



**Board of Education - Finance Committee Meeting
Northwood Middle School
945 North Ave.
Highland Park, IL 60035
Monday, July 15, 2024 7:00 PM**

Agenda

Mission Statement

The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, a well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry

1. Call to Order/Roll Call (7:00 p.m.)
2. Approval of Agenda
3. Discussion
 - a. Long Range Plan Phase 2 Financing Option Remaining Referendum Bond Authority (Tammie Beckwith-Schallmo, PMA)
 - b. Bid Results
 - i. Food Service Management
 - ii. Copy Paper Purchase
 - c. Monthly Financial Reporting (Board Input)
 - d. Geothermal - Option for HVAC Phase 2 Construction
4. Public Comments
5. Other
6. Adjournment



PMA[®] **40**th
ANNIVERSARY
CELEBRATING 40 YEARS OF SERVING OUR CLIENTS



Remaining Referendum Authority and Public Act 103-0591 Discussion

Tammie Beckwith Schallmo

Senior Vice President, Managing Director
PMA Securities, LLC

Jennifer Currier

Vice President, Senior Quantitative Analyst
PMA Securities, LLC

Jake Goedken

Assistant Vice President, Investment Services
PMA Financial Network, LLC

July 15, 2024

Remaining Referendum Authority



Sources of Funds

Total Referendum Authority:	\$114,400,000
Less: Series 2022 Bond proceeds: \$56,333,096	
Remaining Referendum Authority: \$58,066,904	
Fund Balance Contribution:	<u>\$37,222,829</u>
Total Sources:	\$151,622,829



Financing Considerations

- ▶ Arbitrage rebate/construction draw schedule
- ▶ Bond market conditions and interest rate risk
- ▶ Number and timing of bond issues



Arbitrage Rebate

- ▶ Arbitrage generally refers to investing tax-exempt proceeds in certain taxable investments that provide higher investment yields than the yield paid on the tax-exempt bonds
 - ▶ The Federal government is providing a subsidy through lower borrowing costs and forgoing tax revenues so the District should not get a double benefit through arbitrage
- ▶ Arbitrage profits
 - ▶ Generally have to be paid to the Federal government
 - ▶ Payment of arbitrage profits to the Federal government is called “rebate”
 - ▶ Every five years and at the final retirement of all the Bonds, Issuer must pay (or rebate) arbitrage profits to the Federal government
- ▶ Certain exceptions
 - ▶ Spending down all proceeds within certain time frames/meeting spending benchmarks



Spend Down Requirements

- ▶ When issuing **tax exempt bonds**, the District should consider the following IRS requirements:
 - ▶ The District must reasonably expect to spend or contractually obligate 5% of a bond issue within six months of issuance
 - ▶ The District must reasonably expect to spend 85% of the bond proceeds in three years
 - ▶ The District must diligently spend the bond proceeds
- ▶ During the aforementioned 3-Year “Temporary Period”, bond proceeds may be invested at materially higher yields than the bond yield



After the Temporary Period

- ▶ After three years from the closing date on the bonds (upon expiration of the Temporary Period), tax-exempt bond proceeds:
 - ▶ Must be yield restricted
 - ▶ May not be invested in investments guaranteed by the federal government (such as FDIC-insured CDs)
 - ▶ Exception: may invest in US Treasury Securities



Arbitrage Rebate Exceptions

- ▶ Anything above the bond yield gets paid to the US Treasury, unless the District meets one or more exceptions:
 - ▶ Small issuer exception (\$15,000,000 or less issued in a calendar year)
 - ▶ Spend-down exceptions



Arbitrage Rebate Exceptions (continued)

- ▶ Spending Exceptions – 6 months, 18 months and 2 years (If met, no rebate due)
 - ▶ 6-Month Exception – No rebate payment required if all proceeds of the issue are spent within 6 months of the issue date.
 - ▶ 18-Month Spend-down Exception

<u>Period</u>	<u>Spend-down Requirement</u>
6 months	15%
12 months	60%
18 months	100%



Arbitrage Rebate Exceptions (continued)

- ▶ Two-Year Construction Spend-down Exception
 - ▶ At least 75% of the proceeds must be spent on construction expenditures
 - ▶ Includes project fund plus expected interest earnings

<u>Period</u>	<u>Spend-down Requirement</u>
6 months	10%
12 months	45%
18 months	75%
24 months	100%



Series 2022 Bond Proceeds – Estimated Arbitrage Rebate Calculations

Arbitrage Yield	3.592%
Current Interest Rate Estimate on Bond Proceeds	4.787%
Potential Arbitrage Rebate Liability	1.194%

Estimated Total Interest Income	3,578,983
Anticipated Arbitrage Rebate Liability	(931,509)
Total Interest Income Net of Rebate	\$ 2,647,474

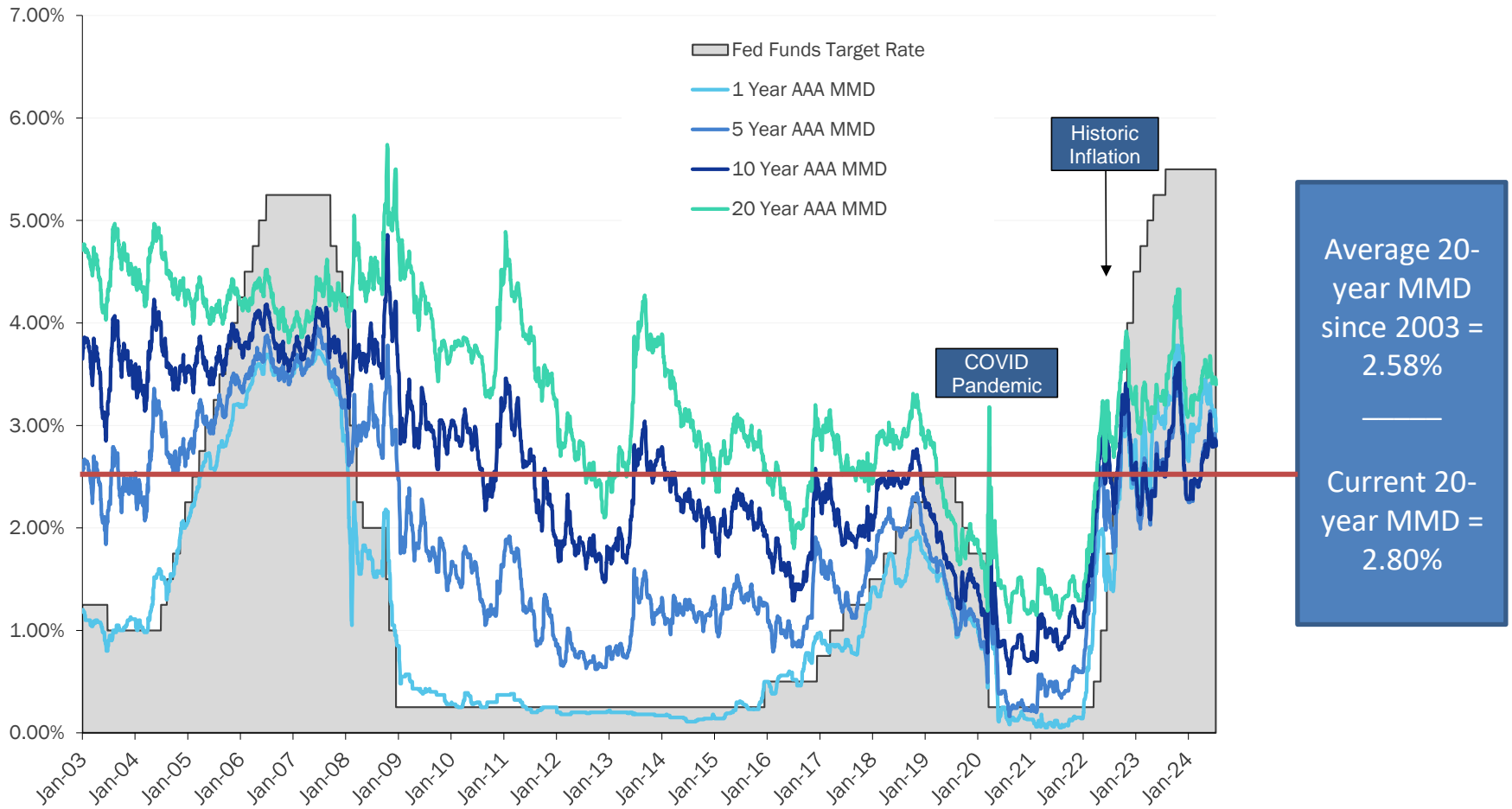


Construction Draw Schedule

- ▶ The updated draw schedule recently provided by Gilbane indicates project expenditures will continue through December 2027
- ▶ The District should consider issuing all the remaining referendum authority at once or in two series



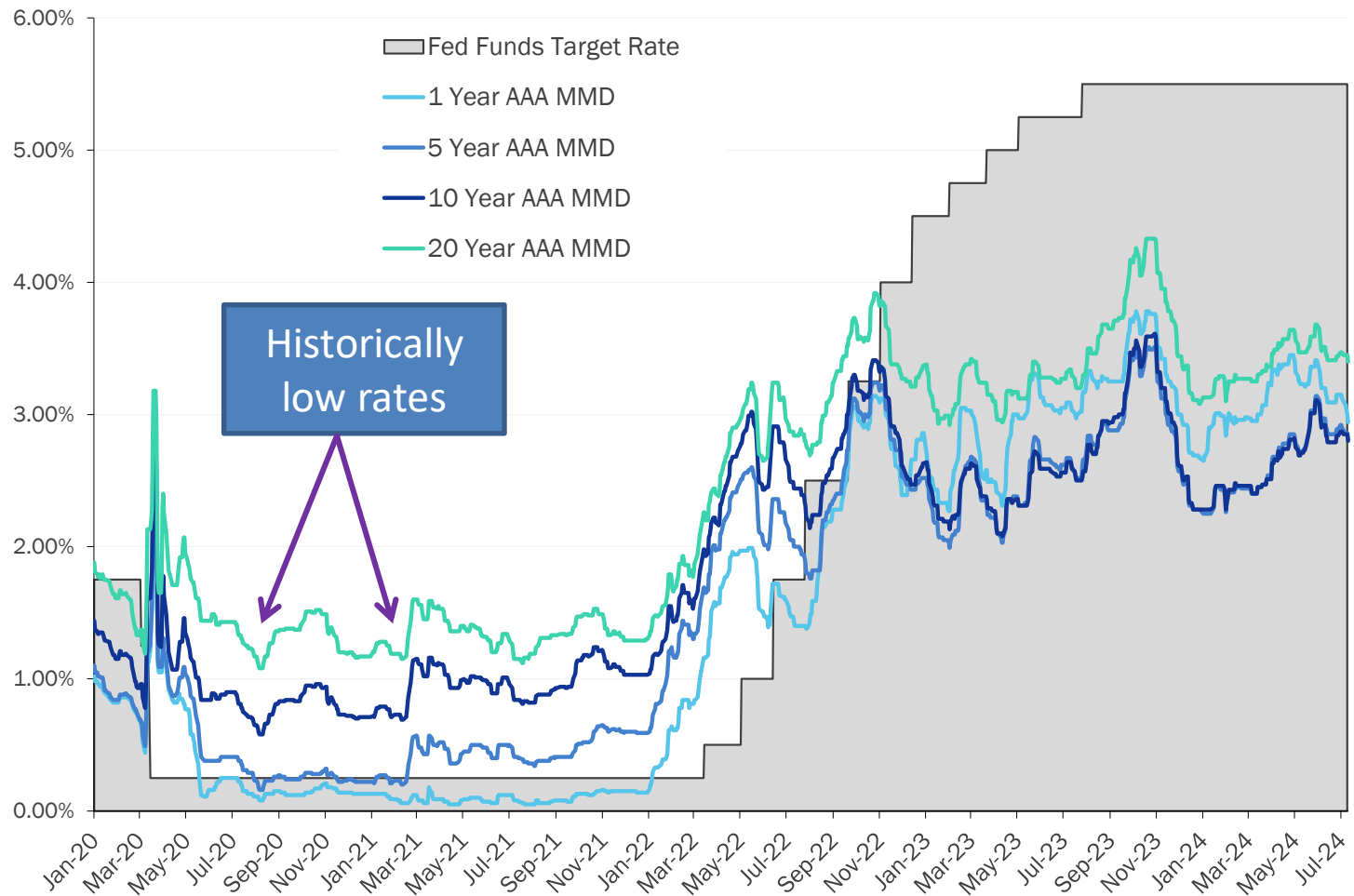
Historical Tax-Exempt Rates



*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of July 11, 2024.



Tax Exempt Rates since January 1, 2020



*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of July 11, 2024.

- Upcoming Fed meeting dates: July 30/31, September 17/18, November 6/7
- CPI and employment reports will be released monthly



Scenario Summary

	Scenario 1A One Issue Assumes No Arbitrage Exception	Scenario 1B One Issue Meets Arbitrage Exception	Scenario 2 Two Issues Meets Arbitrage Exception
November 2024 Proceeds	\$58,066,904	\$58,066,904	\$14,350,000
March 2025 Proceeds	n/a	n/a	\$43,716,904
Estimated True Interest Cost of Borrowing(s).....	3.87%	3.87%	3.88%
Estimated Net Debt Service (1).....	\$77,655,888	\$77,655,888	\$77,029,484
Estimated Investment Earnings on Bond Proceeds (2).....	\$2,009,151	\$2,724,979	\$2,004,458
Est. Debt Service Less Investment Earnings (1)(2).....	\$75,646,737	\$74,930,909	\$75,025,026
Breakeven Market Movement vs. Scenario 1A.....			0.19%
Breakeven Market Movement vs. Scenario 1B.....			n/a

Sized to meet small issuer school construction arbitrage rebate exception

(1) Rates based upon market conditions as of June 28, 2024 and recent bond sales which PMA believes to be accurate and reliable.

(2) Based on preliminary draw schedule provided by the District in June 2024 and investment rates as of June 28, 2024.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.

Final Debt Service for 2022 Bonds with Estimated Series 2024 Bonds on December 8, 2022

Referendum Bonds Debt Service

Levy Year	Fiscal Year	FINAL	PROPOSED	Total	Approximately 1.0% County Loss/Cost Debt Service	Total EAV Growth Rate	Approx. B&I Tax Rate	
		GO School Bonds, Series 2022	GO School Bonds, Series 2024 (1)					EAV
2018	2020	\$	\$	\$	\$	\$ 2,471,368,826	-0.17%	0.000
2019	2021					2,423,841,922	-1.92%	0.000
2020	2022					2,373,727,214	-2.07%	0.000
2021	2023	-	-	-	-	2,373,443,666	-0.01%	0.000
2022	2024	8,146,364	-	8,146,364	8,227,827	2,496,640,140	5.19%	0.330
2023	2025	8,146,950	-	8,146,950	8,228,420	2,559,056,144	2.50%	0.322
2024	2026	1,873,950	6,264,463	8,138,413	8,219,797	2,623,032,547	2.50%	0.313
2025	2027	1,873,950	6,267,088	8,141,038	8,222,448	2,688,608,361	2.50%	0.306
2026	2028	1,873,950	6,265,338	8,139,288	8,220,680	2,755,823,570	2.50%	0.298
2027	2029	1,873,950	6,268,713	8,142,663	8,224,089	2,824,719,159	2.50%	0.291
2028	2030	1,873,950	6,266,713	8,140,663	8,222,069	2,895,337,138	2.50%	0.284
2029	2031	1,873,950	6,263,963	8,137,913	8,219,292	2,967,720,566	2.50%	0.277
2030	2032	1,873,950	6,264,838	8,138,788	8,220,175	3,041,913,581	2.50%	0.270
2031	2033	1,873,950	6,268,588	8,142,538	8,223,963	3,117,961,420	2.50%	0.264
2032	2034	5,262,075	2,876,588	8,138,663	8,220,049	3,195,910,456	2.50%	0.257
2033	2035	5,263,825	2,875,306	8,139,131	8,220,523	3,275,808,217	2.50%	0.251
2034	2036	5,266,325	2,876,488	8,142,813	8,224,241	3,357,703,422	2.50%	0.245
2035	2037	5,264,200	2,877,025	8,141,225	8,222,637	3,441,646,008	2.50%	0.239
2036	2038	5,263,700	2,875,338	8,139,038	8,220,428	3,527,687,158	2.50%	0.233
2037	2039	5,261,300	2,876,950	8,138,250	8,219,633	3,615,879,337	2.50%	0.227
2038	2040	5,261,900	2,878,725	8,140,625	8,222,031	3,706,276,321	2.50%	0.222
2039	2041	5,265,100	2,875,550	8,140,650	8,222,057	3,798,933,229	2.50%	0.216
2040	2042	5,265,600	2,877,200	8,142,800	8,224,228	3,893,906,559	2.50%	0.211
2041	2043	5,263,200	2,878,338	8,141,538	8,222,953	3,991,254,223	2.50%	0.206
Total DS From								
Current FY:		\$ 83,922,139	\$ 78,897,206	\$ 162,819,345	\$ 164,447,538			

Dated Date: 12/30/22 07/01/24

Net Proceeds: \$ 56,333,096 \$ 58,066,904 \$ 114,400,000

(1) Rates based upon market conditions as of November 29, 2022 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%. Estimated 2024 TIC = 3.89%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.

- Estimated tax rate increase during referendum campaign: \$0.346
- Estimated total debt service cost during referendum campaign: \$166.73 million

Scenario 1A/1B: All Remaining Referendum Authority Issued in November 2024

Referendum Bonds Debt Service

Levy Year	Fiscal Year	\$54,045,000 GO School Bonds, Series 2022	PROPOSED GO School Bonds, Series 2024 (1)	Total General Obligation Bonds Debt Service	Approximately 1.0% County Loss/Cost Debt Service	Total EAV Growth Rate	Approx. B&I Tax Rate
						EAV	
2021	2023	\$	\$	\$	\$	2,373,443,666	-0.01%
2022	2024	8,146,364		8,146,364	8,227,827	2,470,372,185	4.08%
2023	2025	8,146,950	-	8,146,950	8,228,420	2,671,897,121	8.16%
2024	2026	1,873,950	6,199,725	8,073,675	8,154,412	2,738,694,549	2.50%
2025	2027	1,873,950	6,199,475	8,073,425	8,154,159	2,807,161,913	2.50%
2026	2028	1,873,950	6,195,100	8,069,050	8,149,741	2,877,340,961	2.50%
2027	2029	1,873,950	6,196,100	8,070,050	8,150,751	2,949,274,485	2.50%
2028	2030	1,873,950	6,196,850	8,070,800	8,151,508	3,023,006,347	2.50%
2029	2031	1,873,950	6,196,850	8,070,800	8,151,508	3,098,581,505	2.50%
2030	2032	1,873,950	6,195,600	8,069,550	8,150,246	3,176,046,043	2.50%
2031	2033	1,873,950	6,197,475	8,071,425	8,152,139	3,255,447,194	2.50%
2032	2034	5,262,075	2,808,725	8,070,800	8,151,508	3,336,833,374	2.50%
2033	2035	5,263,825	2,808,225	8,072,050	8,152,771	3,420,254,208	2.50%
2034	2036	5,266,325	2,805,663	8,071,988	8,152,707	3,505,760,563	2.50%
2035	2037	5,264,200	2,805,531	8,069,731	8,150,429	3,593,404,578	2.50%
2036	2038	5,263,700	2,809,625	8,073,325	8,154,058	3,683,239,692	2.50%
2037	2039	5,261,300	2,807,681	8,068,981	8,149,671	3,775,320,684	2.50%
2038	2040	5,261,900	2,809,438	8,071,338	8,152,051	3,869,703,701	2.50%
2039	2041	5,265,100	2,807,519	8,072,619	8,153,345	3,966,446,294	2.50%
2040	2042	5,265,600	2,807,869	8,073,469	8,154,203	4,065,607,451	2.50%
2041	2043	5,263,200	2,808,438	8,071,638	8,152,354	4,167,247,638	2.50%
2042	2044	-	-	-	-	4,271,428,829	2.50%
2043	2045	-	-	-	-	4,167,247,638	2.50%
Total DS From							
Current FY:		<u>\$ 75,775,775</u>	<u>\$ 77,655,888</u>	<u>\$ 153,431,663</u>	<u>\$ 154,965,979</u>		

Estimated Net Proceeds: **\$ 58,066,904**

(1) Rates based upon market conditions as of June 28, 2024 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%.
Estimated TIC = 3.87%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.

- Actual tax rate increase: \$0.333
- Estimated total debt service: \$161.58 million

Scenario 2: Issue Referendum Authority Issued in November 2024 & January 2025

Referendum Bonds Debt Service

Ley Year	Fiscal Year	\$54,045,000 GO School Bonds, Series 2022	PROPOSED GO School Bonds, Series 2024 (1)	PROPOSED GO School Bonds, Series 2025 (1)	Total	Total General Obligation Bonds Debt Service	Approximately 1.0% County Loss/Cost Debt Service	EAV	Total EAV Growth Rate	Approx. B&I Tax Rate
2021	2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,373,443,666	-0.01%	0.000
2022	2024	8,146,364	-	-	8,146,364	8,146,364	8,227,827	2,470,372,185	4.08%	0.333
2023	2025	8,146,950	-	-	8,146,950	8,146,950	8,228,420	2,671,897,121	8.16%	0.308
2024	2026	1,873,950	667,300	5,494,766	8,036,016	8,036,016	8,116,376	2,738,694,549	2.50%	0.296
2025	2027	1,873,950	667,300	5,497,963	8,039,213	8,039,213	8,119,605	2,807,161,913	2.50%	0.289
2026	2028	1,873,950	667,300	5,494,338	8,035,588	8,035,588	8,115,943	2,877,340,961	2.50%	0.282
2027	2029	1,873,950	667,300	5,496,088	8,037,338	8,037,338	8,117,711	2,949,274,485	2.50%	0.275
2028	2030	1,873,950	667,300	5,497,588	8,038,838	8,038,838	8,119,226	3,023,006,347	2.50%	0.269
2029	2031	1,873,950	667,300	5,493,463	8,034,713	8,034,713	8,115,060	3,098,581,505	2.50%	0.262
2030	2032	1,873,950	667,300	5,493,213	8,034,463	8,034,463	8,114,807	3,176,046,043	2.50%	0.256
2031	2033	1,873,950	667,300	5,496,088	8,037,338	8,037,338	8,117,711	3,255,447,194	2.50%	0.249
2032	2034	5,262,075	1,720,300	1,055,338	8,037,713	8,037,713	8,118,090	3,336,833,374	2.50%	0.243
2033	2035	5,263,825	1,724,800	1,046,463	8,035,088	8,035,088	8,115,438	3,420,254,208	2.50%	0.237
2034	2036	5,266,325	1,724,800	1,045,181	8,036,306	8,036,306	8,116,669	3,505,760,563	2.50%	0.232
2035	2037	5,264,200	1,720,225	1,050,938	8,035,363	8,035,363	8,115,716	3,593,404,578	2.50%	0.226
2036	2038	5,263,700	1,722,238	1,049,463	8,035,400	8,035,400	8,115,754	3,683,239,692	2.50%	0.220
2037	2039	5,261,300	1,720,575	1,055,625	8,037,500	8,037,500	8,117,875	3,775,320,684	2.50%	0.215
2038	2040	5,261,900	1,724,975	1,049,425	8,036,300	8,036,300	8,116,663	3,869,703,701	2.50%	0.210
2039	2041	5,265,100	1,723,188	1,050,719	8,039,006	8,039,006	8,119,396	3,966,446,294	2.50%	0.205
2040	2042	5,265,600	1,720,931	1,049,706	8,036,238	8,036,238	8,116,600	4,065,607,451	2.50%	0.200
2041	2043	5,263,200	1,720,806	1,051,888	8,035,894	8,035,894	8,116,253	4,167,247,638	2.50%	0.195
2042	2044	-	-	-	-	-	-	4,271,428,829	2.50%	0.000
2043	2045	-	-	-	-	-	-	4,167,247,638	2.50%	0.000
Total DS From Current FY:		\$ 75,775,775	\$ 22,561,238	\$ 54,468,247	\$152,805,259	\$152,805,259	\$ 154,333,312			

Estimated Net Proceeds: **\$ 14,350,000** **\$ 43,716,904** **\$ 58,066,904**

(1) Rates based upon market conditions as of June 28, 2024 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%.

Estimated Aggregate TIC = 3.88%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



Preliminary Financing Timeline – Series 2024 Referendum Bonds

July 15	PMA presents financing scenarios to Finance Committee
July 16	Board selects financing plan for remaining referendum authority
August 20	Board adopts parameters resolution authorizing the sale of referendum bonds - valid for six months
By late September	District updates credit rating
~October 15	Bonds sold; delegates approve results
November 5	Bonds close; District receives referendum bond proceeds

New Legislative Changes for Illinois School Districts



DSEB – A Tax Cap Concept

- ▶ If a school district is subject to “the tax cap”, the annual debt service (principal and interest) payments on certain non-referendum General Obligation (GO) bonds are limited by its Debt Service Extension Base (DSEB)
- ▶ Original DSEB was determined in the levy year in which tax caps became law and was equal to the amount of non-referendum debt service levied for that year
- ▶ The District does not have a DSEB



Overview of School District Provisions of Public Act 103-0591

- ▶ Bonds and debt certificates issued for capital projects can now be issued over 30 years, an increase from the prior maximum authority of 20 years
- ▶ Voter approved bonds (including refundings of those bonds) authorized by election on or after November 5, 2024, are exempt from a school district's statutory debt limit
 - ▶ Public hearing and publication requirements must be met
- ▶ Beginning September 1, 2024, voter approval will not be required for any purchase or construction of a building provided it will increase classroom space for Pre-K or Kindergarten
 - ▶ Prior to building or purchase, the new classroom space must be certified by the Board of Education via a resolution
 - ▶ *Note that this provision does not provide additional funding authority*



Overview of School District Provisions of Public Act 103-0591

- ▶ For tax capped school districts, bonds issued for Fire Prevention and Safety, Environmental Protection, School Security and Energy Conservation (“Life Safety”) purposes will no longer be subject to a district’s debt service extension base (“DSEB”)
 - ▶ School districts may structure Life Safety bonds without limit to the amount of the annual debt service payment, as long as the final maturity does not exceed 30 years
- ▶ The authorized amount of Life Safety bonds may be increased by up to 3% over the approvals to provide for expenses and capitalized interest
 - ▶ Previously, the principal of the bond issue was limited to the amount of the Life Safety approvals
 - ▶ This provision will facilitate direct placements since the purchaser may prefer to buy the bonds without paying a premium to cover the aforementioned items



Life Safety Bonds

- ▶ For a tax capped school district, non-referendum Life Safety bonds are not subject to a DSEB constraint but do count against the debt limit
- ▶ Do not require a back door referendum (30-day petition process)
- ▶ Do require a BINA hearing
- ▶ Issued in evidence of Life Safety approvals
- ▶ The authorized amount may be increased by up to 3% over the Life Safety approvals to provide for expenses and capitalized interest
 - ▶ Previously, the principal of the bond issue was limited to the amount of the Life Safety approvals
 - ▶ This provision will facilitate direct placements since the purchaser may prefer to buy the bonds without paying a premium to cover the aforementioned items



Disclosure

The information contained herein is solely intended to suggest/discuss potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive. The information set forth herein was gathered from sources which we believe, but do not guarantee, to be accurate. Neither the information, nor any options expressed, constitute a solicitation by us for purposes of sale or purchase of any securities or commodities. Investment/financing decisions by market participants should not be based on this information.

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Existing Debt Service on Bonds

Referendum Bonds Debt Service

Ley Year	Fiscal Year	\$54,045,000	Total General	Approximately	EAV	Total	Approx.
		GO School	Obligation	1.0% County		EAV	
		Bonds, Series	Bonds Debt	Loss/Cost Debt		Growth	Rate
		2022	Service	Service	EAV	Rate	Rate
2021	2023	—	—	—	2,373,443,666	-0.01%	0.000
2022	2024	8,146,364	8,146,364	8,227,827	2,470,372,185	4.08%	0.333
2023	2025	8,146,950	8,146,950	8,228,420	2,671,897,121	8.16%	0.308
2024	2026	1,873,950	1,873,950	1,892,690	2,738,694,549	2.50%	0.069
2025	2027	1,873,950	1,873,950	1,892,690	2,807,161,913	2.50%	0.067
2026	2028	1,873,950	1,873,950	1,892,690	2,877,340,961	2.50%	0.066
2027	2029	1,873,950	1,873,950	1,892,690	2,949,274,485	2.50%	0.064
2028	2030	1,873,950	1,873,950	1,892,690	3,023,006,347	2.50%	0.063
2029	2031	1,873,950	1,873,950	1,892,690	3,098,581,505	2.50%	0.061
2030	2032	1,873,950	1,873,950	1,892,690	3,176,046,043	2.50%	0.060
2031	2033	1,873,950	1,873,950	1,892,690	3,255,447,194	2.50%	0.058
2032	2034	5,262,075	5,262,075	5,314,696	3,336,833,374	2.50%	0.159
2033	2035	5,263,825	5,263,825	5,316,463	3,420,254,208	2.50%	0.155
2034	2036	5,266,325	5,266,325	5,318,988	3,505,760,563	2.50%	0.152
2035	2037	5,264,200	5,264,200	5,316,842	3,593,404,578	2.50%	0.148
2036	2038	5,263,700	5,263,700	5,316,337	3,683,239,692	2.50%	0.144
2037	2039	5,261,300	5,261,300	5,313,913	3,775,320,684	2.50%	0.141
2038	2040	5,261,900	5,261,900	5,314,519	3,869,703,701	2.50%	0.137
2039	2041	5,265,100	5,265,100	5,317,751	3,966,446,294	2.50%	0.134
2040	2042	5,265,600	5,265,600	5,318,256	4,065,607,451	2.50%	0.131
2041	2043	5,263,200	5,263,200	5,315,832	4,167,247,638	2.50%	0.128
2042	2044	-	-	-	4,271,428,829	2.50%	0.000
2043	2045	-	-	-	4,167,247,638	2.50%	0.000
Total DS From							
Current FY:		<u>\$ 75,775,775</u>	<u>\$ 83,922,139</u>	<u>\$ 76,533,533</u>			



Non-Referendum GO Bonds

- ▶ The following types of non-referendum GO bonds are available to the District and the annual levy for these bonds needs to fit within the District's DSEB:
 - ▶ Working Cash (for capital projects or operating capital)
 - ▶ If for capital, funds are abated (permanent transfer) to the O&M fund and then transferred to the capital projects fund
 - ▶ Subject to a statutory formula
 - ▶ Funding (pays off a claim or liability like a land contract)
 - ▶ Tort
- ▶ All of these require a BINA (Bond Issue Notification Act) hearing
- ▶ Working Cash Bonds and Funding Bonds also require a back door referendum which is a 30-day petition process (10% of registered voters)



Date: July 15, 2024

To: Dr. Michael Lubelfeld, Superintendent of Schools
Members of the Finance Committee

From: Jeremy Davis, Assistant Superintendent for Finance and Operations

Subject: Bid Award & Recommendation to Approve Organic Life Food Service Management Contract for the 2024-2025 School Year

Policy Alignment: 4:120 - Food Services

Disposition: Information

Executive Summary:

North Shore School District 112 advertised an invitation to Bid notice in the Daily Herald on May 23, 2024. Bid packages were sent to sixteen firms; two were present for the mandatory walk through at Northwood Middle School on June 3, 2024. On July 8, 2024, two bids were opened and publicly read aloud. Bids were received from Arbor Management Inc. and OrganicLife, the current food service management company.

State regulations require that school districts must conduct a thorough review and submit required paperwork to the state for final review and authorization prior to any recommendation that is made to the Board. On July 10, 2024, the district received authorization to proceed with the contract award by ISBE. Based on the initial review of the two bids received, OrganicLife was the lowest responsible bidder. The initial contract is to begin August 1, 2024, through July 31, 2025.

Administration recommends that at the July 10, 2024, Board Meeting, the Board approve the service rate/fee bid of OrganicLife, the lowest responsive and responsible bidder, to provide Food Service Management to the district beginning August 1, 2024, through July 31, 2025, in the amount of \$554,639.48 (see attached).

At the July 16, 2024, Regular Board meeting, the administration recommends that the Board approve the Food Service Management Company contract with Organic Life for the 2024-2025 school year, as described above.

SECTION 22: BID SUMMARY

The SFA shall insert the Projected Annual Units and the Bidder shall insert their rate per unit. The SFA will verify and complete the estimated total for each meal type and calculate the total estimated amount of the Bid. The Bidder shall not plead misunderstanding or deception because of such estimate of quantities, or of the character, location, or other conditions pertaining to the solicitation and/or Contract.

PER MEAL PRICES MUST BE A FIXED PRICE PER MEAL RATE AND
CALCULATED AS IF NO USDA COMMODITIES WILL BE RECEIVED

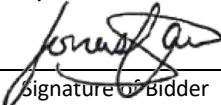
	Projected Annual Units	Rate Per Unit	Estimated Total**
<u>School Nutrition Programs (SNP)/ Seamless Summer Option (SSO)</u>			
Reimbursable Breakfasts with Milk	<u>16,564</u>	<u>\$2.32</u>	<u>\$38,428.48</u>
Reimbursable Lunches with Milk*	<u>107,398</u>	<u>\$4.35</u>	<u>\$467,181.30</u>
Reimbursable After-School Snacks	<u>0</u>	_____	_____
Special Milk Program (SMP)	<u>29,419</u>	<u>\$0.40</u>	<u>\$11,767.60</u>
Fresh Fruit and Vegetable Program	<u>0</u>	_____	_____
A la Carte Equivalents Fee*	<u>8,566</u>	<u>\$4.35</u>	<u>\$37,262.10</u>
Management Fee per School Meal __(breakfast and lunch only)	<u>0</u>	_____	_____
Total Estimated Amount of Bid**			\$ <u>\$554,639.48</u>

*Solicitation rates for SNP reimbursable Lunch and A la carte equivalency fee must be the same.
 **All totals must be carried out to the second decimal place and must not be rounded.

OrganicLife, LLC.

Name of Bidder	Chicago	IL	60654
435 W. Erie St. Suite 104	City	State	Zip Code

By submission of this bid, the bidder certifies that, in the event the bidder receives an award under this solicitation, the bidder shall operate in accordance with all applicable current program regulations. This agreement shall be in effect for the period specified, not to exceed one year, and may be renewed by mutual agreement for four additional one-year Contract Terms.

7/8/2024		CEO and CHAIRMAN
Date	Signature of Bidder	Title



ALA CARTE PRICING:

School Year: 2024-25

Breakfast Meal	\$2.85
Lunch Meal	\$3.85

Bagel - Whole Grain	\$1.50
Bagel w. Cream Cheese	\$2.25
Baked Chips	\$1.50
Bottled Juice- 10 fl oz	\$2.00
Bottled Water - 16.9 oz	\$1.25
Cereal Bar	\$1.50
Entrée Only	\$3.00
Freshly Baked Cookie	\$1.50
Fresh Fruit/Veggie Side	\$1.00
Fruit Snacks	\$1.50
Goldfish Cheddar Crackers	\$1.25
Ice Cream	\$1.50
Izze - 100% Sparkling Juice	\$2.00
Juice Box- 100% Fruit	\$1.00
Milk	\$0.75
Muffin	\$1.50
Pop Tart - Whole Grain	\$1.50
Strudel – Whole Grain	\$1.75
Super Donut – Whole Grain	\$1.75
Switch- 100% Sparkling Juice	\$2.00



Date: July 15, 2024

To: Dr. Michael Lubefeld, Superintendent of Schools
Members of the Finance Committee

From: Jeremy Davis, Assistant Superintendent for Finance and Operations

Subject: District Paper Supply for 2024-2025 School Year

Policy Alignment: 4:60 - Purchase and Contract

Disposition: Information

Executive Summary:

This year, the district initiated a bid process for copy paper. Historically, we partnered with District 113 to bid our copy paper. However, due to low paper demands, District 113 chose not to go out to bid this year. Thus, the district sought bids for copy paper on its own. An advertisement for the bid was placed in the Daily Herald on June 28, 2024. Bids were received and opened on July 10, 2024, from Contract Paper Ground and Veritiv Operating Company.

Veritiv Operating Company was the lowest responsible bidder and met bid specifications with regards to delivery and price; a box of white copy paper costs \$33.75 (see attached). The Contract Paper Ground company bid did not conform to our District specifications. (For example, the price was not held constant for the upcoming school year. The Veritiv lowest responsible bid includes duplicator paper, colored paper, and provides the same pricing regardless of the number of deliveries, which will allow us to manage our paper inventory. District 112's portion of this bid is \$41,073.75 for 1085 cases of paper. Last year, our district purchased copy paper from Garvey's Office Products at a cost of \$35.58 per box.

Based on the above, the administration will recommend at the July 16, 2023, Regular Board of Education meeting that the Board approves the paper bid offered by Veritiv Operating Company, the lowest responsible bidder, for approximately \$41,073.75 for the 2024-2025 school year.

Recommendation: Information

			Vendor 1: Contract Paper Group				Vendor 2: Veritiv Operating Company					
One Delivery		Qty (Cases)	Brand	Ream Price	Case Price (10 reams per case)	Pallet Price	Total	Brand	Ream Price	Case Price (10 reams per case)	Pallet Price	Total
	White, 8 ½ x 11 Regular	1025	Fascopy Equal	\$3.24	\$32.49	N/A	\$33,302.25	Comet	\$3.38	\$33.75	\$1,350.00	\$34,593.75
	Colored 8 ½ x 11 Regular	19	Eagle	\$5.24	\$52.40	N/A	\$995.60	Printworks 2500/ct	\$10.80	\$108.00	N/A	\$2,052.00
	Colored Astrobright 8 1/2 x 11	41	Astrobright #60	\$10.19	\$101.90	N/A	\$4,177.90	Printworks 2500/ct	\$10.80	\$108.00	N/A	\$4,428.00
	Total						\$38,475.75					\$41,073.75