

Minutes of the Finance Committee Meeting held at Limestone Community High School, District 310, on Tuesday, November 7, 2017 at 7:30 PM.

Mr. Mike Vollmer the meeting to order at 7:16 PM.

Committee Members Present: Mr. Lonnie Catterall; and Mr. Mike Vollmer

Other Members Present: Mr. Jim Bainter; Mr. Gene Sanders; and Mr. Bob Neal

Administrators Present: Dr. Allan Gresham; and Dr. Denise Ryder

Dr. Gresham discussed with the Committee the fact that our Debt Service Fund has carried an excess fund balance for many years. It has been determined that this excess balance can be contributed to interest income accrued over the years and, therefore, the Board can take action via Board Resolution to transfer the excess interest income to a fund deemed most in need. At this time, Dr. Gresham is recommending that the majority of the excess monies be moved to the Education and Transportation Funds to offset existing deficits. Mr. Catterall asked if the money would be used to fund new projects. Dr. Gresham indicated that the money would only be used to offset current deficits in the FY' 18 budget. This item will be brought to the Board at the November 21, 2017 meeting for action.

Dr. Ryder distributed tax calculations for the 2017 Levy. Mr. Dave Ryan from the Peoria County Tax Assessor's office predicts a flat EAV for the next levy cycle. As always, we levy to the maximum in the rate dependent fund and as needed to cover expenses in the levy dependent funds. The District will see a \$0.27 increase in the Debt Service tax rate with the selling of additional Working Cash Bonds that were authorized and received this past summer. This decision was made to meet current and immediate future deficits. Because of the increase to the Debt Service limit, we will be required to hold a truth in taxation hearing prior to our levy adoption in December.

Dr. Gresham distributed historical information on General State Aid revenues for the past 10 years. With the State's elimination of Hold Harmless provisions and the proration of GSA monies received, the District has lost \$450,000 to \$1,100,000 incrementally every year since 2009. This decline in revenue, particularly in the Education Fund, has a tremendous impact on our deficit. Last year, the Board of Education made the difficult but necessary decision to increase District revenue by issuing additional Working Cash Bonds, which results in an increase to the Debt Service levy. Debt Service revenue comes at a cost in terms of bond issuance fees and interest as well as the principal. It has been discussed that a better practice would be to shift Debt Service levy amount directly to the Education Fund levy amount, which would result in no more need to borrow. Our current Education Fund Rate is \$.96 and has been at that rate since 1956. The maximum Education Fund Rate for a High School District in Illinois is \$3.50. The goal of our increased Working Cash was to increase Revenues to approximately \$2,000,000 annually, which would cover our current Education Fund Deficit. A referendum is one way we could transfer the Debt Service levy to the Education levy. In doing so, the District would save the monies currently being spent on bond issuance fees and interest. Dr. Gresham distributed a sheet listing potential Education Fund referendum amounts and the money that would be generated from them. It would take a smaller Education Fund levy amount to generate the same revenue the Debt Service levy is currently bringing in; we could then essentially lower the \$2.55

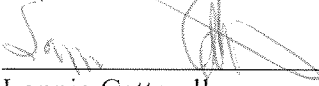
expected 2017 tax rate to a lower amount via referendum. The Committee discussed the shift in monies and the possible tax implications for the district that would still meet immediate and future needs. In order to have a referendum question on the March ballot, the Board would need to adopt a Board Resolution as to the question at the December 19, 2017 meeting in order to meet the County Elections Commission submission deadline of January 2, 2018. Our attorney's at Davis & Campbell LLC would be responsible for providing such a resolution for referendum. After discussion, the Committee agreed that this should be put on the November 21, 2017 for full Board discussion.

*Non Agenda:*

The Finance Committee would like the choral riser discussion to the Board level at the November 21, 2017 meeting.

Meeting adjourned at 8:15 PM.

  
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Mike Vollmer, Chairperson

ATTEST:  
  
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Lonnie Catterall