

**Business Office Update  
May 18, 2020 Board Meeting**

**Cottonwood Estates Annual Impact Fee**

- Attached to the agenda is the annual adjustment in the impact fee for Cottonwood Estates as well as the indemnification agreement with Lake County so that they can collect the fee on behalf of Millburn District 24
- The impact fee increases annually by the % increase in CPI

**School Lunch Fees for the 2020-21 School Year**

- The recommended school lunch price sheet for Millburn District 24 are linked to the Board Agenda. For the 2019-20 school year, there was no increase in price from the 2018-19 school year. The required increase for the 2020-21 school year is \$0.10 per meal.
- Each year, the district has to complete a “Paid Lunch Equity” worksheet to determine the meal prices for the following school year. This tool is designed to assure that the funds received from the National School Lunch program aren’t used to subsidize the paid lunches.

**Arbor Management Renewal**

- We are recommending that the Board approve the renewal of the Arbor Management contract for the 2020-21 school year.
- The district is required to bid every 5 years for a school lunch vendor. The original contract can be renewed annually for a total of 4 additional years.
- The contract allows the vendor to increase the contract by the percentage increase in the CPI-Food Away from Home (December). This was 3.1%
- The contract also allows an annual adjustment for the increase in the Illinois minimum wage. For the period of July 1 – December 31, 2020, this adjustment is \$1164.97. For the period of January 1 – June 30, 2021, this adjustment is \$4470.96.

**Approval of a Lease for 500 iPads & Apple Laptop Computers**

- We are recommending that the Board approve a 3 year lease for replacement of 500 5-year old iPads and replacing the 4-5 year old desktop computers of the office staff with laptops in an amount not to exceed \$85,000 per year for 3 years with Apple Financial.
- The reason for the difference in payment price from the chart below may vary slightly based on interest accrued based on the time between the signing of the lease and the first payment. We will need the first payment to come from the FY2021 budget that begins on July 1, 2020.

<b>Quotes for 3-Year Technology Lease 5/15/2020</b>				
Company	Cost of Equipment	Annual Payment	Total Cost	Total Financing Cost
<b>Apple</b>	<b>\$ 246,045.00</b>	<b>\$ 83,027.78</b>	<b>\$ 249,083.34</b>	<b>\$ 3,038.34</b>
First American	\$ 246,045.00	\$ 83,800.47	\$ 251,401.41	\$ 5,356.41
American Capital	\$ 246,045.00	\$ 83,854.33	\$ 251,562.99	\$ 5,517.99
Vantage Financial	\$ 246,045.00	\$ 84,996.00	\$ 254,988.00	\$ 8,943.00

### **FY2020 Budget Amendment**

- The draft budget amendment reflects the estimated revenue and expenses for the FY2020 fiscal year. Both revenues and expenditures were impacted by the school facility closure due to COVID-19. Per the state's directive, the district has continued to pay all employees including before/after school care, and extracurricular salaries despite not receiving the before/after school and sports/club revenue.
- Some examples of the changes in revenue and expenditures are listed below. A complete list of the changes by Fund are at the end of this report.
- Revenues
  - Interest income was reduced due to the sharp drop in interest rate. Estimated loss is \$34,000
  - The number of special education students that we serve from other districts is \$45,000 less than budgeted.
  - Activity income is down \$23,000
  - Donations are \$47,000 less than budgeted
  - Before & After School income is down approximately \$125,000
- Expenditures
  - We realized substitute salary savings of \$84,000
  - Custodial wages and overtime are \$30,000 over budget
    - Partially due to overtime as a result of additional cleaning in the month before the school building closure.
  - Maintenance and repair costs are \$100,000 more than budgeted
  - Additional cleaning supplies, hand sanitizer, and other COVID-19 related supplies were purchased.
- A calendar for the FY20 Amended Budget is below:

#### **FY 2020 AMENDED BUDGET SCHEDULE**

5/18/2020	Review of tentative amended budget. Board approval to put tentative amended budget on public display.
5/20/2020	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
6/8/2020	Continue discussion of tentative budget at Board Meeting
6/22/2020	Public Budget Hearing and Budget Adoption. Last day to adopt the amended annual budget is June 30, 105 ILCS 5/17-1
June/July, 2020	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>

### **Construction Project Update**

- The work on the parking lot project is scheduled to begin on May 18, 2020 at both buildings. The Millburn Middle School project is scheduled to take a week to 10 days. The Millburn Elementary School project is scheduled to be completed on or about June 10, 2020.

### **Construction Change Order Authorization**

- Last year, the Board gave Dr. Johns & Dr. Lind the authority to approve change orders up to \$25,000 per change order.
- It is recommended that the Board approve Dr. Johns & Dr. Lind to approve change orders up to \$25,000 for the FY2020 summer construction projects.

### **Payment Plan for Lake County Property Taxes**

- Property Taxes
  - On Tuesday, May 12, 2020, the Lake County Council voted to change the due dates for property tax payments for all taxpayers in Lake County.
  - The ordinance allows every taxpayer, not just those impacted by COVID-19, to make payments based on the following payment schedule:
    - 50% of the 1<sup>st</sup> installment of taxes is due June 8, 2020
    - 50% of the 1<sup>st</sup> installment of taxes is due August 7, 2020
    - 50% of the 2<sup>nd</sup> installment of taxes is due September 8, 2020
    - 50% of the 2<sup>nd</sup> installment of taxes is due November 9, 2020
  - This will impact our cash flow and will further decrease the amount of interest we receive.
    - Interest rates are lower than they were a year ago.
    - We will have less money in the bank to generate interest income during the months of June/July and September/October.
  - As I understand it, we will still receive payments from homeowners with escrow accounts on June 8 and September 8, 2020.
  - I don't anticipate any cash flow problems for this summer, but I have ongoing concern regarding the State of Illinois' ability to make timely payments as well as the real possibility of reductions in state funding for FY2021.

CHANGES BETWEEN FY2020 AMENDED DRAFT BUDGET AND ADOPTED BUDGET						
5/11/2020						
		Education Fund 10				
	Revenue	Change			Expenditure	Change
1000	Local Revenue	\$(236,730.00)		100	Salaries	\$ 90,748.00
2000	Flow-Through Revenue	\$ -		200	Fringe Benefits	\$ (8,633.00)
3000	State Revenue	\$ 108,332.00		300	Purchased Services	\$ 10,804.00
4000	Federal Revenue	\$ 16,566.00		400	Supplies	\$ (26,689.00)
				500	Capital Equipment	\$ 36,859.00
7120	Tfr of Working Cash Interest	\$ (1,312.00)		600	Tuition/Dues/Fees	\$ (98,667.00)
7130	Transfer Among Funds	\$ (5,000.00)		700	Non-Capital Equipment	\$ 30,496.00
7140	Transfer of Interest	\$ (60,500.00)		800	Post Retirement Benefits	\$ 14,230.00
	TOTAL	\$(178,644.00)			TOTAL	\$ 49,148.00
	Operations & Maint Fund 20					
	Revenue	Change			Expenditures	Change
1000	Local Revenue	\$ (32,455.00)		100	Salaries	\$ 30,671.00
				200	Fringe Benefits	\$ (4,131.00)
7130	Transfer Among Funds	\$ 65,000.00		300	Purchased Services	\$ 40,060.00
				400	Supplies	\$ 37,693.00
				500	Capital Equipment	\$ (9,455.00)
				600	Dues/Fees	\$ -
				700	Non-Capital Equipment	\$ 26,463.00
				8130	Tfr Among Funds	\$ (5,000.00)
				8140	Tfr of Interest	\$ (10,000.00)
	TOTAL	\$ 32,545.00			TOTAL	\$ 106,301.00

		<b>Debt Service Fund 30</b>			
	<b>Revenue</b>	<b>Change</b>		<b>Expenditures</b>	<b>Change</b>
1000	Local Revenue	\$ (7,500.00)		600 Dues/Fees	\$ -
				8140 Tfr of Interest	\$ (7,500.00)
	<b>TOTAL</b>	<b>\$ (7,500.00)</b>		<b>TOTAL</b>	<b>\$ (7,500.00)</b>
		<b>TRANSPORTATION FUND 40</b>			
	<b>Revenue</b>	<b>Change</b>		<b>Expenditure</b>	<b>Change</b>
1000	Local Revenue	\$ (14,473.00)		100 Salaries	\$ (23,319.00)
2000	Flow-Through Revenue	\$ -		200 Fringe Benefits	\$ (3,086.00)
3000	State Revenue	\$ 72,121.00		300 Purchased Services	\$ 633.00
				400 Supplies	\$ (17,721.00)
				500 Capital Equipment	\$ -
				600 Tuition/Dues/Fees	\$ 90.00
				700 Non-Capital Equipment	\$ 35,104.00
				8130 Tfr Among Funds	\$ 65,000.00
				8140 Tfr of Interest	\$ (1,370.00)
	<b>TOTAL</b>	<b>\$ 57,648.00</b>		<b>TOTAL</b>	<b>\$ 55,331.00</b>
		<b>IMRF-Social Security Fund 50</b>			
	<b>Revenue</b>	<b>Change</b>		<b>Expenditure</b>	<b>Change</b>
1000	Local Revenue	\$ 2,484.00		200 Fringe Benefits	\$ (34,386.00)
	<b>TOTAL</b>	<b>\$ 2,484.00</b>		<b>TOTAL</b>	<b>\$ (34,386.00)</b>

	<b>Capital Projects Fund 60</b>				
	<b>Revenue</b>	<b>Change</b>		<b>Expenditures</b>	<b>Change</b>
1000	Local Revenue	\$ (21,221.00)		300 Purchased Services	\$ -
				400 Supplies	\$ -
				500 Capital Equipment	\$ -
				700 Non-Capital Equipment	\$ -
	<b>TOTAL</b>	<b>\$ (21,221.00)</b>		<b>TOTAL</b>	<b>\$ -</b>
	<b>Working Cash Fund 70</b>				
	<b>Revenue</b>	<b>Change</b>		<b>Expenditures</b>	<b>Change</b>
1000	Local Revenue	\$ (21,221.00)			
				8120 Tfr of Working Cash Interest	\$ (1,312.00)
	<b>TOTAL</b>	<b>\$ (21,221.00)</b>		<b>TOTAL</b>	<b>\$ (1,312.00)</b>
	<b>Tort Fund 80</b>				
	<b>Revenue</b>	<b>Change</b>		<b>Expenditure</b>	<b>Change</b>
1000	Local Revenue	\$ (750.00)		300 Purchased Services	\$ -
	<b>TOTAL</b>	<b>\$ (750.00)</b>		<b>TOTAL</b>	<b>\$ -</b>
	<b>Fire Prevention &amp; Safety Fund 90</b>				
	<b>Revenue</b>	<b>Change</b>		<b>Expenditure</b>	<b>Change</b>
1000	Local Revenue	\$ (2,848.00)		300 Purchased Services	\$ -
				400 Supplies	\$ -
				500 Capital Equipment	\$ -
	<b>TOTAL</b>	<b>\$ (2,848.00)</b>		<b>TOTAL</b>	<b>\$ -</b>