

## **District 23 Finance Committe**

Monday, January 30, 2023 6:00 PM

Grodsky Administration Building, 700 N Schoenbeck Rd, Prospect Heights, IL  
60070

### **I. Call to Order**

### **II. Discussion Items**

II.A. Financial Reporting to the Committee

II.B. Transportation Updates

II.B.1. Discussion of Preliminary Transportation  
Services Renewal - First Student

II.B.2. Discussion of Current IDOT Approved  
Hazardous Travel Areas Within the District.

II.C. ISBE Food Service Audit - March 13-15,  
2023

II.D. Discussion of Property Tax Revenue and a  
Settlement Recommendation to Settle Tax Rate  
Objections for Years 2011-2014

II.E. Wheeling Township Treasury - Update

II.F. Discussion of Preliminary Insurance Rates  
Through Educational Benefit Cooperative (EBC)

II.G. Update on Upcoming Technology Initiatives  
and E-Rate Eligibility

### **III. Old Business**

III.A. Baker Tilly Update - Transition to  
Modified Accrual Basis of Accounting

### **IV. New Business**

### **V. Adjournment**



**PROSPECT HEIGHTS DISTRICT 23  
BOARD OF EDUCATION  
ACTION ITEM**

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**Date:** February 11, 2023  
**Title:** Recommendation for Approval of Certification of Hazardous Transportation Routes  
**Contact:** Amy McPartlin, Assistant Superintendent for Finance & Operations

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**BACKGROUND INFORMATION:**

Illinois Department of Transportation (IDOT) criteria have been used to determine hazard areas within the District 23 boundaries. Pursuant to Section (105 ILCS 5/29-3) of the Illinois School Code, the Board of Education shall annually review the conditions and determine whether the routes and any hazardous conditions remain unchanged.

In conjunction with the District's transportation provider, First Student, the Administration has determined that such conditions and routes remain unchanged from prior years. All routes and students have been appropriately coded and routed in the VersaTrans system, in an effort to maximize the District's Transportation Reimbursement.

**ADMINISTRATIVE CONSIDERATIONS:**

The Serious Safety Hazard Findings include areas previously identified that meet the 12-point requirement for IDOT's hazardous route approval and meet the requirement for reimbursement by the State Board of Education.

The following areas include the District's current transportation areas for which hazards exist:

<b><u>HAZARDOUS LOCATION</u></b>	<b><u>IDOT #</u></b>
Hintz Rd. from Schoenbeck Rd. to Elmhurst Rd.	23-80-1
Elmhurst Rd. at Drake	23-80-2
Elmhurst Rd. from Pleasant Rd. to Drake	23-80-3
Hintz Rd. from Alice to Maple	23-80-4
Rand Rd. at Camp McDonald	23-80-5
Camp McDonald & Schoenbeck – 150' E. of Schoenbeck to 200' N. of Camp McDonald	23-80-6
Schoenbeck Rd. from Olive to 200' N. of Camp McDonald	23-80-7
Euclid & Rand from 400' W. of Rand Rd. to Rand & Schoenbeck	23-80-8
Camp McDonald from Elmhurst Rd. to Schoenbeck Rd.	23-80-9

Willow Rd. at Elmhurst Rd.	23-80-10
Schoenbeck Rd. from South Pkwy. to Ridge	23-80-11
Palatine Frontage Rd. from Birch to Schoenbeck	23-80-12
Schoenbeck Rd. from Stonegate Dr. to Palatine Rd.	23-80-13
Palatine Frontage Rd. from Elmhurst Rd. to Schoenbeck Rd. @ Schoenbeck Rd.	23-80-14
Palatine Frontage Rd. from Birch to Schoenbeck Rd.	23-80-15
Palatine Frontage Rd. from Elmhurst Rd. to Schoenbeck Rd. @ Elmhurst Rd.	23-80-16
Willow Rd. at Elmhurst Rd.	23-80-17
Palatine Frontage Rd. from Windsor Dr. to Schoenbeck Rd.	23-80-18
Willow Rd. at Elmhurst Rd. for St. Alphonsus	23-80-19
Palatine Rd. & Elmhurst Rd. for St. Alphonsus	23-80-20
Wheeling Rd. at Palatine Rd. for St. Alphonsus	23-80-21
Wheeling Rd. from Kenilworth Ave. to Willow Rd. for St. Alphonsus	23-81-22
Wheeling Rd. from Olive Ave. to Willow Rd. for St. Alphonsus	23-80-23
Wheeling Rd. from Camp McDonald Rd. to Willow Rd. for St. Alphonsus	23-80-24
Wheeling Rd. & Camp McDonald from Camp McDonald Rd. to Willow Rd.	23-80-25
Wheeling Rd. from Kenilworth Ave. to Willow Rd.	23-81-1
Wheeling Rd. from Olive Ave. to Willow Rd.	23-81-2
Wheeling Rd. from Camp McDonald Rd. to Willow Rd.	23-81-3
Schoenbeck Rd. from Olive to 200' N. of Camp McDonald	23-81-4
Schoenbeck Rd. from South Pkwy. To Ridge	23-81-5
Willow Rd. from 150'E. of Schoenbeck to Elmhurst Rd.	23-85-1
Schoenbeck Rd. at Palatine Rd.	23-87-1
Willow Rd. from Rand Rd. to Schoenbeck Rd.	23-87-3
Schoenbeck Rd. from Camp McDonald to Willow Rd.	23-87-2
E. Side of Schoenbeck from Clarendon to 1 N. Schoenbeck Rd.	23-99-1

**RECOMMENDATION:**

That the Board of Education approves the current Serious Safety Hazards as listed.

WHEREAS, the Board of Education for Prospect Heights School District 23, Cook County, Illinois ("Board"), provides transportation to certain students via school bus; and

WHEREAS, the Board, provides such transportation to students pursuant to Section 29-3 of the Illinois School Code, and all laws amendatory thereof and supplementary thereto;

WHEREAS, the Board at a legally convened meeting held on the 13<sup>th</sup> day of April 2011 did adopt a resolution providing for the continuation of the 1980-1981 thru 1998-1999 Illinois Department of Transportation approved status of hazardous routes;

WHEREAS, the Board, has continued to review the transportation routes for students to and from school in order to comply with Section 29-3 of the Illinois School Code;

WHEREAS, pursuant to the Statute above, the Board has reviewed the conditions previously approved and hereby certifies that the conditions remain unchanged.

WHEREAS, the Board of Education for Prospect Heights School District 23, Cook County, Illinois directs free transportation for the identified population listed and approved in the declaration for the 1980-1981 thru 1998-1999 school years and continued at a legally convened meeting held on the 13<sup>th</sup> day of April 2011 as well as December 13, 2017 and annually thereafter.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Education for Prospect Heights School District 23, Cook County, Illinois as follows:

Section 1: The recitals above are incorporated herein by reference.

Section 2: That all prior proceedings in conflict with this resolution be and the same are hereby repealed.

Section 3: This Resolution shall be in full force and effect upon its passage by the Board of Education.

Section 4: This Resolution shall remain on file in the Business Office as evidence of the District's Annual Review of transportation routes pursuant to Section 29-3 of the Illinois School Code.

ADOPTED this 11th day of February 2023 upon receiving a motion from Member \_\_\_\_\_, and a second of the motion by Member \_\_\_\_\_ followed by a roll call vote recorded as follows:

AYES:

\_\_\_\_\_

NAYS:

\_\_\_\_\_

ABSENT/ABSTAIN:

\_\_\_\_\_

\_\_\_\_\_  
President, Board of Education

ATTEST:

\_\_\_\_\_  
Secretary, Board of Education

STATE OF ILLINOIS )

) SS

COUNTY OF COOK )

**CERTIFICATION OF RESOLUTION AND MINUTES**

I, the undersigned, do hereby certify that I am the duly qualified acting Secretary of the Board of Education of Prospect Heights School District 23, Cook County, Illinois (the "Board"), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete copy of a resolution entitled:

**RESOLUTION  
PROVIDING FOR FREE TRANSPORTATION  
FOR THE IDENTIFIED POPULATION APPROVED  
BY THE ILLINOIS DEPARTMENT OF TRANSPORTATION**

as adopted by the Board at its meeting held on the 11th day of February, 2023.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 11<sup>th</sup> day of February, 2023.

\_\_\_\_\_  
Secretary, Board of Education



**PROSPECT HEIGHTS DISTRICT 23  
FINANCE COMMITTEE  
MEMORANDUM**

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**Date:** January 30, 2023  
**Title:** Discussion of Proposed Tax Objection Settlement for Tax Years 2011-2014  
**Contact:** Amy McPartlin, Assistant Superintendent for Finance & Operations

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I received an email from District attorney John Izzo who met with the lead attorney for the tax rate objectors in Cook County, Mr. Adam Powers. Mr. Powers has made an offer to settle all the objections against School District 23 for tax years 2011 through 2014 at the rate of 0.004% for each year. John estimates that a settlement at the rate would result in a revenue loss of only about \$1,753 (all 4 years combined) for the District and is recommending that we accept this offer.

As we know, tax rate objections are filed every year. Unlike other tax protests, such as those in the Property Tax Appeal Board where the issue is the value of the taxpayers' property, the issue on tax rate objections is the propriety of the tax levies themselves. However, only those taxpayers who file protests can obtain relief, so the value (EAV) of the objectors' property is an important component in evaluating whether to settle or litigate these claims. We did not learn the EAV of the objectors for these 4 years until May of last year.

Additionally, while the objections as alleged often contest a whole range of issues and challenge tax rates that would, in theory, result in revenue losses of hundreds of thousands or even millions of dollars, many (but not all) of these issues tend to be totally meritless. Generally, the settlement offers, when they do come in, are much more reasonable. But we don't know that until later, after meeting with the attorney.

While the nature of the objections includes a challenge to past tax rates, the 2013 objection points to a late budget filed by the District. Total rates challenged in each year were far more than 0.004%, and the theoretical amount of revenue at stake was actually about \$773,000.

John is recommending the settlement offered at the rate of 0.004% as the cost of pursuing our defenses against these objections would far outweigh the cost of the settlement as proposed.

While this will resolve the objections only for tax years 2011 through 2014, there are more objections for subsequent years which will need to be dealt with in the future. At this point, I am asking for the Committee's authorization to allow Attorney Izzo to sign stipulations approving the settlement as offered.



## PROSPECT HEIGHTS DISTRICT 23 FINANCE COMMITTEE INFORMATION ITEM

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**Date:** January 30, 2023

**Title:** Discussion of Preliminary Employee Benefits Renewal through Educational Benefits Cooperative (EBC)

**Contact:** Amy McPartlin, Assistant Superintendent for Finance & Operations

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### **BACKGROUND INFORMATION AND PROGRAM OVERVIEW:**

The Educational Benefit Cooperative (EBC) is an entity created under Illinois state law, which allows school districts to join together for the purpose of purchasing insurance. The EBC, established in 1984, began with eight school districts and has grown to current membership of 120 school districts, 107 individual members and 3 sub pools. Prospect Heights School District 23 has participated in the EBC since 2003.

The purpose of the EBC is to provide economies of scale and risk pooling that allow members greater long-term financial stability than purchasing insurance products individually in the commercial insurance market. Each member district retains the ability to create and change their PPO, HMO, Dental and Life plan design and offerings, which is often required by the nature of bargained contracts. The PPO and Dental plans are self-funded. The HMO is funded on a Cost-Plus funding arrangement and the Life insurance is insured by a third party.

The full Board and all participating districts meet twice a year to discuss the annual audit and preliminary renewal figures and then again for the final renewal.

### **PRELIMINARY EBC RENEWAL SUMMARY:**

District 23 participated in the Pre-Renewal Meeting on Thursday, January 26th. Following is a brief highlight of the EBC renewal projection.

The EBC sponsored plans are PPO medical, HMO medical, dental, and life insurance.

- The PPO medical rating formula produces an average rate adjustment of **10.4%**
  - Typical market 2023 trend for PPO plans: 6.0%\*
- The HMO projection indicates a rate adjustment of **7.2%**
  - Typical market 2023 trend for HMO plans: 5.0%\*
- The Dental rating formula produces a rate adjustment of **6.4%**
  - Typical market 2023 trend for dental plans: 3.0%\*

- The Life/Accidental Death and Dismemberment (AD&D), Supplemental Life and Dependent Life insurance is underwritten by Reliance Standard Life Insurance Company.
  - EBC rates for both Life and Accidental Death & Dismemberment (AD&D) have been guaranteed with no additional increase through 7/1/2026.

\* Typical market trend is a forecast of per capita claims cost that takes into account price inflation, utilization, government-mandated benefits, new treatments, therapies and technology. There is usually a high correlation between trend rate and actual cost increases assessed by insurance carriers.

As we continue to come out of the pandemic environment, EBC has seen a significant increase in claims, with the per member/per month (PM/PM) average claim payment amount rising 21% since 2020. Claims have increased dramatically, specifically in the areas of behavioral health services and in neoplasms (cancerous & precancerous conditions). Tele-health options continue to provide an opportunity for lower-cost screenings and the District continues to realize savings through its participation in the annual Wellness program.

**NEXT STEPS:**

District 23 will attend the EBC Board Renewal Meeting in March and I will prepare a recommendation for the Board's action at the April meeting.



## PROSPECT HEIGHTS DISTRICT 23 FINANCE & BUILDINGS AND SITES COMMITTEES MEMORANDUM

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**Date:** January 30, 2023

**Title:** Discussion of E-Rate Upcoming Projects, Summer 2023

**Contact:** Amy McPartlin, Assistant Superintendent for Finance & Operations

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The Technology team is currently working with our E-Rate consultant, Gerry Zeller to develop the 470 (solicitation) forms for several potential upcoming initiatives. The majority of these projects will take place over the next year and will be eligible for some level of E-Rate reimbursement. Currently prioritized projects include the following:

- **Cabling improvements between Ross and Sullivan and Sullivan and Grodsky.**
  - This is important work that will make our network cabling consistent with best practices.
  - Awaiting pricing.
- **Cabling improvements and rerunning between Sullivan and MacArthur.**
  - This will allow us to maintain a self-provisioned network. There is thought to be a compromised pipe, potentially allowing water in, that houses the current fiber run between Sullivan and MacArthur. This work will allow us to rerun the cabling without having to dig up the stretch on land between Sullivan and MacArthur.
  - Awaiting pricing.
  - *For the above two, we do have a cabling company, Low Voltage Solutions, whom we expect to submit proposals. They have been good, responsive partners when we have had cabling issues.*
- **Continued Managed Internal Broadband Services**
  - We are continuing to seek reimbursement for services through Empist for network management services and support that are also E-Rate eligible.
  - Updated Aruba Access Point equipment, licenses, and support, for five years.
    - Sentinel, out of two total proposals, had the best price, with \$39,276.73 covering needed equipment, licensing, and Foundation Care.
    - Optional \$49,950 that would cover 185 support hours.
    - Most, if not all, of this is E-Rate eligible, which means we would be reimbursed up to 50%.
- **Purchase of Aruba Clearpass, a Network filtering tool, to enhance the safety of our network.**
  - This allows our network to have a second layer of security, beyond just a password, and we can better control and monitor use of networks.
  - The 470 has been issued and we are awaiting responses to gauge the price.

- **Firewall Recommendations**

- We are seeking firewall recommendations from Empist, seeing if we can submit a 470 in time for this spring.
- Our current firewall contract expires in August.
- While we are not sure how much this will be E-Rate eligible, we are working with our consultant to see what would be.

- **Updates of Uninterruptible Power Sources (UPS)**

- We have had these for more than five years, which is relevant in the E-Rate world because they wouldn't be eligible for reimbursement if we had used E-Rate funds within the past five years to update them.
- The UPS pieces are important switch and server backup, and provide instantaneous support in case of an outage.
- We are projecting that this will be less than \$10,000, with up to 50% reimbursed.

We will continue to keep the Committees informed of these projects as they progress over the next few weeks.