

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

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

Plaintiff, )

vs. )

LYONS TOWNSHIP HIGH SCHOOL )  
DISTRICT 204, )

Defendant. )

No. 2018CH08263  
CALENDAR/ROOM 07  
TIME 00:00  
Declaratory Jdgmt

COMPLAINT

Plaintiff, Lyons Township Trustees of Schools, Township 38 North, Range 12 East, by its undersigned counsel, MILLER, CANFIELD, PADDOCK AND STONE, P.L.C., for its Complaint for Declaratory Relief against the defendant, Lyons Township High School District 204, states as follows:

Nature of the Case

1. Plaintiff brings this action to remedy Defendant's refusal to comply with the Illinois School Code. Plaintiff is charged by statute with providing financial services to school districts within Lyons Township. The School Code requires that the school districts pay their proportionate share for those services. Each year, all of the school districts pay their proportionate share – except for Defendant. Defendant refuses to pay its share, despite having more than ample funds to do so, forcing the Plaintiff to incur a deficit and creating the risk that all of the other school districts within Lyons Township will ultimately have to bear the cost of Defendant's refusal.

FILED  
2018 JUN 29 PM 3:21  
DODD THY BROWN CLERK

### **Parties, Jurisdiction and Venue**

2. Plaintiff, Lyons Township Trustees of Schools, Township 38 North, Range 12 East (“Trustees”), is a body politic organized under the laws of the State of Illinois with its principal office in LaGrange, Cook County, Illinois.

3. Defendant, Lyons Township High School District 204 (“District 204”), is a body politic organized under the laws of the State of Illinois with its principal office in LaGrange, Cook County, Illinois.

4. District 204 is subject to the personal jurisdiction of this Court because it is an entity organized under the laws of the State of Illinois.

5. Venue is proper in Cook County because District 204 has its principal office in Cook County and because the transactions, or some part thereof, out of which the cause of action alleged herein arose occurred in Cook County.

### **The Trustees and the Treasurer**

6. Pursuant to the School Code, Plaintiff is comprised of three Trustees who are elected by and responsible to the voters within Lyons Township. 105 ILCS 5/5-2.

7. One of the duties of the Trustees is to appoint the Lyons Township School Treasurer (“Treasurer”) to serve as the treasurer for the school districts and related educational bodies within Lyons Township. 105 ILCS 5/8-1.

8. Within Lyons Township, there are eleven school districts consisting of thirty-eight schools and educating approximately 20,000 students for whom the Trustees are responsible, and for whom the Treasurer provides financial services. The school districts include District 204 and also: Western Springs School District 101, LaGrange School District 102, Lyons School District 103, Cook County School District 104, LaGrange School District 105,

Highlands School District 106, Pleasantdale School District 107, Willow Springs School District 108, Indian Springs School District 109, and Argo Community High School District 217.

9. In addition, the Treasurer also provides financial services for two other educational bodies: the LaGrange Area Department of Special Education, which serves students from fifteen school districts, and West 40 Educational Services, which serves forty school districts.

#### **How the Treasurer's Office is Funded**

10. Under the School Code, the Treasurer is entitled to be compensated for his or her services, and the Treasurer also has expenses of office, *e.g.*, leased offices, staff salaries, and office supplies. The School Code requires that each district “shall pay a proportionate share of the compensation of the township treasurer serving such district or districts and a proportionate share of the expenses of the treasurer’s office.” 105 ILCS 5/8-4 (emphasis added).

11. Each district’s proportionate share “shall be determined by dividing the total amount of all school funds handled by the township treasurer by such amount of the funds as belong to each such...district.” 105 ILCS 5/8-4.

12. This statutory formula obligates the districts with the most money to pay the largest proportion of the Treasurer’s costs. For example, on average in any given fiscal year, District 204 owns about twenty-five percent of all the funds the Treasurer handles. This means that, on average, District 204 is charged by the School Code with paying about twenty-five percent of the Treasurer’s costs.

13. This statutory formula is mandatory. No district may unilaterally decide it does not wish to pay its proportionate share.

14. In accordance with the School Code, on an annual basis the Treasurer calculates each district's proportionate share of the Treasurer's compensation and expense, and sends an invoice to each district.

15. If a district does not pay its proportionate share, in full or in part, this creates a deficit. The Plaintiff does not have a tax base or any source of revenue other than the payments received from the school districts. The Plaintiff cannot "make up" this deficit from its own funds. Ultimately, if left uncorrected, this will force each of the other school districts within Lyons Township to absorb the costs that such district refuses to pay.

**District 204's Failure to Pay its Proportionate Share for Fiscal Years 2014-2017**

16. The Treasurer uses a fiscal year commencing on July 1 and running through June 30 of the following year.

17. For fiscal year 2014, the Treasurer sent its annual invoice to all school districts in April 2015. District 204's proportionate share of the Treasurer's costs, as reflected on its invoice, was \$252,053.43. District 204 paid only \$242,321.00, leaving an unpaid balance that year of \$9,732.43.

18. For fiscal year 2015, the Treasurer sent its annual invoice to all school districts in May 2016. District 204's proportionate share of the Treasurer's costs, as reflected on its invoice, was \$395,094.69. District 204 paid only \$236,482, leaving an unpaid balance that year of \$158,612.69.

19. For fiscal year 2016, the Treasurer sent its annual invoice to all school districts in May 2017. District 204's proportionate share of the Treasurer's costs, as reflected on its invoice, was \$322,352.21. District 204 paid only \$208,061, leaving an unpaid balance that year of \$114,291.21.

20. For fiscal year 2017, the Treasurer sent its annual invoice to all school districts in May 2018. District 204's proportionate share of the Treasurer's costs, as reflected on its invoice, was \$354,103.75. District 204's payment was due on June 28, 2018. As of the time this Complaint is being filed, all of the districts except District 204 paid their invoice or have advised that payment in full is imminent. District 204 has not paid anything, and during a May 21, 2018 Board of Education meeting, District 204 indicated it would not be paying its invoice in full.

21. In total, for fiscal years 2014 through 2017, District 204 has failed to pay \$636,740.08. If left uncorrected, the other school districts within Lyons Township will ultimately have to absorb the amounts that District 204 refuses to pay.

**The Trustees Seek a Declaratory Judgment to Permit Payment**

22. Because of its statutory obligations to serve all of the school districts within Lyons Township, the Plaintiff brings this action seeking declaratory relief.

23. The Treasurer is holding, as custodian, approximately \$50,000,000 in funds that belong to District 204 and that District 204 could utilize to pay its invoices so that the other school districts do not have to absorb this amount. Plaintiff, therefore, seeks a judgment that it is authorized to debit from the funds it currently holds as custodian for District 204 such amounts as District 204 refuses to pay, presently calculated at \$636,740.08.

24. An actual controversy exists between the Trustees and District 204 with respect to the disputes alleged herein and, by the terms and provisions of Section 2-701 of the Code of Civil Procedure, this Court is vested with the power to declare and adjudicate the rights and liabilities of the parties hereto and to grant such other and further relief as it deems necessary under the facts and circumstances presented.

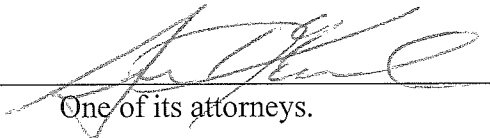
WHEREFORE, Plaintiff, Lyons Township Trustees of Schools, Township 38 North, Range 12 East, respectfully prays that this Court enter a declaratory judgment in its favor and against the Defendant, Lyons Township High School District 204, on this Complaint and that this Court award Plaintiff its costs and make the following findings as a matter of law:

- A. Between fiscal years 2014 and 2017, inclusive, District 204 has failed to pay its proportionate share of the Treasurer's compensation and expenses of office, as required by Section 8-4 of the School Code, totaling \$636,740.08, or such other amount as may be proven;
- B. The Treasurer is authorized to debit from the funds it currently holds as custodian for District 204 the amount determined to be owed by District 204; and
- C. Such other findings as may be equitable and appropriate.

Respectfully submitted,

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

By: \_\_\_\_\_

  
One of its attorneys.

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