

**PERU ELEMENTARY SCHOOL DISTRICT 124 BOARD OF EDUCATION  
FINANCE COMMITTEE MEETING MINUTES  
PARKSIDE SCHOOL CONFERENCE ROOM  
MONDAY, NOVEMBER 16, 2015, 5:00 P.M.**

Present: Cindy Gustat, Mark Lamboley, Jim Renk and Rob Ankiewicz

Others Present: Mark Cross

The meeting was called to order by Chairperson Mark Lamboley at 5:10 p.m.

- Mr. Cross presented the Finance Committee with the proposed tentative 2015 tax levy based on a net assessed valuation of \$168,000,000 and an estimated overall tax rate of about \$3.18 per \$100 of assessed valuation. Mr. Cross shared that the tax base is increasing slightly for the first time in six years, with an estimated 1.2 percent increase after dropping more than 13 percent since the 2009 tax year.
- Mr. Cross further noted that the loss in tax base in recent years has resulted in a compounded loss of approximately \$1.7 million in the Education Fund alone if the total tax base of the district would have just remained the same.
- The committee reviewed 12 years of tax rates and extensions for the school district. It was pointed out that even under the proposed 2015 tax levy that would bring in an estimated \$5.264 million in revenues in fiscal year 2017, this is far under the peak of \$5.593 million in actual local tax revenue resulting from the 2010 tax levy year. Put another way the school district is proposing to collect approximately \$329,000 less in taxes than it did five years ago, which is almost 6 percent less in taxes.
- Mr. Cross commended the Board's effort to continue to keep facility-related taxes down despite the district's aggressive construction and renovation efforts totaling roughly \$32 million. He pointed out that not only has the Board kept its promise to not raise taxes related to the Parkside and Northview construction projects, but the proposed 2015 tax levy actually has a net decrease in facility-related taxes due to the elimination of the tax levy for health and life safety funds that would have been otherwise needed for both Northview and Washington in upcoming years. That need has been eliminated for the foreseeable future. Mr. Cross stated that there once again is no property tax rate associated with the issuance of bonds for the construction of Parkside School, as the sales tax revenues continue to fully fund the debt service for the facility as planned. The Board will once again abate the full amount of property taxes for these bonds.
- The committee then reviewed two different options for how to best handle the 2015 levy, settling on a plan that would slightly increase the total tax rate about 2 to 3 cents per \$100 of assessed valuation. The proposed levy would eliminate the health and life safety tax, which would more than offset the approximately 4 cent increase in debt service. The proposed levy would increase by about \$46,000 or 2.5 cents the levy for purposes of tort immunity and would also slightly adjust the levy for IMRF and Social Security by about a half a penny. The Board also reviewed the merits of the proposed Risk Management Plan and agreed to also recommend this planning concept to the full Board. The Risk Management Plan properly documents everything required for any tort-related expenses for which the district may levy taxes.

- The resulting total 2015 tax levy would be about a 2.4 percent increase when debt service is excluded, but likely resulting in an actual net increase of less than one percent from last year excluding debt service. With debt service included, the most the total tax would rise would be about 2.3 percent, of which 1.2 percent would be tied to the increase in equalized assessed valuation.
- Mr. Cross made very clear that this is still a net decrease of nearly 6 percent in the total tax levy from five years ago. The Board continues to maintain a cautious and conservative approach to fiscal management, which has resulted in a net reduction of 16 employees over the previous five years. Mr. Cross stated that this is a direct result of the reductions in local property tax revenues combined with the largely underfunded general state aid formula, which continues to shift more and more tax burden to local taxpayers.

The committee adjourned at 6:25 p.m.

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Committee Chairperson

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Superintendent