 - For electricity, a 3% increase was recommended. The Cooperative was able to lock in electricity at a lower rate. However, the decrease is offset by an increase in the capacity charges from ComEd.

- I also attended the Northeast Illinois Association of School Business Managers (NEIASBO) meeting on April 25, 2014 immediately following the IUPC meeting.
 - Willard Helander, Lake County Clerk, and Kipp Wilson, Lake County Tax Extension Administrator, spoke with regard to changes in property values in Lake County. Overall, Lake County's assessed value as measured in 2013 versus the assessed value in 2008 is down 24.66%. Overall **decreases** in assessed value for the current year 2013 vs 2012 are listed below for the four townships that are part of the Millburn School District.
 - Antioch Twp – (7.62%)
 - Lake Villa – (8.53%)
 - Newport – (9.94%)
 - Warren – (6.67%)
 - Deb Vespa, ISBE Division Administrator for School Business Services updated the members on current legislative proposals and their potential impact on school funding.
 - During the meeting, I was elected as Treasurer of the NEIASBO.
- On April 28, 2014 I attended the Illinois Municipal Retirement Fund (IMRF) rate meeting in Libertyville.
 - The IMRF was 87.6% funded on an actuarial basis. The major difference between IMRF & TRS is that IMRF is funded from employer and employee contributions. There are no state contributions to IMRF. Sixty-three cents (\$0.63) of every dollar invested annually is from investment income.
 - In October or November, I will make the board aware if the district has funds available to buy down a portion of the district's unfunded liability. This would save the cost of interest charged (7.5%) to the district for its portion of unfunded liability and reduce future rate increases. The only risk to the district is if IMRF's investment returns decrease over the coming year, the district liability, including the additional payment could decrease in value. Making an additional payment in December reduces this risk.
- On April 30-May 2, 2014 I attended the Illinois Association of School Business Officials Conference in Schaumburg, IL. It was a very productive conference. I was named the chair of the Planning and Construction Professional Development Committee that I have served on for the past five years. I also attended sessions on the following topics:
 - Best Practices: Hiring and Firing School District Personnel
 - What's Happening in Negotiations
 - New Accounting and Auditing Standards
 - Fraud in Illinois School Districts: Who is Watching Your Wallet?
 - Public Sector Fraud: From a Forensic Auditor's Perspective
 - Procurement Compliance
 - Facilities Condition Assessment
 - Busting the Myths of LED Lighting and Geothermal Systems
 - Top Ten Bidding and Construction Problems and Solutions