



MEMORANDUM

To: Board of Education and Administration
From: Rob Grossi
Date: January 31, 2020
Re: Consideration of Abatement of Series 2016 Bond Levy and Recommendation from FORC

Last year, the Board of Education voted to abate (eliminate) the tax levy associated with the annual principal and interest payments due in the 2018 levy year on the outstanding Series 2016 bond issue. The effect of this action was to not extend taxes in the amount of \$1,412,000 that would have been used to make the payments due on the bonds. Rather, the District utilized fund balance reserves to make the payments.

For the upcoming levy year (2019), \$1,417,000 is due to be paid on these bonds. With no action, the County Clerk will extend taxes in that amount. Since the tax levy to pay this debt was zero last year, it would result in a tax increase of \$1,417,000. This would increase taxes on a \$400,000 market value home by approximately \$100.

If the Board of Education desired to again abate this tax levy and use fund balance reserves to make the upcoming debt payments, it must adopt an abatement resolution by the end of February.

At the January 29, 2020 FORC meeting, after considering several factors that I can share with the Board at their meeting, it was recommended by FORC that the Board of Education again abate the non-referendum bond levy for the 2019 levy year. I will present the topic and the recommendation at the February 4, 2020 board meeting. The Board can then take action (or non-action) at its February 18, 2020 meeting.

If you have any questions or desire any additional information or clarity before the meeting, please contact Dr. Kelley and I will respond accordingly.