

**Business Office Update  
February 10, 2020 Board Meeting**

**Summer 2020 Projects Bid Information**

- **Parking Lots & Drainage**
  - Bids were received on January 31, 2020 for the summer parking lot and drainage work.
    - Bids were received from Accu-Paving Company, Boller Construction Company, Lorusso Cement Contractors, and Schroeder Asphalt Services.
    - We are recommending that the district accept the low bid from Lorusso Cement Contractors from West Chicago, IL.
  - The bid included a base bid to repave the Millburn Elementary School front parking lot (parking spaces only), repave the bus parking area, add underground drainage by the bus parking area, add a curb at the bus parking area, repair up to 3500 square feet of potholes at both schools, and crack fill/sealcoat/stripe lots at Millburn Elementary School and Millburn Middle School.
    - Alternate 1 provides concrete instead of asphalt in about 2/3 of the bus parking area.
    - Alternate 2 provides for repaving of the driving loop in the Millburn Elementary front parking lot.
    - Each vendor also provided unit pricing for additional work if the base under the asphalt is more damaged than originally anticipated based on the soil borings.
  - We will be recommending that the base bid along with Alternate 1 & 2 and unit pricing 1-5 be awarded to Lorusso Cement Contractors. The contract being recommended totals \$322,100.00
- Quotes were received for removing the abandoned chimney in the old section of Millburn Elementary School. It will be recommended that a contract be awarded to Camosy Incorporated in the amount of \$8,155.00
- Quotes were received for replacement of five (5) windows, a sliding patio door, and deck board replacement at the house adjacent to Millburn Elementary School. It will be recommended that a contract be awarded to Efraim Carlson & Son in the amount of \$21,650.00
- Kirsta Ehmke from WOLD will be in attendance at the February 10, 2020 meeting to answer any questions that the Board may have.

**Energy Saving Opportunities**

- Both Millburn Elementary and Millburn Middle School have a hot water holding tank that is not insulated. We have received two quotes for insulating the hot water holding tank at both schools. The cost for the work prior to rebates is \$2400. The payback period when taking the natural gas rebate into account will be less than 2 years. Assuming that natural gas rates remain stable, we would see \$1371 per year in cost savings as a result of this project.
- Terry Miller and I are still working with Johnson Controls to identify the cost savings that would result from converting the older section of the building from a pneumatic control system to a digital system. I know that we would see cost savings in both electricity and natural gas, but I want to get an estimate of the cost savings prior to moving forward. The cost of the conversion would be \$54,460.85.

**Food Service National School Lunch Review**

- Millburn Elementary School will be reviewed by the Nutrition Department of the Illinois State Board of Education on March 3, 4, & 5, 2020.

### **Coop 90's Health Insurance Update**

- We received the preliminary rate recommendations at the Coop 90's Board meeting on January 30, 2020. The Coop 90's Board will take action to set the rates for the 2020-21 year at their meeting on February 20, 2020. I am the district representative that serves on the Coop 90's Board and Dr. Lind is the alternate district representative.
- The highlights of the meeting include the following:
  - The Cooperative Board is looking at changing the plan date from June 1 each year to September 1. If approved, we would hold open enrollment in April/May for the plan year beginning in June, 2020. That plan year would end on August 31, 2021. Going forward, the plan year would be reset to September 1 through August 31.
  - HMO plan renewal is 6.7%. This is a fully insured plan, so this cost is firm.
  - The PPO plan is looking at a recommended increase of 15.7%
    - The Cooperative used \$434,105.31 of reserves that was not planned in the budget. Upon further examination, the increase in claims was across all the member districts of the Cooperative 90's. The number of large claimants almost doubled from the prior year.
    - At the February meeting, the Cooperative will be looking at some possible plan changes that would allow us to shave a percent or two off the rate increase.
  - No rate increases are recommended for the dental plans. We would have a slight increase in premiums if we would change to a 4 tier system from a 2 tier system.
  - No rate increase is recommended for the vision plan.

### **403b Changes**

- Millburn District 24 provides employees with the option to participate in a 403b plan that is similar to a 401k plan provided by private employers. Employees at Millburn District 24 have the option of participating in a Roth 403b and/or regular 403b tax-sheltered plan.
- Plan Document Amendment
  - The district will need to amend the current 403b plan document due to new guidance from the Internal Revenue Service.
    - The changes will clarify that once a part time employee is eligible to participate in the plan, he/she cannot be excluded in a later year. (We currently allow all employees to participate.)
    - Hardship Distribution Changes
      - Eliminates the 6-month suspension of elective deferrals if you receive a hardship.
      - Eliminates the requirement that you take out a loan prior to receiving a hardship.
      - Adds a safe harbor expense that allows a participant to take a hardship for expenses relating to a FEMA disaster
      - Elective, non-elective, and matching contributions will be included as sources from which a participant can take a hardship withdrawal if the funds are in a non-custodial account
      - The criteria needed to demonstrate an immediate and heavy financial need will be revised to make it easier to obtain a hardship distribution.
  - As the designee for the District's plan, I will authorize the changes required by the IRS.
- Potential addition of a new vendor
  - I am in the beginning stages of vetting a new vendor for Millburn District 24's 403b plan that would offer a low-fee option for Millburn employees.

### **Activities**

- January 28, 2020 – Terry Miller and I met with a representative from North Shore Gas regarding energy savings opportunities.
- January 30, 2020 – I attended the Coop 90's Insurance meeting in Deerfield, IL
- January 31, 2020 – Laura Sikorski, Carly Kraft, and I attended the 2020 Summer Bid Opening for the parking lot and drainage work.