

**GENEVA COMMUNITY UNIT SCHOOL DISTRICT NUMBER 304  
227 NORTH FOURTH STREET, GENEVA, KANE COUNTY, ILLINOIS  
FINANCE COMMITTEE MINUTES**

The Board of Education Finance Committee met at 5:30 p.m. on Monday, October 7, 2013, at Williamsburg Elementary School, 1812 Williamsburg Avenue, Geneva, Illinois.

**1. CALL TO ORDER**

The meeting was called to order at 5:31 p.m. by Chairman Wilson.

Committee members present: Dave Lamb, Kelly Nowak, Bill Wilson, Tom Anderson.

Administrators present: Todd Latham, Coordinator Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Denise Lacure (Geneva Township Assessor), Uwe Rotter (Blackberry Township Assessor), Leslie Juby, Jeff Carreiro (Geneva Township Clerk), Jay Moffat, Mary Stith, Renata Pate, Brenda Schory (KC Chronicle), Gail Ryan, Bob McQuillan, Colleen Carreiro

**2. PUBLIC COMMENT**

None

**3. DISCUSSION/CONSIDERATION**

**3.1 Assessor Presentations:**

Geneva Township, Denise Lacure

Blackberry Township, Uwe Rotter

Ms. Lacure and Mr. Rotter were invited to review/explain the assessment process.

Lacure provided an overview of the assessment process/timeline and explained that assessments are always one year behind. Home sales averages and sales ratios are used to determine value. Property is ranked by square footage. Once assessments are certified, an individual has thirty (30) days after publication of the assessments to make an appeal. Many commercial properties appeal their assessments. The assessor reviews, analyzes, and verifies all appraisals for accuracy.

The property tax cycle includes adopting a levy in December, submitting the levy number to the county clerk, and receiving the distribution of property taxes from the county treasurer. When a school district adopts its levy in December, it doesn't have the final EAV for that calendar year. January 1<sup>st</sup> of each year, along with the value from the past two years, is used to determine

value; this levels out the peaks and valleys for a level stream of funding. Each county gets sales ratios for three years from the state. Then the local assessor runs their own sales ratio for each neighborhood in the township to determine EAV and then a balanced value is determined. The land is valued separate from the building. Values are also based on uniformity. While sales have been erratic recently, it is hoped that the market is stabilizing and there are no more declines. Geneva has a pretty good commercial base and cost, sales and income are used to determine the value of commercial properties.

Geneva Township is currently in the appeal time frame of the assessment process.

Committee member comments/questions:

Are we seeing stabilization in the commercial/industrial vs. residential? (Some but we are seeing some vacant properties.) The challenge for the Board of Education is trying to figure out a levy amount without any actual figures. (The projection for 2013 EAV is 4.47% less. Believe we are stabilizing in commercial but we won't have more information until after the appeal hearings are completed. The assessors try to work closely with the taxing body's representatives.) What is the significance of the January 1<sup>st</sup> date? (It represents the value of the past three years.) When is it finalized? (Notices go out when all amounts are certified, then the hearing process begins and the county clerk certifies amounts on individual tax bills. New construction is added until the cut-off date; January 1st.) The 2013 levy will be paid in 2014. (Correct.) Do we know the amount for new construction in Geneva? (Not yet but it may be about \$12 million.) Don't envy the assessor for her job – it's difficult to project so far ahead. The 2013 levy is looking at amounts for the 2015 budget. In your assessor report last year, you estimated new construction at \$25 million – any idea what the actual amount was? (Sorry, no.) Are upgrades and renovations included in new construction? (Yes.) So, new construction is not collected until 2014? (It is prorated.) Is the .9553% amount sent to the assessor by the state? (No, the county.) Does the state look to see if it is valued fairly? (Yes, then the county. If the amount is over \$100,000, then it shows an increase.)

Rotter explained that the State formula must be used each year to determine value. When the market value goes down, the tax rate goes up. Some people feel that the system is broken but it isn't; everyone is assessed using the same formula. The levy process is used by the taxing bodies to determine what they need to operate. The assessor must apply the multiplier to all properties, and they have done their best job when the supervisor confirms numbers similar to the assessor. All residential property is assessed on the value of homes in a group or neighborhood. Blackberry Township is approximately 90% residential, 10% commercial/industrial. The best scenario would be 25% commercial/industrial. In order to save, you must spend less. Nobody could have foreseen the down turn of the economy and many school

districts were in a growth trend and needed to build new schools to accommodate new students. Many school districts structured debt for new growth to help pay it off. But the economy slowed, new growth slowed, and capital improvement funds from the State of Illinois weren't paid.

Committee member comments/questions:

Do you know the breakdown for 2010? (Yes, but I don't have the figures with me. I can get them to you. I conduct a program each month for the public on property taxes.) The Geneva Township Assessor stated that the EAV for 2013 is down about 4.5%. The Kane County Realtors report that sales are up 10%. (Yes, some houses in some groups/neighborhoods are selling for a higher amount in 2013.) If we know the figures for the last two years, can't we make a guess for the 2013 levy? We have 2/3 of the assessment figures so we should be able to make a guess for 2013. (But new construction must be considered; it also impacts the total amounts. The 2/3 figures only hold up if nothing else changes; there are other variables - PTAB, exemptions, appeals outcomes.) As Green Fields fills up, is that considered new construction? (Yes, it comes in as new construction.) What is the estimated new construction for Blackberry Township? (Maybe \$20 million but based on past experience, we anticipate that it will be contested.) Is it correct that any appeal decision, exemptions, etc., have an impact? (Yes, and no taxing body every gets 100% of what they request in their levy.)

Questions/comments from the audience:

My questions/comments are for the assessors, so I'll face them. We agree the system is flawed but we must work within the system. But we should have assessments in September. In October we know the number of appeals. In November we know the assessments, so if the assessors work with the Board, we should be able to determine what the levy amount should be. The school district needs to start cutting its budget. I feel there is a way to figure out the amount for the levy. (Mr. Rotter: While we can cut from any budget, a budget is only a projection and you need to be careful of what is being cut; like services because that impacts the quality of the taxing unit.) Geneva has reserves over 30%. The State only suggests reserves at 27%. The reserves need to be used to cover the district's debt service. William Blair projects a 4.5% increase but realistically it's 10.5% higher now vs. 30% higher three-to-four years ago.

What is the delinquency trend over the past three years? (Assessors don't have anything to do with tax extension, the Clerk does. Assessors don't have access to the delinquency rates/trends. But when taxes aren't paid, it has an impact. Not all properties with delinquent taxes sell so other taxpayers end up paying the tax obligations.)

The Committee Chair thanked the Geneva and Blackberry Township Assessors for coming. He noted that due to the holiday on Monday, October

14<sup>th</sup>, the next Finance Committee meeting is scheduled for Tuesday, October 15<sup>th</sup> and will start at 5:30 p.m.

#### **4. FUTURE AGENDA ITEMS**

October 15, 5:30 p.m.

- First Quarter Financial Review
- Presentation, PMA Financial, Steve Miller
- Initial Levy Presentation – Possible Scenarios

No discussion.

#### **5. ADJOURNMENT**

At 6:37 p.m., motion by Nowak, second by Lamb, and with unanimous consent, the meeting was adjourned.

APPROVED \_\_\_\_\_  
(Date)

\_\_\_\_\_ CHAIRPERSON  
(William R. Wilson)

RECORDING  
SECRETARY \_\_\_\_\_  
(Dr. Kent Mutchler)