

**Business Office Update  
May 23, 2016 Meeting**

**Amended Budget Public Hearing & Adoption**

- We will have a public hearing to adopt the FY2016 amended budget. The changes from the original to the amended budget are as follows:
  - Original Budget - Transfers \$450,000 from the Transportation Fund to the Education Fund and \$55,000 from the Transportation Fund to the Operations and Maintenance Fund.
    - Amended budget transfers \$705,000 from the Transportation Fund to the Operations & Maintenance Fund.
  - Original Budget – Transfers \$450,000 from the Education Fund to the Capital Projects Fund
    - Amended budget transfers \$650,000 from the Operations & Maintenance Fund to the Capital Projects Fund
- The public will be free to address the board regarding the proposed changes to the FY2016 budget. After the budget hearing concludes, the board will act on the recommendation to approve the Amended FY2016 budget during the regular board meeting.

**Budget Transfers**

- At the June 27, 2016 meeting, we will hold a public hearing regarding the transfer of funds from the Transportation Fund to the Operations & Maintenance Fund.
- Following the public hearing, the board will take action on fund transfers through a series of resolutions during the regular board meeting.
  - \$705,000 from Transportation to Operations & Maintenance
  - \$650,000 from Operations & Maintenance to Capital Projects
  - transfer of Interest to the fund most in need

**Arbor Management Renewal**

- Millburn awarded the foodservice bid to Arbor Management on August 8, 2012
- The contract can be renewed up to four (4) years with each renewal increase limited to the increase in the “Food Away From Home CPI.” The increase in the “Food Away From Home CPI” was 2.6%.
- I recommend that the board approve the 4<sup>th</sup> renewal of the Arbor contract at the May 23, 2016 board meeting with an increase of 2.6% for the 2016-17 school year.

**School Meal Prices for 2016-17**

- I recommend that the district increase the student lunch price from \$2.70 to \$2.75 and the adult lunch price from \$3.30 to \$3.35
- No increase in the milk price is recommended. The current price of milk is \$0.60 per carton.

**School Facility Rental**

- I will be presenting proposed changes to the school facility rental form and rate at a future meeting.

**Spectrum/Chancelight Lease**

- Elizabeth Keefe and I are continuing to work with Spectrum/Chancelight regarding the leasing of the 1961 wing to be used for a private day school. Our attorney has provided a draft lease that Spectrum/Chancelight’s attorney is reviewing. I am recommending that the board approve the lease subject to approval by the District’s legal counsel.

**Audit Proposal**

- I am recommending that the board approve Milburn Cain & Company as the district auditors for the FY2016 audit at a cost not to exceed \$13,500

### **Carbon Monoxide Detector Update**

- The Office of the State Fire Marshall has developed proposed rule changes related to PA 99-470.
- The Northeast Illinois Facilities Professionals and the Illinois Association of School Business Officials Planning & Construction Committee sent a joint letter commenting on the proposed rule changes. Comments included the following additions and/or concerns
  - alarm procedures
  - placement of the devices
  - battery devices covered under UL 2034 – would like a battery operated unit that would alarm at lower exposure levels than 30 ppm.
  - would like to see rules developed for plug-in CO detectors – These weren't included in the original legislation.
  - UL 2034 is referenced in the proposed rules, but is not intended to apply to non-residential uses such as schools. The proposed rules indicate that CO detectors “must be listed by UL for the purpose for which it is used.” It doesn't appear that any of the plug-in CO detectors on the market are compliant with the proposed rules.
  - Recommended including some school facilities staff and/or an architect familiar with school design and construction to the rule committee.

### **Prevailing Wage**

- Several districts in the state recently completed a survey for the Department of Labor listing the contractors that were used in public works projects during calendar year 2015 regardless of whether the project or equipment maintenance was part of a competitive bid process.
- At the June meeting, the board will be asked to approve the Prevailing Wage Resolution. The statutory deadline to adopt this resolution is June 30 each year.
  - At this point in time, the Illinois Department of Labor has not published the current prevailing wage rates for any county in the state. If no wage rates are available at that time, the board will approve the resolution and then amend it at a later date to include the wage rates.

### **CLIC Insurance Cooperative Highlights**

- I continue to be impressed with the coverage limits that CLIC provides to the member districts. For the coming year, rates decreased, but coverage limits increased.
- Barry Bolek from High School District 113 (Highland Park/Deerfield) was a part of a presentation regarding how valuable CLIC's Cyber Liability policy was for his district when their system was breached through a 3<sup>rd</sup> party vendor and social security numbers, including his, were stolen. Within 2 hours of the breach, he contacted CLIC. CLIC had a tech specialist work with his IT staff to shut down access to their system. They then assigned him an attorney that works with the Fortune 500 companies to follow the required legal steps to deal with this type of a breach.
- Workers Compensation
  - The district's experience modification factor has decreased from 1.09 to 0.95. As we have discussed before, 1.00 is average and we want to have an experience modification factor of less than 1.00.
  - The district's premiums will decrease by 5.54% from \$112,265 to \$106,050.
- Property/Casualty Program
  - The district's costs for this program have decreased by 10.42% from \$67,927 to 60,849.
- Treasurer's Bond
  - As the district's cash balance has increased over the last few years, the Treasurer's Bond limit will be increasing for 2016-17 from \$2 million to \$3 million.

### **Bus Accident**

- On May 11, 2016, one of our buses was damaged when the driver was turning onto Millburn Road from Route 45 and impacted the rear of a semi with a flat-bed trailer that was partially blocking the intersection. The accident resulted in a scrape on the side of the bus and a damaged tire and rim. No students were on the bus at the time of the accident. The accident was reported to the insurance company and an appraiser was out last week to estimate the damage. The tire has been replaced and I am waiting on the report from the appraiser before moving forward with repairs to the bus.

### **IRS Issue**

- On May 10, 2016, I received a call from the state's child care program. Apparently, they tried to process a payment to the district using a W-9 that I had provided and it was rejected. In addition, all state funding for Millburn was frozen until this issue could be resolved.
- I was told that there was a discrepancy between the name and tax ID # on our W-9 and what the IRS has on file. I then spoke with the Comptroller's office and was told that I would need to talk to the IRS regarding this matter and then submit a revised W-9 with the correct information.
- I spent approximately 5 hours, mostly on hold, and talked to two IRS staff members. The first staff member I talked to suggested that I should just look through the district records (from 55 years ago) and find the information I needed. When I called back a couple of hours later, the second staff member I spoke with was more accommodating and was able to provide the information that I needed. The IRS listed "Millburn" as "Milburn" with one "l". I'm assuming that it was a keypunch error since the original paperwork was filed with the IRS in 1961.
- I then used this to submit a new W-9 to the Comptroller's Office. I received a call shortly after I faxed the revised W-9. Once I explained the problem, I was asked to do a 2<sup>nd</sup> revised W-9 spelling Millburn with 2 l's. The staff member I spoke with in the Comptroller's office said that she would attach a note to our file so the vouchers for Millburn can be processed.

### **IMRF Audit Update**

- Gary White and I worked with Nichelle Small, an IMRF auditor, during the week of May 9, 2016.
- This was a "remote" audit. Nichelle was in Oak Brook, IL and we were at Millburn. We provided a substantial number of records to her electronically during the week of May 2, 2016 and continued to provide information to her through May 12, 2016.
- Once the auditor has completed her review of the information, she will schedule an exit conference where we will review the results of the audit.

### **Activities**

- On May 13, 2016, I attended a training session on accessing the 5Share data through the Forecast5 website at the Lake Forest District 115/67 district office.
- On May 17, 2016, I attended the Board Articulation Dinner at Hillcrest Elementary in Antioch
- On May 19, 2016, I attended the CLIC Insurance Cooperative Meeting in Wheeling, IL