

**PERU ELEMENTARY SCHOOL DISTRICT 124 BOARD OF EDUCATION
FINANCE COMMITTEE MEETING MINUTES
PARKSIDE SCHOOL CONFERENCE ROOM
MONDAY, NOVEMBER 13, 2017, 5:00 P.M.**

Present: Mark Lambolely, Jim Renk and C.G. Pillai

Others Present: Mark Cross and Brandi Anderson-Maier

The meeting was called to order by Chairperson Mark Lambolely at 5:02 p.m.

- Mr. Cross presented the Finance Committee with the two proposals for the tentative 2017 tax levy based on a net assessed valuation of \$183 million to \$185 million, and a resulting estimated tax rate range of approximately \$3.21 to \$3.22 per \$100 of assessed valuation. This would result in a total levy of up just under \$6 million if everything held true, but this would be on the high side of the final levy that could potentially be recommended for adoption in December.
- The committee reviewed scenarios that could impact the levy and the potential need for a truth in taxation hearing. Mr. Cross stated that with construction and the loss of the enterprise zone, the district was right around the 5 percent threshold that triggers the need for a hearing. He stated that with the district still faced with a significant deficit, the district's equalized assessed valuation is still below its peak from eight years ago. This combined with inadequate funding from the state for many years leaves the district still needing to catch up to maintain existing programs.
- Mr. Cross also reviewed with the committee the potential impact of both a hard extension freeze, as well as increases in tax exemptions that have been proposed in the Illinois state legislature. He created a tax loss calculator to show what happens when increases in the exemptions are proposed as recently happened with Senate Bill 851. He stated that the increase in the owner occupied exemption from \$6,000 to \$10,000 and the senior citizen exemption from \$5,000 to \$8,000 would cause the district to immediately lose 8.9 percent of its tax base, resulting in lost revenues of just under \$500,000 for the first year, and compounded each year thereafter.
- The committee discussed the abatement of the property taxes for the Parkside and partial Northview bonds. 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. The Board of Education will once again abate the full amount of property taxes for payments on these bonds.
- After the information was presented and based on the discussion, the committee agreed that it was best to be fully transparent if there is any doubt as to the amount of the final extension, and to go ahead and proceed with the truth in taxation hearing process for the 2017 levy. The levy will be based on an EAV of approximately \$185.5 million and a total levy request of just under \$6 million, with a resulting possible tax rate of around \$3.22 per \$100 of assessed valuation. The committee directed Mr. Cross to prepare the documentation to prepare and hold a truth in taxation hearing at the December 20, 2017 Board meeting, subject to any discussion at the November 14 Board meeting.

- Mr. Cross also reviewed briefly the Risk Management Plan that the Board adopted last year, and that he would recommend continuing in a similar format to allow for the levy of related taxes. He stated that it is important that the District conduct this very transparently and properly.

The committee adjourned at 5:58 p.m.

Committee Chairperson

Superintendent