

**PERU ELEMENTARY SCHOOL DISTRICT 124 BOARD OF EDUCATION
FINANCE COMMITTEE MEETING MINUTES
PARKSIDE SCHOOL CONFERENCE ROOM
FRIDAY, NOVEMBER 15, 2019, 3:00 P.M.**

Present: Mark Lamboley, Patti Leynaud and C.G. Pillai

Others Present: Mark Cross

The meeting was called to order by Chairperson Mark Lamboley at 3:04 p.m.

- Mr. Cross presented the Finance Committee with a proposal for the tentative 2019 tax levy. The total proposal for the 2019 levy excluding debt service is \$5,754,767, although the actual extension based on the final equalized assessed valuation (EAV) will most likely be closer to \$5.7 million.
- If approved as presented and assuming the district's EAV rises as expected by the county assessor's office, the resulting tax rate would be roughly the same as last year at about \$3.23 per \$100 of EAV. The final tax rate is determined based on the levy and the final EAV after various exemptions are applied.
- This is based on an assumed growth in EAV from the current \$184,145,544 to an estimated \$191,500,000. However, Mr. Cross emphasized the tax base is typically overestimated when planning the tax levy, and it will more likely be somewhere in the range of \$190,000,000. This number is not determined by the county until after the tax levy has been approved.
- The committee also reviewed this in comparison to 12 years of history of the district's previous tax extensions and rates. It was noted that while the overall tax rate is higher than in recent years, 2019 is the first year the EAV has returned to the level it was at 10 years ago. The impact of debt service was also discussed as the district works to balance its budget.
- After answering questions and discussing the levy, Mr. Cross reviewed the district's risk management program, including allowable expenses that are payable from the tort immunity levy.
- The committee discussed the abatement of the property taxes for the Parkside and partial Northview bonds related to school construction. Mr. Cross stated that there once again is no property tax rate increase 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. He stated that while the district's total annual debt service payments are just under \$2 million, only \$425,000 is paid from property taxes.
- The Finance Committee then discussed the collective bargaining process and potential timelines. The current teacher association contract expires June 30, 2020, and Mr. Cross said he expects that bargaining will commence sometime after the holidays.

The committee adjourned at 4:12 p.m.

Committee Chairperson

Superintendent