



## Finance Committee Meeting

DATE: January 20, 2022

TOPIC: District Finance Update

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### Recommended for:

Action

☒ Discussion

☒ Information

### Purpose/Background:

To provide the Finance Committee an update on ongoing District-wide financial matters

#### 1. NEID TIF Surplus Progress

The Village has a resolution going to its January 18, 2022 Board meeting to declare the surplus. Following that, the Village will be calculating the surplus amount and forwarding said amount to Cook County. The County will disburse the surplus to the taxing bodies.

#### 2. School Maintenance Project Grant v. 2022

In January, ISBE awarded \$50,000 to SD74 to complete certain electrical Health/Life Safety projects at Rutledge Hall this summer (pressure switch, grounding electrode at water meter, exit signs).

#### 3. Tax Objections 2011-2014

The District has been working with legal counsel in order to prepare defense relative to tax rate objections for tax years 2011-2014. These cases involve hundreds of plaintiff taxpayers throughout Cook County with objections against each and every taxing body. The Court entered an order setting the 2011-2014 cases for status on January 27, 2022 via Zoom.

In terms of the merits, for 2011 most of the objections are “excess accumulation of funds.” In other words, the objectors claim that SD74 had enough in each of those funds, or in uncollected taxes, to cover the projected expenses from that same fund for the coming year. The case law in Illinois sets the initial measurement at 2-3 times the average annual expenditures in prior years. Hence, they look for any levy that might be going for twice the prior annual expenditures. However, if a taxing body has a proper use for the funds, they are not limited to that 2-3 times calculation.

The Business Office will gather the additional files Legal Counsel requested in order to calculate potential exposure, prepare the District’s defense, and potentially get some of the individual claims dismissed before the parties discuss the possibility of settlement or consider further litigation.

4. U.S. Department of Labor released the CPI-U for 2021- it is 7.0%

For reference: 2020’s CPI was 1.8%; 2019’s CPI was 2.3%

CPI is used for the property tax levy’s limiting rate calculations at the lesser of 5.0% or the Prior Year’s CPI