

District 23 Finance Committee Meeting

Tuesday, January 3, 2023 6:00 PM

Grodsky Administration Building, 700 N Schoenbeck Rd, Prospect Heights, IL
60070

I. Call to Order

II. Discussion Items

II.A. Financial Reporting to the Committee

II.B. 2023-24 Student Fee Recommendation

II.C. Budget Resolution - Authorization of
Individual to Prepare the FY2024 Budget

II.D. SSCIP Annual Insurance Coverage Renewal
(Property, Liability and Cyber)

II.E. Carousel Park Update

III. Old Business

IV. New Business

V. Adjournment

Budget Performance Update: Prospect Heights SD 23 (Operating Funds: ED, O/M, Trans., IMRF/SS, WC, Tort)
 Scenario: Initial Base Scenario
 November 2022



Fund summary basis: Operating Funds

Month of November (fiscal year 2023):

↑ Total MTD Revenues: \$2,766,639; over plan* (favorable) by +\$2,324,472
 ↑ Total MTD Expenditures: \$2,341,749; over plan (unfavorable) by +\$15,671

Fiscal year to date (July-November):

↓ Total YTD Revenues: \$4,849,015 (17.2% of annual budget compared to 43.9% prior YTD); under plan (unfavorable) year-to-date (YTD) by -\$7,479,099

- ↓ 1000 Local Sources: -\$9,706,569
- 2000 Flow-Through Sources: +\$0
- ↓ 3000 State Sources: -\$471,078
- ↑ 4000 Federal Sources: +\$293,212
- ↑ 7000 Other Financing Sources: +\$2,405,335

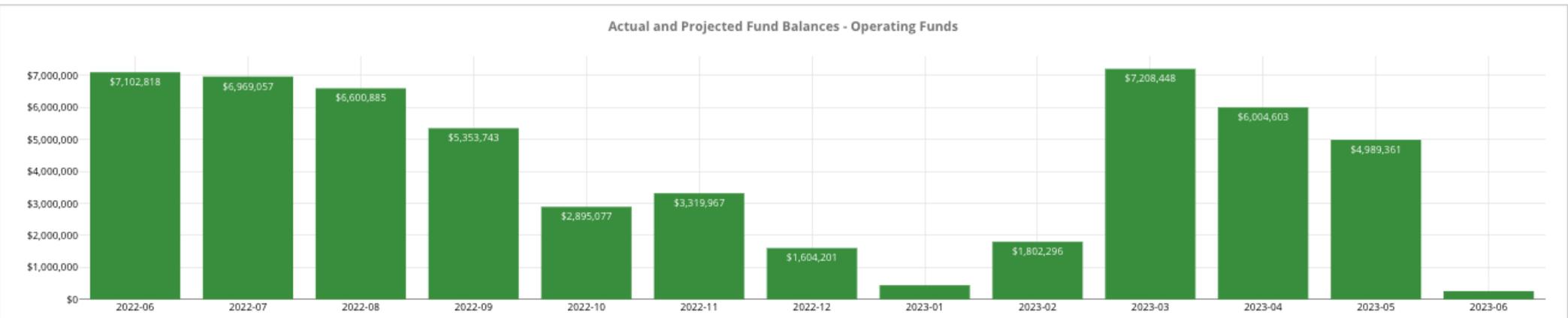
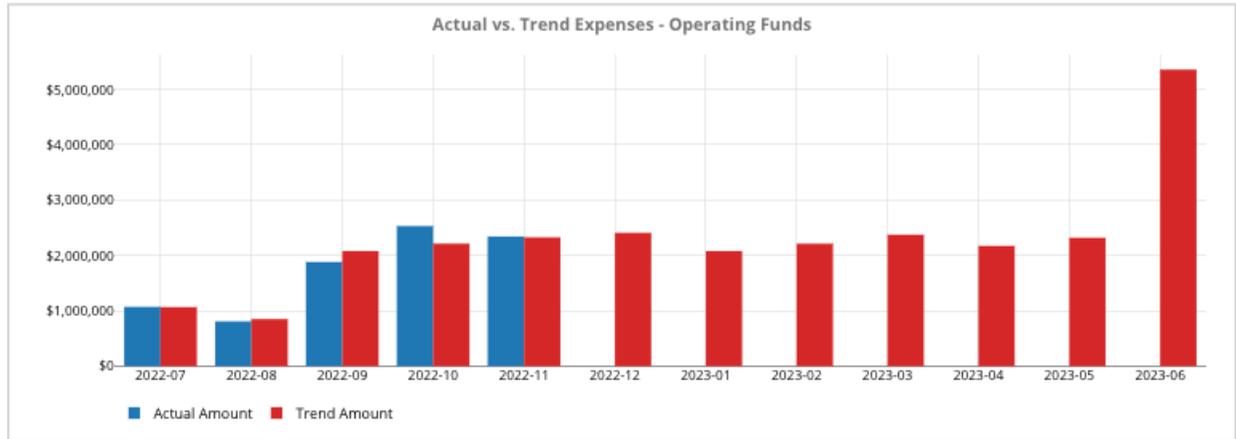
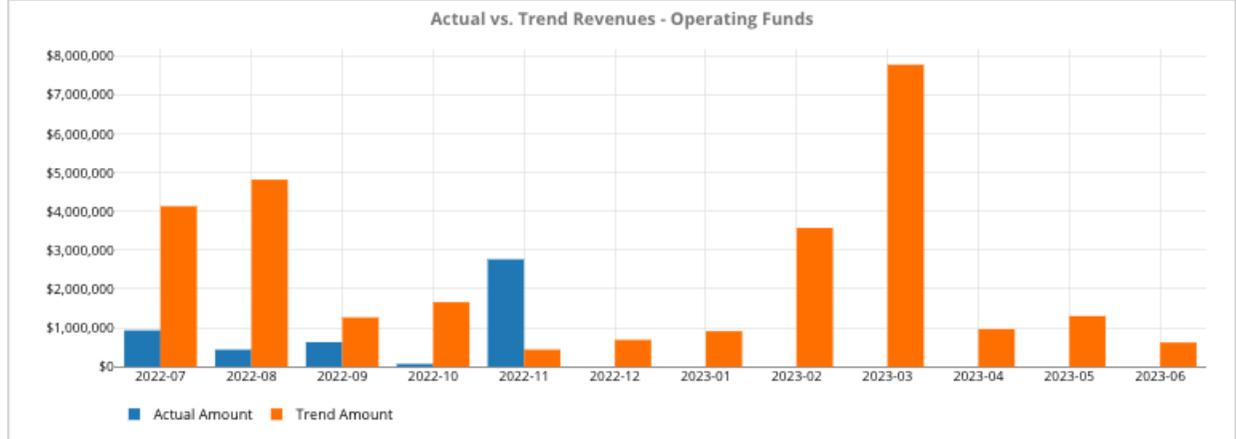
↑ Total YTD Expenditures: \$8,631,867 (31.4% of annual budget compared to 30.5% prior YTD); over plan (unfavorable) year-to-date (YTD) by +\$98,207

- ↑ 000 Transfer: +\$497
- ↓ 100 Salaries: -\$109,606
- ↓ 200 Employee Benefits: -\$113,598
- ↑ 300 Purchased Services: +\$159,870
- ↓ 400 Supplies & Materials: -\$42,195
- ↑ 500 Capital Outlay: +\$23,874
- ↑ 600 Other Objects: +\$181,017
- ↓ 700 Non-Capitalized Equipment: -\$1,651

End of Fiscal Year Projection

	Projected	Annual Budget	Variance
Total Revenues	\$20,704,731	\$28,183,830	-\$7,479,099
Total Expenditures	\$27,552,297	\$27,454,090	+\$98,207
Difference	↓-\$6,847,566	+\$729,740	-\$7,577,306

* Plan equals budgeted amount including any assumptions for all periods (Trend Amount).





**Prospect Heights School District 23
Finance Committee
Information Item**

Date: January 3, 2023
Subject: Recommendation for Student Fees for the 2023-24 School Year
Contact: Amy McPartlin, Assistant Superintendent for Finance & Operations

BACKGROUND:

On an annual basis, the Administration reviews the current fee structure and its alignment with District expenditures.

For the coming 2023-24 school year, Administration recommends that all student fees remain the same, with no additional increase. In addition, an increase in the current lunch fees may be requested following the District's current lunch program audit by the Illinois State Board of Education (ISBE).

PROPOSED 2023-24 STUDENT FEES:

Student Registration Fees

GRADE(S)	AMOUNT
Kindergarten	\$ 75
Grades 1 - 3	\$150
Grades 4 - 5	\$195
Grades 6 - 8	\$250

Student 1:1 Device Technology Fees

The 1:1 Device Protection Plan Fee proposed for the 2023-24 school year will remain \$35 per student. As all students are now fully 1:1, the fee will be assessed to all students (K-8) that are issued devices and will allow for a level of coverage in the event of any unintentional damage. The fee will be included in the total cost of registration but charged as a separate line item.

Student Lunch Fees

Lunch fees will be determined following completion of the food service audit by ISBE and the Federal Government's Paid Lunch Equity Determination. Once completed, Administration will bring forth a formal recommendation for student lunch fees.

Fee Payment Incentive

Fee collection shall be July 1st - July 31st with no increase. Beginning August 1st, the District will charge a 20% fee for late payment. For families who register new to the District beyond the July 31st window, no late charge will be applied if fees are paid within 30 days of registration.

As has been the case, the Business Office will continue to offer a payment plan for all families. They will also maintain the available fee waiver process and continue to create an automatic waiver of school fees for those students who have been directly certified through the State or have qualified for a fee waiver based on the waiver application process.

CONCLUSION

The Administration recommends the approval of the fees proposed above for approval for the 2023-24 school year.

**RESOLUTION
AUTHORIZING APPOINTMENT OF INDIVIDUAL
TO
PREPARE TENTATIVE BUDGET**

Board of Education
Prospect Heights School District 23
Cook County, Illinois

WHEREAS, the Board of Education for Prospect Heights School District 23, Cook County, Illinois is required to appoint an individual to prepare a tentative budget in accordance with Section 17-1 of the Illinois School Code;

WHEREAS, the Board of Education for Prospect Heights School District 23, Cook County, Illinois is required to establish a fiscal year for the preparation of the tentative budget in accordance with Section 17-1 of the Illinois School Code;

WHEREAS, the Board of Education for Prospect Heights School District 23, Cook County, Illinois is required to approve the tentative budget prepared in accordance with Section 17-1 of the Illinois School Code

NOW THEREFORE, BE IT RESOLVED by the Board of Education for Prospect Heights School District 23, Cook County, Illinois as follows:

SECTION 1: The recitals above are incorporated herein by reference.

SECTION 2: A tentative budget is to be prepared for Prospect Heights School District 23 for the fiscal year beginning July 1, 2023, and ending June 30, 2024.

SECTION 3: Amy McPartlin, Assistant Superintendent for Finance & Operations is hereby appointed to prepare a tentative budget for Prospect Heights School District 23 for the fiscal year beginning July 1, 2023, and ending June 30, 2024.

SECTION 4: The tentative budget that is to be prepared by Amy McPartlin for the fiscal year beginning July 1, 2023, and ending June 30, 2024, and that is prepared pursuant to this Resolution shall be filed with the Secretary of the Board of Education.

SECTION 5: This resolution shall be in full force from and after its passage and approval.

ADOPTED this 11th day of January, 2023 upon receiving a motion from Member _____, and a second of the motion by Member _____ followed by a roll call vote recorded as follows:

AYES:

NAYS:

ABSENT/ABSTAIN:

President, Board of Education

ATTEST:

Secretary, Board of Education



**PROSPECT HEIGHTS DISTRICT 23
FINANCE COMMITTEE
INFORMATION ITEM**

Date: January 3, 2023

Subject: Recommendation for Renewal of Cybersecurity, Property and Liability Insurance Coverages

Contact: Amy McPartlin, Assistant Superintendent for Finance and Operations

BACKGROUND:

The District is required to purchase liability insurance coverage to insure against any loss or liability of the District including civil rights damage claims and suits, constitutional rights damage claims and suits, and death and bodily injury and property damage claims and suits. Such coverage is to include defense costs, when damages are sought for negligent or wrongful acts allegedly committed in the scope of employment or under the Board's direction or related to services provided to specific individuals who work or serve the District.

In addition, the District is required to purchase comprehensive property insurance covering a broad range of causes of loss involving building and personal property. The coverage amount is for the replacement cost or the insurable value of such property.

The District belongs to SSCIP, the Suburban School Cooperative Insurance Pool, which consists of over 100 suburban and downstate school districts. The membership in SSCIP provides benefits on insurance pricing due to the resources, liabilities and experience history being pooled with the other member school districts.

This year the premium for the District's property and liability coverage has been set at \$84,774. A pool contribution, in the amount of \$7,953, has reduced the renewal premium to \$76,820, an increase of 5.45% over last year's premium of \$72,849.

Under SSCIP, the District is also able to take advantage of purchasing cyber liability coverage. As discussed with the Board, once optional, cyber liability is viewed as a primary coverage with a significant opportunity for loss for school districts, especially due to the increase in exposure that comes with the shift to remote learning and 1:1 implementations.

As we come into our renewal period, it's important to note that nationwide, school districts have become the single largest public target for cyber crime. Due to the rapidly deteriorating cyber insurance market, the SSCIP Executive Committee voted unanimously to invest in a pool-wide

“Cyber Toolkit” focused specifically on cyber loss control. The program is being subsidized by pool member equity and will cost DIstrict 23 a reduced rate of \$2,500. The program is currently being rolled out with clear objectives and services to help reduce overall exposure for member school districts.

The services include:

- Cybersecurity consulting, including risk assessments
- Phishing awareness exercises and training
- External vulnerability scans
- Multi-factor authentication (MFA) services

Options for renewal of coverages are extremely limited and now require multi-factor authentication in addition to weekly backups of data to an offsite location. Although District 23 is fully compliant with these criteria, we have still seen a significant increase in premium, up approximately 17% to \$17,476 for the 2023 calendar year. With the inclusion of the reduced-price cyber-toolkit the District’ total cost for cyber liability coverages is \$19,976.

The Business Office has investigated the cost effectiveness of the property and liability insurance program, including the cyber liability coverages. The District continues to benefit from its participation in the pool from both a cost perspective and breadth of available coverages and while on the higher end, the renewal rates do not appear to be at a disproportionate level.

RECOMMENDATION

The Business Office recommends approval of the 2023 insurance renewals with SSCIP for property and liability insurance in the amount of \$76,820 and cyber liability insurance in the amount of \$19,976.

**Suburban School Cooperative Insurance Pool Invoice
PROSPECT HGTS SD #23**

**SUMMARY OF 12/31/2022-2023 PREMIUMS AND COVERAGES
Invoice Date: 12/31/22**

<u>COVERAGE</u>	<u>LIMIT OF LIABILITY</u>	<u>EFFECTIVE DATE</u>	<u>INSURANCE COMPANY</u>	<u>PREMIUM</u>
Property/Crime	\$1,000,000 - \$2,500 Ded	31-Dec-22	Great American	\$20,727
General Liability	\$11,000,000	31-Dec-22	Great American/Old Republic/Markel	\$22,942
Auto Liability	\$11,000,000	31-Dec-22	Great American/Old Republic/Markel	\$555
Auto Physical Damage	ACV - \$2,500 Ded.	31-Dec-22	Great American	\$92
School Board Legal	\$11,000,000	31-Dec-22	Great American/Old Republic/Markel	\$11,799
Total Package Policy*				\$56,114
Boiler & Machinery	\$250,000,000	31-Dec-22	Travelers Property Casualty Ins. Co.	\$1,410
Excess Property	\$500,000,000	31-Dec-22	Travelers Property Casualty Ins. Co.	\$20,507
	\$15,000,000			
Excess Liability	w/ \$25M Aggregate in \$5M xs \$11M Layer & \$15M Aggregate in \$5M xs \$21M Layer	31-Dec-22	Everest/Great American/Berkley	\$4,995
Cyber Risk Liability				To Be Invoiced Separately
Pollution Legal Liability	\$1,000,000 Each Incident \$10,000,000 Aggregate Policy Term Limit	31-Dec-22	Ironshore	\$1,747
Preliminary 2022-2023 Insurance Premium				\$84,774

SURPLUS REDUCTION	(\$7,953)
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Total 2022-2023 Insurance Premium - Please Pay this amount	\$76,820
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Total 2021-2022 Insurance Premium (incl. surplus reduction, excl. Cyber)	\$72,849
% Change in Premium	5.5%

<u>RATING VARIABLES:</u>	<u>PRIOR</u>	<u>CURRENT</u>	<u>% CHANGE</u>
Exposure (5 Year Avg.)			
Property Value	\$58,755,580	\$60,710,571	3.3%
Student Count	1,595	1,576	-1.1%
Vehicle Value	\$41,000	\$40,000	-2.4%
Loss Base (5 Year Avg. Capped at \$75k per year per coverage)	\$0	\$0	N/A

*Package includes claims fees, administrative fees, crime coverage, and loss fund contribution.

VEHICLE COST (FOR STATE REPORTING PURPOSES):

PACKAGE POLICY	\$ 678
EXCESS LIABILITY	\$ 101
TOTAL COST PER VEHICLE	\$ 778

Premiums are due and payable upon receipt of invoice.
Please make your check payable to Suburban School Cooperative Ins. Pool
Please send your remittance with a copy of this invoice by January 1, 2023 to:

Suburban School Cooperative Insurance Pool 39206 Treasury Center Chicago, IL 60694-9200

**Suburban School Cooperative Insurance Pool Invoice
PROSPECT HGTS SD #23**

**SUMMARY OF 12/31/2022-2023 CYBER PROGRAM PREMIUM
Invoice Date: 12/31/22**

<u>COVERAGE</u>	<u>EFFECTIVE DATE</u>	<u>INSURANCE COMPANY</u>	<u>PREMIUM</u>
School Premium	31-Dec-22	Cowbell Cyber	\$16,371.29
TRIA	31-Dec-22	Cowbell Cyber	\$163.71
Surplus Lines Taxes	31-Dec-22	Cowbell Cyber	\$579.00
Surplus Lines Stamping Fee	31-Dec-22	Cowbell Cyber	\$12.00
Carrier Fee	31-Dec-22	Cowbell Cyber	<u>\$350.00</u>
2022-2023 Cyber Insurance Premium			\$17,476.00
2021-2022 Cyber Insurance Premium			\$14,954.00
% Change in Cyber Insurance Premium			16.9%
12/31/22-23 Cost of Cyber Toolkit			\$5,000.00
Surplus Reduction for Cyber Toolkit			<u>(\$2,500.00)</u>
Member Portion of Cyber Toolkit			\$2,500.00
Total 2022-2023 Cyber Program Premium - Please Pay this amount			\$19,976.00

Cyber Liability Deductible	\$25,000
Aggregate Limit	\$2,000,000
Ransomware Liability Deductible	\$25,000
Ransomware Liability Sublimit	\$2,000,000

Premiums are due and payable upon receipt of invoice.
Please make your check payable to Suburban School Cooperative Ins. Pool
Please send your remittance with a copy of this invoice by February 1, 2023 to:

Suburban School Cooperative Insurance Pool
39206 Treasury Center
Chicago, IL 60694-9200