

Maywood – Melrose Park – Broadview School District 89

Memorandum

To: Dr. Michael Robey

From: Alan Hahn, Consultant

Re: Resolution to abate Working Cash Fund

The district established a working cash fund to be used to loan money to the funds in need of cash as they await tax collections. The school code 105 ILCS 5/20-5 allows a district to establish or increase the Working Cash Fund to a level specified in the law, generally up to 85% of the amount that can be levied in the Education Fund.

Since the EAV decreased so much last year, the amount of working cash fund balance allowed also decreased. At the same time there are a few funds with significant deficits that are in need of a cash inflow.

Therefore, I recommend that the Board approve the attached resolution that will abate the Working Cash Fund by \$6,730,000 and permanently transfer \$3,390,000 into the IMRF Fund, \$840,000 into the Transportation Fund, and \$2,500,000 into the Education Fund.

MINUTES of a regular public meeting of the Board of Education of School District Number 89, Cook County, Illinois, held at the District 89 Administration Building, 906 Walton Street, Melrose Park, Illinois, in said School District at 6:00 o'clock P.M., on the 13th day of December, 2012.

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The President called the meeting to order and directed the Secretary to call the roll.

Upon the roll being called, Regina Rivers, the President, and the following members were physically present at said location: \_\_\_\_\_

\_\_\_\_\_

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: \_\_\_\_\_

\_\_\_\_\_

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_

\_\_\_\_\_

The President announced that in view of the current financial condition of the District, the Board of Education would consider the adoption of a resolution abating the working cash fund of the District.

Whereupon Member \_\_\_\_\_ presented and the Secretary read by title a resolution as follows, a copy of which was provided to each member of the Board of Education prior to said meeting and to everyone in attendance at said meeting who requested a copy:

RESOLUTION abating the working cash fund of School District  
Number 89, Cook County, Illinois.

\* \* \*

WHEREAS, the Board of Education (the “*Board*”) of School District Number 89, Cook County, Illinois (the “*District*”), has heretofore created and maintained a working cash fund in and for the District (the “*Fund*”); and

WHEREAS, the Board has determined and does hereby determine that it is necessary and in the best interests of the District that the Fund be abated; and

WHEREAS, Section 20-10 of the School Code of the State of Illinois, as amended (the “*Code*”), authorizes the Board to abate the Fund:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of School District Number 89, Cook County, Illinois, as follows:

*Section 1. Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

*Section 2. Amount of Abatement.* The Fund shall be abated as of the date hereof by the amount of \$6,730,000 (the “*Abatement Amount*”).

*Section 3. Permanent Transfer.* The School Treasurer of the District is hereby authorized and directed to forthwith permanently transfer \$2,500,000 of the Abatement Amount to the educational fund of the District, \$840,000 of the Abatement Amount to the transportation fund of the District and \$3,390,000 of the Abatement Amount to the municipal retirement fund of the District, the same being the funds of the District most in need of the Abatement Amount. It is also hereby found and determined that (a) the Abatement Amount, when added to the educational, transportation and municipal retirement funds of the District and regardless of any subsequent transfers of the Abatement Amount, will not result in an excessive accumulation of

assets in the educational, transportation or municipal retirement funds of the District, and (b) the balance to the credit of the Fund (after the transfer of the Abatement Amount), including the amount of any taxes heretofore levied by the District for the Fund pursuant to Section 20-3 of the Code, but not yet collected and deposited into the Fund, and amounts transferred pursuant to Section 20-4 of the Code and to be reimbursed to the Fund, is at least equal to 0.05% of the value, as equalized or assessed by the Department of Revenue, of the taxable property in the District.

*Section 4. Outstanding Loans.* If necessary to effectuate such abatement and permanent transfer, any outstanding loans from the Fund to other funds of the District in an amount, together with any cash immediately transferred pursuant to Section 2 above, equal in the aggregate to the Abatement Amount shall be paid to the educational, transportation and municipal retirement funds of the District, and any remaining outstanding loans shall be paid to the Fund at the time and in the manner required by the Code.

*Section 5. Severability.* If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

*Section 6. Repealer and Effective Date.* All resolutions or parts thereof in conflict herewith be and the same are hereby repealed and that this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted December 13, 2012.

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President, Board of Education

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Secretary, Board of Education

Member \_\_\_\_\_ moved and Member \_\_\_\_\_  
seconded the motion that said resolution as presented and read by title be adopted.

After a full and complete discussion thereof, the President directed the Secretary to call the roll for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following members voted AYE: \_\_\_\_\_

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The following members voted NAY: \_\_\_\_\_

Whereupon the President declared the motion carried and said resolution adopted, and in open meeting approved and signed said resolution and directed the Secretary to record the same in full in the records of the Board of Education of School District Number 89, Cook County, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

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Secretary, Board of Education

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

**CERTIFICATION OF MINUTES AND RESOLUTION**

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of School District Number 89, Cook County, Illinois (the “Board”), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 13th day of December, 2012, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION abating the working cash fund of School District  
Number 89, Cook County, Illinois.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 13th day of December, 2012.

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Secretary, Board of Education