

ACTION ITEM

Date: May 20, 2019

To: Raymond E. Lechner, Ph.D.
Superintendent

From: Ellen Crispino
Business Manager/CSBO

Subject: Budget Resolutions

Proposed Action by Board of Education

Approve the attached resolution authorizing accounting transfers from the Operations and Maintenance Fund to the Capital Projects Fund; and,

Approve the attached resolution authorizing an interfund loan from the Educational Fund to the Operations and Maintenance Fund; and,

Approve the Hearing to Discuss a permanent interfund transfer from the Educational Fund to the Operations and Maintenance Fund; and further,

Approve the publication of notice of a Public Hearing on the permanent interfund transfer to be held at 7:00 p.m. prior to commencing the regularly scheduled Board of Education meeting on Monday, August 26, 2019.

Background

The Board intends to pledge funds in the Operations and Maintenance Fund for payment of costs related to approved construction and improvements at Highcrest Middle School and Harper Elementary School which are anticipated to be completed in fiscal year 2020 and which constitute capital project costs. ISBE Regulation Section 100.50(d)(2) provides that when revenues or other sources of funds are pledged to pay for a capital project, the moneys shall be transferred for accounting purposes into the Capital Projects Fund and expended from that Fund. Accounting transfers of funds from the Operations and Maintenance Fund to the Capital Projects Fund will be made after each Board approval of payment of such construction and improvement costs and shall be reflected in District financial reports in accordance with ISBE regulations.

A short-term interfund loan from the Educational Fund to the Operations and Maintenance Fund may be necessary. This loan permits timely payment of construction related expenses at Highcrest Middle School and Harper Elementary School. The short-term loan will maintain adequate cash flow and fund balances.

The District receives tax levy receipts twice a year, in July and March. The construction starts in June 2019 and will be substantially complete by the end of December 2019. Monthly interfund loans from the Educational Fund will maintain a positive fund balance in the Operations and Maintenance Fund. Transfers will be made after Board approval of construction costs. In accordance with ISBE regulations, District monthly financial reports will reflect these interfund transfers. The Educational Fund will be completely repaid when the 2019 levy is distributed in the spring.

As reflected in the Tentative Annual Budget for Fiscal Year 2020, District 39 plans to permanently transfer \$4,000,000 from its Education Fund to the Operations & Maintenance Fund for FY19. Pursuant to Section 17-2A of the School Code, the School District by resolution may authorize the Treasurer to make permanent interfund transfers.

In keeping with the district's due diligence policy, a Public Hearing will be held and notice of such a hearing will be published in the Wilmette Life on August 8, 2019.

There are three resolutions contained within this Board Report. The first resolution is authorizing transfers from the Operations and Maintenance Fund to the Capital Projects fund for FY20 construction projects not to exceed \$7,022,614. The second resolution is authorizing an interfund loan from the Educational Fund to the Operations and Maintenance fund not to exceed \$2,500,000. The third resolution is to set a hearing to discuss a permanent interfund transfer from the Education Fund to the Operations & Maintenance Fund in the amount of \$4,000,000 and approval of a public hearing on the permanent interfund transfer that would immediately precede the regularly scheduled Board meeting in August.

The Administration recommends adoption of the attached resolutions as written.

Attachments

**Recommended for approval
by the Board of Education**



**Raymond E. Lechner, Ph.D.,
Superintendent**

RESOLUTION
OF THE BOARD OF EDUCATION OF
WILMETTE PUBLIC SCHOOLS DISTRICT NO. 39
COOK COUNTY, ILLINOIS

AUTHORIZING ACCOUNTING TRANSFERS
FROM THE OPERATIONS AND MAINTENANCE FUND
TO THE CAPITAL PROJECTS FUND

IN IMPLEMENTATION OF ISBE REGULATION 100.50(d)

WHEREAS, pursuant to Sections 2-3, 2-3.27, and 2-3.28 of the *School Code*, the Illinois State Board of Education (“ISBE”) has the power and duty to formulate and approve forms, procedures and regulations for school district accounts and budgets; and

WHEREAS, ISBE Regulation Section 100.40(a) requires the establishment of a Capital Projects Fund to replace the fund formerly known as the Site and Construction Fund; and

WHEREAS, the Board of Education ("Board") of Wilmette Public Schools District No. 39, Cook County, Illinois ("District"), has previously established a Capital Projects Fund in compliance with these regulations; and

WHEREAS, ISBE Regulation Section 100.50(d)(2) provides that when revenues or other sources of funds are pledged to pay for a capital project or acquisition, the moneys shall be transferred for accounting purposes into the Capital Projects Fund and expended from that Fund, except in case of acquisition of any equipment that must be financed from the transportation fund pursuant to Section 17-8 of the *School Code*; and

WHEREAS, the Board intends to pledge funds in the Operations and Maintenance Fund for payment of costs related to approved construction and improvements at Highcrest Middle School and Harper Elementary School which are anticipated to be completed by the end of the 2020 fiscal year and which constitute capital project or acquisition costs; and

WHEREAS, the Board intends that the pledging of funds in the Operations and Maintenance Fund be deemed effective upon and in the amount of each Board approval of payment for costs of such construction and improvements, and, once so pledged, that such funds be transferred to the Capital Projects Fund for expenditure in accordance with ISBE Regulation Section 100.50(d)(2).

NOW, THEREFORE, it is hereby resolved by the Board of Education of Wilmette Public Schools District No. 39, Cook County, Illinois that:

- Section 1:** The Preamble above is hereby incorporated into the body of this Resolution.
- Section 2:** Funds in the Operations and Maintenance Fund shall be deemed to be pledged upon and in the amount of each Board approval of payment of those costs related to construction and improvements at Highcrest Middle School and Harper Elementary School anticipated to be completed by the end of the 2020 fiscal year which constitute capital project or acquisition costs.
- Section 3:** The Treasurer is directed to make an accounting transfer of such funds from the Operations and Maintenance Fund to the Capital Projects Fund after each Board approval of payment of such construction and improvement costs.
- Section 4:** All such accounting transfers shall be reflected in District financial reports in accordance with ISBE regulations.
- Section 5:** All expenditures from District Funds shall continue to be approved by the Board in accordance with law and Board Policy.
- Section 6:** All inter-fund transfers expressly authorized by statute shall continue to be approved by the Board as provided in the applicable statute.
- Section 7:** The Treasurer is directed to implement this Resolution.
- Section 8:** This Resolution shall take effect immediately upon adoption.

Adopted this 20th day of May, 2019, by the following roll call vote:

AYES:

NAY:

ABSENT:

President, Board of Education

ATTEST:

Secretary, Board of Education

RESOLUTION
OF THE BOARD OF EDUCATION OF
WILMETTE PUBLIC SCHOOLS DISTRICT 39
COOK COUNTY, ILLINOIS

AUTHORIZING AN INTERFUND LOAN

WHEREAS, the Board of Education of Wilmette Public Schools No. 39, Cook County, Illinois ("Board of Education") has determined it is in the best interests of Wilmette Public Schools No.39, Cook County, Illinois ("School District") to loan money currently in the Educational Fund to the Operations and Maintenance Fund; and

WHEREAS, pursuant to Section 10-22.33 of the *School Code*, 105 ILCS 5/10-22.33, the Board may authorize the Treasurer of the School District to make interfund loans from the Educational Fund to the Operations and Maintenance Fund; and

WHEREAS, such loans shall be repaid and retransferred to the proper fund within three (3) years;

NOW, THEREFORE, It Is Hereby Resolved by the Board as follows:

Section 1. The Board shall make an interfund loan as needed in an amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) from the Educational Fund to the Operations and Maintenance Fund.

Section 2. The Treasurer is authorized to loan said amount and make the necessary transfers on the books of the School District.

Section 3. The Treasurer is directed to repay and retransfer said interfund loan within three (3) years from the date of the adoption of this Resolution.

Section 4. This Resolution shall be in full force and effect immediately upon its adoption.

ADOPTED this 20th day of May, 2019, by the following roll call vote:

AYE:

NAY:

ABSENT:

President, Board of Education
Wilmette Public Schools District No. 39

ATTEST:

Secretary, Board of Education
Wilmette Public Schools District No. 39

RESOLUTION
OF THE BOARD OF EDUCATION OF
WILMETTE PUBLIC SCHOOLS DISTRICT NO. 39
COOK COUNTY, ILLINOIS

SETTING A HEARING TO DISCUSS AN INTERFUND TRANSFER

WHEREAS, pursuant to Section 17-2A of the *School Code* (105 ILCS 5/17-2A), the Board of Education ("Board") of Wilmette Public Schools District No. 39, Cook County, Illinois ("School District"), by proper resolution, may authorize the Treasurer of the School District to make interfund transfers between the Educational, Operations and Maintenance, and Transportation Funds; and

WHEREAS, the adoption of such resolution must follow a public hearing set by the Board or Board President that is preceded by 1) at least one notice, over the name of the Board Secretary or Clerk, published at least seven (7) days and not more than thirty (30) days prior to the hearing in a newspaper of general circulation within the School District, and 2) a notice, over the name of the Board Secretary or Clerk, posted at least forty-eight (48) hours before the hearing at the principal office of the School Board, or the building where the hearing is to be held *if a principal office does not exist*, with both notices setting forth the time, date, place and subject matter of the hearing; and

WHEREAS, the Board has determined that it is in the best interests of the School District to transfer money currently in the Educational Fund to the Operations and Maintenance Fund.

NOW, THEREFORE, It Is Hereby Resolved by the Board of Education of Wilmette Public Schools District No. 39 as follows:

Section 1. The Board has determined that it is in the best interests of the School District to transfer the following amount between the following funds:

<u>Amount</u>	<u>Transfer From</u>	<u>Transfer To</u>
\$4,000,000	Educational	Operations and Maintenance

Section 2. A hearing shall be held on August 26, 2019 at 7:00 p.m., at the Mikaelian Education Center to discuss the proposed transfer.

Section 3. The Secretary is authorized and directed to publish notice of said hearing at least seven (7) days and not more than thirty (30) days prior to the hearing in a newspaper of general circulation within the School District, and to post a notice, at least forty-eight (48) hours before the hearing.

NOTICE OF HEARING

WILMETTE PUBLIC SCHOOLS DISTRICT NO. 39
COUNTY OF COOK
STATE OF ILLINOIS

NOTICE IS HEREBY GIVEN that a hearing will be held on August 26, 2019, at 7:00 p.m., at Mikealian Education Center to discuss the intention of the Board of Education of Wilmette Public Schools District No. 39, Cook County, Illinois, to transfer Four Million Dollars (\$4,000,000) from the Educational Fund to the Operations and Maintenance Fund pursuant to Section 17-2A of the *School Code* (105 ILCS 5/17-2A).

Dated at Wilmette, Illinois, this 8th day of August, 2019

Secretary, Board of Education

Section 4. This Resolution shall be in full force and effect immediately upon its adoption.

ADOPTED this 20th day of May, 2019, by the following roll call vote:

AYE:

NAY:

ABSENT:

President, Board of Education

ATTEST:

Secretary, Board of Education