

A few months ago, the trustees of the Lincolnway Area Affiliation of Participating School Districts Employee Benefit Trust Fund voted to have the trust document reviewed and revised by counsel. The document dated back to 1987 and was an amendment and restatement of the original document ostensibly passed in 1977.

As a preliminary matter, counsel initially asked that the trustees inquire of each district as to what documents that each possessed in regard to this. The response to the inquiry was that NO district (nor the Trustees) had a copy of the 1977 original trust document or any intergovernmental agreement even establishing it. Further, only 4 districts could find a copy of the 1987 amendment. In view of that, discussions were held regarding jettisoning the 1987 trust document and starting over with just an IGA which is how these entities normally operate. While it would have been preferable, it was decided not to take that avenue in that we would have to start from scratch with the IRS, the Illinois Department of Revenue, and the other Illinois agencies overseeing insurance. Instead, counsel revised the trust agreement to reflect changes in the law, as well as the fact that we are in the 21st century. In that no one could find their original IGA regarding this, he also drafted one which incorporates the amended and restated trust as approved by the trustees on August 5, 2022.

The changes in the trust document do not change the method of operation but rather codifies what the trustees are presently doing (such as Article VI, Section 1). It also contains provisions for stand-alone members in the event their contributions fall short or in the event they wish to withdraw from the Trust. The document sets the fiscal year (July 1-June 30).

The document does change the method in which trustees are nominated and voted on by now allowing ALL members to nominate trustees and to vote for them. Starting with the next election, the Trustees shall issue a call for candidates in May with the election occurring no later than June 30. Further, the members shall receive a copy of the annual audit report. Finally, it deletes outdated provisions.

If satisfied, you should vote to approve this Intergovernmental Agreement which incorporates the new revised and restated Trust. The motion to approve should also authorize our President to execute the document.

Upon approval, a copy of the executed document will be returned to the Trustees.