

**Business Office Update  
Board Meeting  
May 24, 2021**

**Cottonwood Estates Impact Fee**

- The Millburn School District has an indemnification agreement with Lake County to collect impact fees on behalf of the school district for new construction. This provides the district with funds to offset the impact on school facilities relative to the additional students to the school district.
- The impact fee increases annually by the percentage increase in CPI that is also used to limit the amount of tax increase each year.

		Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020
CPI Increase		2.10%	2.10%	1.9%	2.30%	1.40%
Cottonwood Estates Impact Fees	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
2 Bedrooms	\$ 1,205	\$ 1,230	\$ 1,256	\$ 1,280	\$ 1,309	\$ 1,328
3 Bedrooms	\$ 3,311	\$ 3,381	\$ 3,452	\$ 3,517	\$ 3,598	\$ 3,648
4 Bedrooms	\$ 4,816	\$ 4,917	\$ 5,020	\$ 5,116	\$ 5,233	\$ 5,307
5 Bedrooms	\$ 6,064	\$ 6,191	\$ 6,321	\$ 6,441	\$ 6,590	\$ 6,682

**Arbor Food Service Amendment & 2021-22 Renewal**

- Dr. Lind and I are recommending that the Board approve Amendment #2 for the Summer Food Service Program effective April 1, 2021. We are also recommending that the Board approve renewing the contract with Arbor for the 2021-22 school year.
  - Amendment #2 for the Summer Food Service Program
    - Foodservice Agreement Amendment #2 reduces the rate charged for meals from April 1 through the end of the 2020-21 school year. The reduction is primarily due to an increase in participation.
    - The rate for Breakfast will be reduced from \$2.2975 to \$2.00 per meal
    - The rate for Lunch will be reduced from \$3.8075 to \$3.550 per meal
  - Arbor renewal for 2021-22
    - The Arbor renewal is recommended for approval. All increases are within the parameters originally set in the original bid documents. The 2021-22 school is the last year of the current agreement. Foodservice agreements can be renewed up to four times (a total of 5 years). Next year will be the 5<sup>th</sup> year of our agreement.
    - The rates will be increasing by 3.9% based on the terms of the agreement. The meal rate increases are based on the December Food Away from Home CPI.
    - There is also a provision that allows Arbor to capture the increased labor cost based on the Illinois minimum wage increases. For the 2020-21 school year, this cost is \$9,135.53
      - July 1 – December 31, 2021 (\$11.00 IL Min Wage) = \$2229.65
      - January 1 – June 30, 2022 (\$12.00 IL Min Wage) = \$6905.88

## **FY 2021 Amended Budget Schedule**

### **FY 2021 AMENDED BUDGET SCHEDULE**

5/24/2021	Review of tentative amended budget. Board approval to put tentative amended budget on public display.
5/26/2021	Place legal notice of Public Hearing on the budget in newspaper. Public notice of availability of tentative budget published at least 30 days prior to adoption by the Board, ILCS 5/17-1
6/14/2021	Continue discussion of tentative budget at Board Meeting
6/28/2021	Public Budget Hearing and Budget Adoption. Last day to adopt the amended annual budget is June 30, 105 ILCS 5/17-1
June/July, 2021	Within 30 days of the budget adoption, the annual budget must be: <ul style="list-style-type: none"><li>• Filed with the County Clerk</li><li>• Transmitted electronically with a deficit reduction plan (if necessary) to ISBE</li><li>• Posted on the District Website</li><li>• Parents and guardians notified of budget's availability (105 ILCS 5/17-1, 105 ILCS 5/17-1.2, 35 ILCS 200/18-50)</li></ul>

## **Apple Lease**

- Dr. Lind and I are recommending that the Board approve a lease through Apple Financial to provide eight hundred twenty (820) iPads and cases to Millburn District 24 with a value of \$466,978. The proposed lease is a four-year lease with annual payments of \$117,989.83. This lease is at an interest rate of 0.69%. The total financing cost for the lease is \$4981.34.
- The existing iPads will be sold to a 3<sup>rd</sup> party company for between \$110,000 and \$185,000. The actual sale price will be based on an analysis of the condition of the iPads. We are anticipating that we will receive somewhere between \$150,000 and \$185,000 for the iPads that we are replacing.
- This will require the Board to approve a resolution and the lease at the May 24, 2021 Board meeting if the iPads are to be received this summer and ready to be distributed to students when school resumes in August, 2021.

## Water Damage at Millburn Elementary



- We had two HVAC water pipes that sprung a leak on or about April 29, 2021 outside the Business Office just inside Door #2. The water went under the walk-off mat by the door and damaged a section of the floor tiles as well as the adhesive under the floor tile. The area is approximately 10' x 15'.
- Carly Kraft filed an insurance claim and the adjuster was onsite on May 18, 2021. The insurance will pay the cost of the removal and replacement of the damaged tile plus the cost of the project design/bidding, project management, air quality testing, and TEM air clearance for the damaged area.
- The asbestos consultant was out on May 6, 2021 and again on May 21, 2021. This is the same company that we used for the previous two projects of asbestos floor tile removal/abatement at Millburn Elementary School.
- Because of the contractor mobilization cost, it will be more cost effective to remove additional floor tile. If we remove all the asbestos floor tile, this project will be in excess of \$50,000. As a result, we will need to do a formal bid. The consultant is designing the project so that we can determine the total scope of work once we receive the bids. Ideally, we would like to remove and replace all the asbestos floor tile remaining in the building except tile that is under lockers and/or built-in casework. The consultant is designing the bid documents to have a base bid for the area covered by the insurance and five (5) add alternates.
  - Base Bid – Damaged area at the door 2 entrance (by the business office) - 150 square feet
  - Alternate 1 – Business office and Room 217 – 1700 square feet
  - Alternate 2 – Entire hallway and storage rooms – 1200 square feet
  - Alternate 3 – Three (3) small offices adjacent to the damaged area across from the main business office – 400 square feet
  - Alternate 4 – Original 1961 building – 3100 square feet
  - Alternate 5 – Upstairs section of the 1968 addition (directly above the area we recently abated) – 5000 square feet.
- Once the bids are received, we will have the information to recommend the scope of work that can be awarded. It is much more cost effective to do everything at once because the project management fees don't increase significantly with a larger project. If we do the entire area, the abatement will take 4 weeks versus 3 weeks if we do a smaller area.
- The tentative schedule for the project is:
  - May 25, 2021 - Publish Legal Ad
  - June 2, 2021 – Pre-bid meeting
  - June 8, 2021 – Receive Bids
  - June 9, 2021 – Bid review submitted to the District by the consultant
  - June 14, 2021 – Administrative Recommendation & Board approval
  - June 15, 2021 – Provide 10-day notice to the Illinois Department of Public Health, parents, & staff. Notice will also be posted on all entrances to the building.
  - June 28, 2021 – Contractor mobilizes on-site and begins setting up containment area
  - July 16, 2021 – Phase 1 completed (Any areas selected except the 1961 original building)
  - July 23, 2021 – Phase 2 completed if the base bid and all alternates are approved (1961 original building)

### Apple Lease

- Dr. Lind and I are recommending that the Board approve a lease through Apple Financial to provide eight hundred twenty (820) iPads and cases to Millburn District 24. The proposed lease is a four-year lease with annual payments of \$117,989.83. This lease is at an interest rate of 0.69%.
- The existing iPads will be sold to a 3<sup>rd</sup> party company for between \$110,000 and \$185,000. The actual sale price will be based on an analysis of the condition of the iPads. We are anticipating that we will receive somewhere between \$150,000 and \$185,000 for the iPads that we are replacing.
- This will require the Board to approve a resolution and the lease at the May 24, 2021 Board meeting if the iPads are to be received this summer and ready to be distributed to students when school resumes in August, 2021.

### Insurance Renewal

- Workers Compensation
  - The National Council on Compensation Insurance (NCCI) reports that workers compensation rates are up 2.5% over last year.
  - Workers compensation premiums are also based on the employer's claim history and group size.
  - Experience Modification Factor - The claim history is based on a 3-year average. Ideally, we want a modification factor of less than 1.0. If it's higher, that means that claims were higher than premiums paid during the 3-year period. Millburn's Experience Modification factor reduced from 1.04 to 0.92 for the 2021-22 premium year.
  - Millburn's rates are reducing by 6.16% for FY22. The workers compensation premium is \$105,961 for FY22 versus \$112,911 in FY21.
- Liability Insurance Package – Increased to \$111,711 from \$89,007
  - Cyber Liability - \$2 million coverage with a \$10,000 deductible
    - The Cyber Liability market was significantly impacted when the Colonial gas pipeline was hacked recently. The market continues to harden by the day. Districts in the CLIC Cooperative that refused to comply with the following safety measures were limited to \$250,000 in coverage.
      - Training for Ransomware
      - Phishing Training
      - Backup of records in place
      - Multi-factor identification
  - Millburn's cost for Liability Insurance includes:
    - General liability, auto liability, garage liability, police professional/security guards, bullying, and crime
    - Property including auto physical damage - \$625,000,000 Limit
    - Boiler and Machinery
    - School Board Legal Liability - \$20,000 Deductible
    - Excess Liability \$36 million in excess of \$1 million
    - Student Mandatory & Catastrophic Accident Insurance
    - Pollution Liability
    - Cyber Liability/Identify Theft - \$2 Million/\$10,000 deductible
    - Crisis Protection
- Fiduciary Liability Insurance
  - Increased by 4.88% from \$2,050 to \$2,150

**Triennial Wellness Policy Review**

- The Wellness Policy Committee met on Wednesday, May 19, 2021 to complete the triennial review of the District's Wellness Policy 6:50. The comments and suggestions from the committee meeting will be presented to the Board at the June 14, 2021 Committee of the Whole meeting.
- This policy review is required every 3 years in order for the district to continue to receive reimbursement through the National School Lunch program. Millburn's Wellness Policy is Policy 6:50 A link to the policy is below
  - <https://www.millburn24.net/Page/204>