



Finance Oversight and Review Committee Meeting

The Finance Oversight and Review Committee of the Board of Education of District 97 met on Tuesday November 20, 2018 in the Board Room of the Administration Building
Board Recommendations

The FORC committee was asked to consider three options involving abatement and DSEB bond sales in regard to the 2018 tax levy. The options included:

Option #1: Issue \$1.1M less DSEB bonds (\$6.4 M) and abate \$1.4 M impacting the 2018 levy.

Option #2: No issue of \$7.5 DSEB bonds

Option #3: Abate \$1.4 M impacting the 2018 levy but Issue \$5M in DSEB bonds in fall of 2019 (not impacting the 2018 levy).

Recommendations:

FORC recommends Option 1 to the board.

Three members of the FORC committee recommended Option #1. The reasoning was that this option is consistent with what was said to the public about how the Holmes expansion would be funded: through DSEB bond sales. The members supporting option #1 are concerned about using operational funds to pay for the capital projects (although they understand that the operational funds are where the extra \$2.5M goes each year.). They also requested an accounting of how much was deposited in each fund.

One member recommended option #2, but would be comfortable with option #1. This recommendation takes into consideration the unexpected \$2.5M in additional revenue discovered after the 2017 referendum vote. A member asserts that Option 2 requires no debt and would have Holmes be paid for with the excess 2.5 million in revenue over approximately 3 years and would save the district nearly \$700,000 in interest costs. While this option would use operating funds, it would keep the 5 year projections within fund balance targets.

No member recommended option #3.