

IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT, CHANCERY DIVISION

TOWNSHIP TRUSTEES OF SCHOOLS
TOWNSHIP 38 NORTH, RANGE 12 EAST,

Plaintiff/Counter-Defendant,

v.

LYONS TOWNSHIP HIGH SCHOOL DIST. 204,

Defendant/Counter-Plaintiff.

Case No. 13 CH 23386

Hon. Sophia H. Hall

Jury Trial Demanded

FILED
2015 DEC 10 PM 3:00
DOFOTHY BROWN CLERK

NOTICE OF FILING

TO: Barry P. Kaltenbach
Miller Canfield
225 West Washington Street
Suite 2600
Chicago, IL 60606

PLEASE TAKE NOTICE that on December 10, 2015, we filed with the Clerk of the Circuit Court of Cook County, Illinois, County Department, Chancery Division, **Defendant's Verified Reply To Plaintiff's Affirmative Defenses**, a copy of which is hereby served upon you.

LYONS TOWNSHIP HIGH SCHOOL DIST. 204


By:


One of Its Attorneys

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CERTIFICATE OF SERVICE

The undersigned, an attorney, certifies that he caused copies of this Notice of Filing and the document referred to therein to be served upon the above-identified individual this 10th day of December 2015 via U.S. Mail.



Stephen M. Mahieu

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DEFENDANT’S VERIFIED REPLY TO PLAINTIFF’S AFFIRMATIVE DEFENSES

Defendant/counter-plaintiff, LYONS TOWNSHIP HIGH SCHOOL DISTRICT 204 (“District 204”), by and through its undersigned attorneys, states as follows for its reply to plaintiff’s Affirmative Defenses to First Amended Verified Counterclaim:

First Defense – Prior Notice/Lack of Intergovernmental Agreement

1. The treasurer’s compensation and expenses of office are statutorily required to be paid according to a *pro rata* formula set out within the Illinois School Code, with each member district the Treasurer serves paying its proportionate share of such compensation and expenses.

REPLY: The allegations of Paragraph 1 call for a legal conclusion to which no reply is required. To the extent a reply is deemed required, the provisions of the Illinois School Code are the best evidence of the requirements thereof, and District 204 denies the allegations of Paragraph 1 to the extent they vary from the Illinois School Code.

2. The Treasurer is not authorized to alter or excuse the statutory obligations imposed by Illinois law. Likewise, the Township Trustees is not permitted to alter or excuse such statutory obligations.

REPLY: The allegations of Paragraph 2 call for a legal conclusion to which no reply is required. To the extent a reply is deemed required, the provisions of Illinois

law are the best evidence of the requirements thereof, and District 204 denies the allegations of Paragraph 2 to the extent they vary from Illinois law.

3. The only source of revenue for the Treasurer's office is the *pro rata* payments made by each member district. If any one member district pays less than its full *pro rata* share, the deficit must necessarily be paid by the other remaining member districts.

REPLY: The allegations of Paragraph 3 call for a legal conclusion to which no reply is required. To the extent a reply is deemed required, District 204 admits the Treasurer's office receives revenue from *pro rata* payments by each member district, but denies the remaining allegations of Paragraph 3.

4. Accordingly, if District 204 were to be excused from paying less than its full *pro rata* share, the other member school districts would be adversely effected and would be forced to pay more than their *pro rata* share.

REPLY: Denied.

5. By letter dated April 29, 1999, Robert Healy, the then-Treasurer, notified Dr. Lisa Beckwith, the then-Business Manager of District 204, that:

Respectfully, regardless of whether or not [District 204] believes it receives the full value of services from the [Treasurer's] office, given the autonomous financial functions it performs, the provisions of 105 ILCS 5/8-4 requires that all school districts pay their proportionate share of expenses of the Treasurer's Office. The contribution formula is prescribed by statute and allows for no variation. The situation at hand is analogous to a resident who sends his children to parochial schools, but is nonetheless required to pay that portion of his real estate tax bill earmarked for public school education.

REPLY: The April 29, 1999 letter between TTO Treasurer Robert Healy and District 204 Business Manager Dr. Lisa Beckwith is the best evidence of the content of said letter, and District 204 denies the allegations of Paragraph 5 to the extent they vary from the content of said letter.

6. By letter dated August 18, 1999, Mr. Healy further advised Dr. Beckwith that in the event an agreement could be reached that would excuse District 204 from paying its *pro rata* share (which such agreement township Trustees assert would be in violation of Illinois statute in any event), such agreement could not be a private agreement between District 204 and the

Treasurer's office, nor could it be between District 204 and Township Trustees, but rather it would need to be an Intergovernmental Agreement executed by all of the member districts.

REPLY: The August 18, 1999 letter between Mr. Healy and Dr. Beckwith is the best evidence of the content of said letter, and District 204 denies the allegations of Paragraph 6 to the extent they vary from the content of said letter.

7. In this same correspondence, Mr. Healy notified Dr. Beckwith that (a) the Township Trustees (not himself) would have to approve any decision whereby the Treasurer would partially fund District 204's business functions, and (b) the *pro rata* billing system could only be changed through legislation.

REPLY: The August 18, 1999 letter between Mr. Healy and Dr. Beckwith is the best evidence of the content of said letter, and District 204 denies the allegations of Paragraph 7 to the extent they vary from the content of said letter.

8. In spite of the above correspondence, District 204 now contends that it and Mr. Healy either privately agreed to a contract excusing it from its statutory obligation to pay its *pro rata* share, or that District 204 was justified in relying upon Mr. Healy's subsequent assurances that District 204 need not pay its *pro rata* share of the Treasurer's compensation and expenses of office. No Intergovernmental Agreement was ever prepared or executed.

REPLY: The August 18, 1999 letter between Mr. Healy and Dr. Beckwith is the best evidence of the content of said letter, and District 204 denies the allegations of Paragraph 8 to the extent they vary from the content of said letter. Answering further, District 204's First Amended Verified Counterclaim is the best evidence of the nature and extent of District 204's contentions in this action, and District 204 denies the allegations of Paragraph 8 to the extent they vary from the allegations of said pleading. District 204 further replies that it has complied with its *pro rata* share obligations. District 204 objects to the term "Intergovernmental Agreement" as vague. Subject to and without waiving said objection, District 204 admits no document entitled "Intergovernmental Agreement" was prepared or executed in connection with the facts and circumstances at issue in this action. District 204 denies the remaining allegations of Paragraph 8.

Second Defense – Lake of Authority – District 204’s Finance Committee

1. Upon information and belief, Dr. Lisa Beckwith and District 204’s Finance Committee did not have lawful authority to enter into any contracts on behalf of District 204, or minimally did not have lawful authority to enter into the contracts or types of contracts that District 204 alleges to be at issue in this lawsuit.

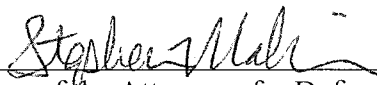
REPLY: Denied.

2. District 204 alleges only that Dr. Beckwith and/or members of its Finance committee met with Robert Healy and agreed to the purported contracts at issue. Absent district 204’s Board agreeing to the purported contracts, such contract would not have been lawfully adopted by District 204, regardless of the lack of authority on the part of Mr. Healy.

REPLY: Denied.

WHEREFORE, defendant/counter-plaintiff, LYONS TOWNSHIP HIGH SCHOOL DISTRICT 204, prays for: (1) judgment in its favor and against plaintiff/counter defendant, TOWNSHIP TRUSTEES OF SCHOOLS TOWNSHIP 38 NORTH, RANGE 12 EAST; (2) an award of damages in an amount to be determined at trial; (3) its costs; and (4) an order granting such further relief as the Court deems just and reasonable.

Respectfully submitted,

By: 
One of the Attorneys for Defendant/
Counter-Plaintiff, LYONS TOWNSHIP
HIGH SCHOOL DISTRICT 204

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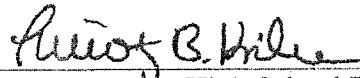
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VERIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure, the undersigned certifies that the statements set forth in the foregoing pleading are true and correct except as to matters stated to be on information and belief and as to such matters, the undersigned certifies as aforesaid that verily believes the same to be true.



Lyons Township High School District 204

By: Dr. Timothy Kilrea

Its: Superintendent

Dated: 12/10/2015