



To: Dr. Dave Palzet, Superintendent
From: Griffin L. Sonntag, Assistant Superintendent for Finance and Operations
Date: March 12, 2025
Subject: Lyons Township Treasurer's Office Membership Update

Introduction/Background Information:

The Lyons Township Treasurer's Office (LTTO) currently serves as the Treasurer for Pleasantdale School District 107. They support our district office's payroll, accounts payable, and bookkeeping functions in this role. TTOs are unique to Cook County. Most school districts in Illinois are not part of a TTO and complete all treasurer-related duties in-house with district-paid staff, share services across neighboring districts, or contract these services out to private providers.

Historically, D107's membership in the LTTO has been required by law. However, this past summer, the Illinois General Assembly passed House Bill 305, which was signed into law on August 9, 2024, becoming Public Act 103-0790.

The new law makes two significant changes to how all Township Treasurer's Offices (TTO) will function.

1. Every member district is to appoint a Board member or District employee to serve on the LTTO Board of Trustees. The member districts must choose this new representation by October 8, 2024 (within 60 days of the law becoming effective). The current Board of Trustees members will roll off the Board as their terms end, and no further seats will be elected.

The Pleasantdale School Board approved me to serve as an LTTO Trustee at the September 18, 2024, Board of Education meeting.

2. Every member district can now withdraw from the TTO by a two-thirds vote of their School Board.

While it varies from year to year, Pleasantdale pays approximately \$60,000 annually for the services the LTTO provides. This number varies because the amount paid is a percentage of the total LTTO expenses. Due to many factors, including ongoing lawsuits, this number fluctuates yearly.

Withdrawal Discussion and Recommendation:

Over the past three years, Pleasantdale School District 107 has experienced a positive working relationship with the LTTO team, who have been knowledgeable, communicative, and responsive to our requests. Our records indicate that the LTTO has done a good job serving as the District's treasurer and managing our investments.

For the past six months, while I have served on the Board of Trustees of the LTTO, three neighboring districts have decided to withdraw from the Treasurer's Office. While the reasons for their withdrawals vary, estimates show that the cost of the LTTO services to the remaining

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districts in future years will increase due to the withdrawals. This is because the office costs are split amongst the member districts.

In addition, the Treasurer has informed the Board of Trustees that he will not seek a new contract when it expires on June 30, 2025. The Board of Trustees has engaged a search firm to hire the next Treasurer this spring.

For these reasons, I recommend we withdraw from the Lyons Township Treasurer's Office.

Options and Recommendation for Maintaining Business Services Previously Provided by the LTTO if Withdrawal Occurs:

Since Public Act 103-0790 was signed into law, I began researching options about how Pleasantdale could manage the loss of the many services the treasurer's office provides should the Board approve a resolution to withdraw from the Lyons Township Treasurer's Office. These services include all or parts of the following: payroll and benefits, accounts payable, investing services, W2 and 1099 verification, printing and filing, year-end audit adjustments, bank reconciliation, monthly reporting, revenue allocation from levy and grants, managing cash balances, managing journal entries, annual statement of affairs, bond payments, and interest distribution. As a reminder, most school districts in Illinois are not part of a TTO and complete all treasurer-related duties in-house with district-paid staff, share services across neighboring districts, or contract these services out to private providers.

Option 1 (not recommended): Bring all of these services in-house. This would include acquiring a new banking partner, acquiring a new investment partner, hiring an additional staff member, purchasing an independent Surety/Treasurer's Bond, purchasing an independent license for our financial software, and training staff on completing the additional services listed above.

Option 2 (recommended): Contract with the Proviso Township Treasurer's Office (PTTO) through an Intergovernmental Agreement. This would be the most cost-effective option that would provide all of the services currently offered by the LTTO. The PTTO has fourteen member districts, which provides a more considerable investment pool (higher returns), costs spread out across more districts, and most importantly, in my mind, none of these districts are leaving the treasurer's office. Mr. Paul Bellisario runs a friendly, efficient office. When we spoke with members of the PTTO, they were extremely satisfied with the services and communicated that they valued the services they received. Pending approval by the Proviso Township Treasurer's Office Board of Trustees, I recommend we contract with the Proviso Township Treasurer's Office for our treasurer services for the 2025-2026 school year. This will provide us with the same services we have had through the LTTO at a cost reduction to our district. To engage their services, an intergovernmental agreement will need to be approved by the Board.

Next steps:

Approve a resolution to withdraw from the Lyons Township Treasurer's Office in April.

Approve an intergovernmental agreement to contract services with the Proviso Township Treasurer's Office for one year in April.