

Township Trustees of Schools

TOWNSHIP 38 NORTH, RANGE 12 EAST

www.lyonstto.net

BOARD OF SCHOOL TRUSTEES

Michael S. Thiessen, President

Theron G. Tobolski, Trustee

Michael Dickman, Trustee

22 Calendar Ave. STE D

LaGrange, IL 60525

Phone 708-352-4480

Fax 708-352-4417

Minutes of the Special Meeting of the Lyons Township Trustees of Schools March 13, 2017

Call to Order & Roll Call

President Thiessen called the meeting to order at 5:33 P.M.

Roll call was taken and present were Trustee Tobolski. Also present were Township School Treasurer; Dr. Susan Birkenmaier, Office Manager; Lauralee Conway, Financial Analyst; Ken Getty, and Emily Witt, TTO Attorney.

Pledge of Allegiance

Public Comments

None

Approval of Minutes

Motion by Trustee Dickman to approve the minutes of:

November 16, 2016 – 204 Open Session

Seconded by Trustee Tobolski

Roll Call: Ayes: Thiessen, Tobolski, Dickman

Nays: None

Abstain: None

Motion carried.

Motion by Trustee Dickman to approve the minutes of:

December 8, 2016 – 102 Open Session

Seconded by Trustee Tobolski

Roll Call: Ayes: Thiessen, Tobolski, Dickman

Nays: None

Abstain: None

Motion carried.

Motion by Trustee Dickman to approve the minutes of:

January 9, 2017 – Open Session

Seconded by Trustee Tobolski

Roll Call: Ayes: Thiessen, Tobolski, Dickman
 Nays: None
 Abstain: None

Motion carried.

Motion by Trustee Dickman to approve the minutes of:

January 9, 2017 – Closed Session

Seconded by Trustee Tobolski

Roll Call: Ayes: Thiessen, Tobolski, Dickman
 Nays: None
 Abstain: None

Motion carried.

December 31, 2016 Investment Report

President Thiessen moved agenda item #8 to agenda item #5.

Brian Hextell the Institutional Portfolio Manager and Audra Braski of PMA presented the Lyons Township Portfolio Update for the 1st Quarter of 2017. Mr. Hextell reported a substantial increase in rates over the past year, FOMC increased Fed Funds target rate to .50 - .75% on December 14th. The markets expect higher inflation and stronger economic growth. From a long term perspective the market is still in a relatively low rate environment.

<u>Portfolio Characteristics</u>	<u>Portfolio</u>	<u>Benchmark</u>
Duration	3.23	3.76
Yield	2.13	1.64
Quality	AA+	AAA

Proposed Goals/Objectives:

- Reduce Allocation of Agency Residential MBS
- Strategically Diversify into High Quality Income Producing Sectors
- Reduce Prepayment Risk/Improve Cash Flow
- Enhance Returns by Introducing High Quality Spread Alternatives

The Trustees discussed the total return, gross of fees and the index return quarter to date, prior year, trailing year and since inception. Mr. Hextell reported the returns consistently exceed the benchmark.

Mr. Ken Getty updated the Trustees on the Investment Analysis for December 31, 2016. Mr. Getty reported the final quarter in 2016 proved challenging for the fixed income market. The Bank of America Merrill Lynch Treasury & Agency Index rate decreased (2.51 in September 2016 to 1.41 in December 2016, as did the LTTO portfolio annualized rate of return (3.05 in September 2016 to 2.17 in December 2016).

The short term investment portion of the TTO portfolio has decreased by \$58.5 million in the Money Market funds, mainly due to the end of the second tax collection cycle occurring in the previous quarter, fourth quarter debt service payments and increased capital improvement project drawdown.

Review/Approval of the Lyons Township Treasurer's financial reports

Treasurer Birkenmaier reviewed the Lyons Township School Treasurer's financial statements for the month of December 2016 and January 2017.

No action needed.

Review School Districts Official Records

Treasurer Birkenmaier reviewed the School Districts Official Records for the months of December 2016 and January 2017. President Thiessen questioned West 40's continuing deficit fund balance. Treasurer Birkenmaier reported the state is behind in releasing funds. President Thiessen expressed his concern and the possibility of West 40 not collecting revenue from the State of Illinois. Discussion followed.

No action needed.

Motion by Trustee Dickman to approve the payables list for:

January 25, 2017 - \$ 52,614.08

Seconded by Trustee Tobolski.

Roll Call:	Ayes:	Thiessen, Tobolski, Dickman
	Nays:	None
	Absent:	None

Motion carried.

Motion by Trustee Dickman to approve the payables list for:

February 17, 2017 - \$ 38,941.31

Seconded by Trustee Tobolski.

Roll Call:	Ayes:	Thiessen, Tobolski, Dickman
	Nays:	None
	Absent:	None

Motion carried.

Motion by Trustee Dickman to approve the payables list for:
March 13, 2017 - \$ 73,792.48

Seconded by Trustee Tobolski.

Roll Call: Ayes: Thiessen, Tobolski, Dickman
 Nays: None
 Absent: None

Motion carried.

FY16 Audit Management Letter

Treasurer Birkenmaier reviewed the FY16 Audit Management letter with the Board of Trustees. During the FY16 annual audit it was discovered that there was an error in calculating the final pay for an employee who retired in September, 2015. The Trustees directed Treasurer Birkenmaier to send a letter to the retired employee requesting payback of the overpayment funds either through return receipt USPS or Federal Express. Treasurer Birkenmaier will update the Trustees at the next board meeting.

No action needed.

District 217 Property Purchase

Treasurer Birkenmaier reported Argo Community High School District #217 passed resolutions in January 2017 approving the real estate purchase of two properties, 7225 W. 63rd St., Summit IL in the amount of \$215,000 and 7400 W. 64th St., Summit IL, in the amount of \$ 335,000. The property purchase has been completed.

No action needed.

Miller Cooper Accounting Services Agreement

Treasurer Birkenmaier met with Betsy Allan from Miller Cooper to discuss additional support for bank account reconciliation with the TTO's general ledger transactions. There are several benefits to engaging Miller Cooper's accounting department to review the work on a quarterly basis and make notes on any transactions that need to be researched or corrected. Treasurer Birkenmaier reviewed the letter of engagement from Miller Cooper outlining the services and asked for the approval of the Trustees in order to move forward. The Trustees approved a cap of \$2,500 and if additional funds are needed, Mr. Thiessen asked the Trustees be notified for approval.

Motion by Trustee Dickman to approve the Miller Cooper Account Services Agreement with a set cap amount of \$ 2,500. Additional funds will need to be approved by the Trustees.

Seconded by Trustee Tobolski.

Roll Call: Ayes: Thiessen, Tobolski, Dickman
 Nays: None
 Absent: None

Motion carried.

Pro-rata Discussion

Treasurer Birkenmaier presented an updated FY16 pro-rata bill calculation with all of the school district’s final FY16 AFR information. Revenues are used for the pro-rata share calculation against which the costs of services are distributed. Two billing options were presented to the Trustees. Option 1 – All LTHS 204 litigation costs included in the FY16 pro rata costs. Option 2 – No LTHS 204 litigation costs included in the FY16 pro rata costs. The Board of Trustees discussed the differences in Option 1 & 2. The pro rata billing was tabled until the next Trustee meeting on April 24, 2017.

District Updates

Attorney Witt reported the TTO could not escrow School Districts interest distributions.

Personnel

Treasurer Birkenmaier announced Maurice Brown, Staff Accountant has announced his resignation effective June 30, 2017. The TTO will post the Staff Accountant position on the TTO website and on indeed.com. Treasurer Birkenmaier will update the Trustees on the application and interview status at the next meeting.

Motion to suspend the Special Meeting for the purpose of entering closed session.

Motion by President Thiessen to suspend the Special Meeting for the purpose of entering closed session at **7:25 P.M.**, for the purpose of:

- *Illinois Open Meetings Act, (5 ILCS 120/2 (c)(11)*, “Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.”
- *Illinois Open Meetings Act, (5 ILCS 120/2 (c)(1)*, “Discussion on the appointment, employment, compensation, discipline, performance or dismissal of specific employees of the public body.”

All in favor, motion carried.

10. Reconvene the Special Meeting of the Board of Trustees

Motion by President Thiessen to reconvene the Special Meeting of the Board of Trustees at **8:48 P.M.** **Seconded by Trustee Dickman.**

Roll Call:	Ayes:	Thiessen, Tobolski, Dickman
	Nays:	None
	Absent:	None

Motion Carried.

11. Action as a result of Closed Session



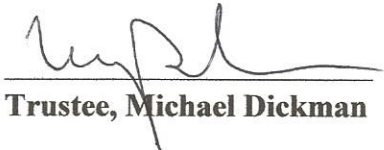
None

12. Adjournment

President Thiessen moved to adjourn the Special Meeting of the Board of Trustees at 8:49 P.M. **Seconded by Trustee Tobolski.**

All in favor, motion carried.

Minutes approved by:

 _____	 _____	 _____
President, Michael Thiessen	Trustee, Theron Tobolski	Trustee, Michael Dickman

Approved on: April 24, 2017

**MINUTES OF THE CLOSED MEETING OF THE
LYONS TOWNSHIP TRUSTEES OF SCHOOLS
March 13, 2017**

1. Call to Order.

The Closed Session of the Lyons Township Trustees of Schools was called to order by President Michael Thiessen at the Township School Treasurer's Office, 22 Calendar Court, LaGrange, Illinois at 7:25.m.

2. Roll Call.

Taken by President Thiessen. Present were President Thiessen, Trustee Tobolski, Trustee Dickman, Treasurer Susan Birkenmaier, and attorney Emily Witt.

3. Discussion of the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body. 5 ILCS 120/2(c)(1).

The Board discussed the recent resignation of the staff accountant. The Board also discussed the provisions of Treasurer Birkenmaier's proposed new employment contract. The Board discussed the possibility of developing a new treasurer internally and the possibility of filling the position externally.

4. Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when a public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting. 5 ILCS 120/2(c)(11).

The Board discussed the status of the litigation with School District 204. Trustee Dickman provided an update regarding the recent depositions and the timeline of the case. The Board discussed whether School District 204 will agree to a settlement. The Board also discussed President Thiessen's deposition and the Treasurer Birkenmaier's deposition.

5. Discussion of the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body. 5 ILCS 120/2(c)(1).

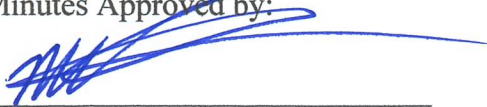
The Board again discussed Treasurer Birkenmaier's potential new contract and the possibility of her retirement. The Board also discussed the possibility of promoting a candidate internally to assistant treasurer. At 8:24pm, Treasurer Birkenmaier left closed session so that the Board could discuss the compensation for her proposed employment contract. The Board then discussed the compensation for Treasurer Birkenmaier's new contract and discussed staffing concerns. At 8:34pm, Treasurer Birkenmaier returned to closed session. Treasurer Birkenmaier then informed the Board regarding paying out

accrued vacation days to employees who have accumulated a significant number of vacation days.

6. Adjournment.

Trustee Dickman moved to adjourn the Closed Session, seconded by Trustee Toboloski. A roll call vote was taken, with President Thiessen, Trustee Tobolski and Trustee Dickman voting aye. Closed session was adjourned at 8:48 p.m.

Minutes Approved by:



President, Michael Thiessen

Trustee Theron Tobolski



Trustee Michael Dickman

Date: APR 24 2017