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Board of Education Meeting Recap

The Township High School District 211 Board of Education met on Thursday, December 14, 2017, in the Anne Koller Board Meeting Room at the G.A. McElroy Administration Center. The following is a recap of important items that were acted upon at the meeting.

Recognitions

The Board of Education recognized two students who earned honors in statewide athletic competitions: **Madison Marasco** from Schaumburg High School finished 9th at the state girls cross country meet, and **Jane Smith** from Palatine High School finished 8th in the 500-yard freestyle at the state girls swim meet.

Five District 211 students were recognized by the Board for achieving a 36 on the American College Test (ACT), the highest possible composite score: William Fremd High School students **Rose Dinh**, **Mayur Popuri**, and **Vikas Reddy**; and Schaumburg High School students **Sara Shahid** and **Edwin Suresh**. On average, less than one tenth of one percent of all ACT test takers earns a top score. Since 1998, District 211 has had 109 students achieve this outstanding accomplishment (the list of students is available [here](#)).

The Board also recognized two District 211 teachers for receiving state awards for their accomplishments. Conant High School Applied Technology Teacher **Shayna Adelman** was named the Technology Education Association of Illinois New Teacher of the Year. This award acknowledges a teacher with fewer than five years of experience for providing students with the most current curriculum, while staying professionally active to continue professional growth. Hoffman Estates High School Science Teacher **Tanya Katovich** received the Presidential Award for Excellence in Mathematics and Science, the highest award for any educator in the science and mathematics field. Each year, five nominees are selected from every state to be evaluated by a national review committee, and she will represent Illinois.

Adoption of 2017 Tax Levy

Following a public hearing, the Board of Education approved the proposed 2017 tax levy as presented. The proposed 2017 tax levy approved by the Board on

November 9, 2017 is \$222,775,000. This is an overall increase of 2.4% or \$5.2 million over the 2016 total levy extension.

Additional information on the 2017 Tax Levy is available [here](#).

Approval of Minutes

The Board of Education approved the minutes from its regular meeting on [November 9, 2017](#), and its joint boards of education meeting on [December 4, 2017](#).

Advanced Placement Honor Roll

High School District 211 currently offers 34 Advanced Placement (AP) courses to students, and students can complete any AP exam, including those exams for courses not offered at their schools. For the past three years, 79% of District 211 students taking an AP exam achieved a passing score.

Annually, the College Board releases its AP District Honor Roll report recognizing school districts for simultaneously achieving increases in access to AP courses for a broader number of students while also maintaining or improving the rate at which their AP students earn scores of 3 or higher on the AP exam. The 2017 AP District Honor Roll was recently released, and High School District 211 was listed as one of 23 school districts in the State of Illinois, and one of 447 school districts across the United States and Canada, to receive this recognition.

Additional information on the AP District Honor Roll is available [here](#).

Operating Fund Balance for the Period Ending June 30, 2017

In April 2008, High School District 211 first adopted an operating fund balance policy (DCA) to safeguard against financial uncertainty in the District and to ensure the capacity of the District to deliver quality services to all students without disruption. The policy clarifies that the District will maintain adequate fund balance levels for operational and financial planning purposes. The District's position regarding fund balance is measured from the following two perspectives as of June 30 of each fiscal year:

1. Within the Educational Fund as an individual fund;
2. Against a cumulative total of the Operating Funds, which include all of the following: the Educational Fund, the Operations/Maintenance Fund, the Transportation Fund, the Illinois Municipal Retirement Fund, and the Working Cash Fund

The Board of Education received information on the [operating fund balance for the period ending June 30, 2017](#).

Property Tax Refund Update

Property taxes play an important role in financing for High School District 211 and are the primary source of annual revenue, comprising over 85%. The revenue received from local property taxes supports the continuation of quality instructional programs and operational support for students throughout the District. Each December, the Board of Education approves a levy that determines the amount of property taxes requested from taxpayers to fund educational and operational needs of the following school year.

While the District files a tax levy for a specified amount, the District does not receive the amount requested. Each year, District 211 loses several million dollars in property taxes that are refunded through property tax appeals. For the 2016-2017 fiscal year, there was more than \$9 million in property tax refund activity, while the levy for the same time period increased only \$1 million. For the first five months of the current fiscal year, there has already been \$4.2 million in property tax refund activity.

The Board received an update on property tax refunds, including information about Cook County property assessment and appeal process. A copy of the report is available [here](#).

Community Connections Newsletter – Strategic Plan Update

As articulated in the Strategic Plan, District 211 places a priority on providing updates to the community about programs and events taking place within District schools. The seventh edition of [Community Connections](#), a quarterly newsletter designed to provide additional information to the community, was distributed in mid-December. This special finance edition of the newsletter featured the following articles: *District 211 Levy Supports Operations while Eliminating Debt Service Levy*; *District 211 Becomes Debt Free*; *District 211 Utilizes Existing Reserves to Fund Major Facility Improvement Projects*; and *District 211 to Make Investment in Future Pension Obligations for Second Year*.

2016-2017 Comprehensive Annual Financial Report (CAFR) of Board of Education Funds

The Board of Education acknowledged receipt of the June 30, 2017 Comprehensive Annual Financial Report (CAFR), which includes financial statements, as prepared by High School District 211, and audited by Baker Tilly Virchow Krause, LLP, Certified Public Accountants. Illinois School Code and the

District's adopted policy require an annual audit by independent certified public accountants.

The Governmental Accounting Standards Board encourages every governmental entity, including school districts, to prepare and publish a CAFR. The CAFR serves as the District's official annual financial report and contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data. The purpose of the financial statements is to report on the financial position and operations of the District.

A representative from Baker Tilly Virchow Krause, LLP presented a brief review of the audit at the meeting.

The 2016-2017 CAFR is posted on the District 211 website for viewing [here](#).

2016-2017 Popular Annual Financial Report (PAFR) of Board of Education Funds

The District's 2016 Strategic Plan includes two components prioritizing clear and transparent communication about the District's finances and the partnership with the community. The District regularly publishes extensive financial information, and in an attempt to make this information accessible to our general community, the Board established a commitment to produce a Popular Annual Financial Report (PAFR), beginning with the 2016-2017 fiscal year financial reports. The PAFR is an unaudited financial publication that presents financial information recently audited by the District's accounting firm of Baker Tilly Virchow Krause, LLP, Certified Public Accountants.

A copy of the District 211 PAFR for the financial period ending June 30, 2017 is available [here](#).

Resolution Authorizing Additional Employer Contributions to the Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund (IMRF) is a multi-agent public pension fund that administers a program of disability, retirement, and death benefits for employees of local government in Illinois. Currently, District 211 has approximately 1,850 active and inactive employees enrolled in the program, and another 1,000 receiving some form of benefits. IMRF is governed by a Board of Trustees, elected by participating employers, members, and annuitants and is not governed or funded by the State of Illinois or associated with the Teacher Retirement System (TRS). IMRF is centrally administered, and it is locally funded by its employer members and plan participants.

By statute, all IMRF eligible active employees pay 4.5% of gross salary to IMRF. This amount is withheld from employees' paychecks and sent to IMRF each month. The District also contributes a percentage of eligible gross salaries to IMRF based upon an assigned employer rate, specific to each individual IMRF employer. The rate fluctuates annually and is unique to each employer. For 2018, District 211's anticipated employer rate is 10.7%, decreased from the 2017 rate of 10.9%.

All contributions made by District 211 and its employees are maintained in a separate trust reserve account at IMRF. As of December 31, 2016, District 211's total IMRF Actuarial Accrued Liability (AAL) is \$108 million, of which \$85.3 million is funded and represents the Actuarial Value of Assets (AVA). The Unfunded Accrued Actuarial Liability portion (UAAL) is currently \$22.8 million.

While the District has an unfunded pension liability of almost \$23 million, the IMRF plan is stable and District 211's annual minimum contributions are reliably made in full to IMRF. The unfunded liability (UAAL) amount impacts the unfunded rate calculation included in the employer rate and the yearly contribution amount paid by the District.

The District has the ability to make additional payments toward the unfunded portion (UAAL) amount that will decrease the unfunded rate portion (3.28%) of the total employer rate, thereby lowering the amount that the District is required to pay to IMRF based upon its eligible IMRF salary amounts. In addition, advance payments would reduce the amount of the liability balance and therefore reduce the amount of interest accrued at 7.5% annually on the UAAL. IMRF investments earnings in excess of 7.5% would further save the District on its annual employer rate.

Last year, the District used existing funds to make its first additional IMRF payment of \$3.5 million. The Board of Education approved the resolution authorizing an additional employer contribution to IMRF in the amount of \$2.5 million to be made before December 31, 2017, increasing the combined total to \$6 million.

Additional information on the IMRF payment is available [here](#).

Student User Fees Introduction

Each year, the Board of Education establishes student fees for textbooks and instructional supplies, the driver education behind-the-wheel course, student parking, transportation, school breakfast and lunch, and summer school. The Board of Education received a report containing an overview of student fees as

compared to similar school districts. A complete copy of the report is available [here](#).

A recommendation on student fees for the 2018-2019 school year will be presented at the January 18, 2018 Board meeting. The recommendation must consider costs of supplies provided to students, eligibility of students for free and reduced-price meals, overall financial impact, and overall strategic direction of the District.

Bids for Consideration – Buses

Sealed bids for buses for the Transportation Department were opened and evaluated, which included the purchase of 15 propane-fueled, 71-passenger buses; 13 gasoline-fueled, 30-passenger buses; and two gasoline-fueled special needs/wheelchair lift buses. Thirty buses will be traded in. Payment for the new buses will be made after delivery in July 2018, and funds for the vehicles will be included in the 2018-2019 transportation budget.

The Board of Education awarded the business for buses for the Transportation Department to the lowest responsible bidder, Central States Bus Sales, in the amount of \$2,104,173. Additional information is available [here](#).

Resolution Authorizing Sale of Land Located at East Wise Road and South Summit Drive in the Village of Schaumburg

At the August 18, 2016 meeting, the Board of Education adopted a five-year Strategic Plan with a priority to optimize all District assets, including determination of a plan for efficient utilization of all District-owned property. Throughout the past year, the Board has reviewed numerous comprehensive reports regarding the 60-plus acres of undeveloped land owned by the District for the past 45 years and located west of Plum Grove Road, east of Summit Drive, and north of Wise Road in Schaumburg.

At its October 19, 2017 meeting, the Board took action to approve commencement of the necessary steps to proceed with sale of the 60-plus acre site. The District communicated the Board's intent to sell the property via notification to each local municipality that it serves as well as its local legislators. Through these communications, no local taxing agency expressed any immediate need or desire to purchase the property.

At its December 14, 2017 meeting, the Board adopted a [resolution authorizing the sale of the District's 60-plus acre property](#) on the [terms and conditions](#) attached to and incorporated into the resolution.

Next Board of Education Meeting

The next scheduled regular Board of Education meeting will be held on Thursday, January 18, 2018, beginning at 7:30 p.m. in the Anne Koller Board Meeting Room at the G.A. McElroy Administration Center.

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