



**GENEVA COMMUNITY UNIT SCHOOL DISTRICT NUMBER 304
227 NORTH FOURTH STREET, GENEVA, ILLINOIS
RECORD OF PROCEEDINGS OF A SPECIAL SESSION
OF THE BOARD OF EDUCATION**

The Board of Education of Community Unit School District Number 304 met in a special session on Monday, July 11, 2016, at 7:00 p.m. at the Coultrap Educational Services Center, 227 North Fourth Street, Geneva, Illinois

1. CALL TO ORDER (Bylaws 0163 & 0164)

The meeting was called to order at 7:00 p.m. by Vice-President Nowak.

The Vice-President announced that President Grosso was requesting approval to join the meeting by phone explaining that he was out of town on family business.

Motion by McCormick, second by Wilson, to approve President Grosso joining the meeting by phone. On roll call, Ayes, six (6), Juby, Lamb, McCormick, Nowak, Stith, Wilson. Nays, none (0). Absent, none (0). Abstained, none (0).

Board members present: Policy Committee Chair Leslie Juby, David Lamb, Vice President, Mike McCormick, Kelly Nowak, Mary Stith, Finance Committee Chair Bill Wilson, President Mark Grosso. Late: None. Absent: None.

The Vice-President welcomed everyone, reminded them to sign the attendance record, and lead the Pledge of Allegiance.

District staff present: Todd Latham, Director Business Services; Dr. Kent Mutchler, Superintendent.

Others present: Susan Sarkaukas, Brenda Schory.

2. PUBLIC COMMENTS

Per Board Policy 0167.3, Section C, Attendees wishing to speak at the Board meeting must register their intention to participate in the public portion(s) of the meeting upon their arrival at the meeting. Complete the form found in the [Welcome to Our Meeting](#) brochure (print legibly) and give it to the Presiding Officer or the Recording Secretary before the meeting is called to order.

None.

3. BOARD DIALOGUE TOPICS & PENDING ACTION CONSIDERATION

3.1 City of Geneva Intergovernmental Agreement

The Superintendent reported that the objective is not about getting dollars for the district, but about the taxpayers being burdened with higher taxes, especially those not living in the city but living within the school district. The district has been trying to reach an agreement with the City of Geneva on their proposed TIF 3. In doing so, the City most recently sent a proposed intergovernmental agreement that was published in BoardBook. There have been several discussions to try to reach an agreement. The City Council, at their last Committee of the Whole meeting, were hoping to get a response to this proposal from the school Board, so we are meeting tonight in open session at a special meeting to discuss this proposal.

Mr. Rick Petesch added that there was discussion to add more parcels as “surplus” in the City’s proposal. The City included two parcels, Geneva on the Dam and Geneva Place retirement community. In listening to the presentations in negotiations between the two parties, we have

included the additional properties (431 Block) mentioned by Mr. Lamb at the City's Committee of the Whole meeting. Mr. Petesch defined "surplus" in a TIF as a term that is used for incremental revenue that is agreed that won't go into the TIF fund but will go back to the taxing bodies. What has been prepared is a version of the intergovernmental agreement that includes all of those additional properties. The EAV's on those would equal an estimated \$3.4 million. Another main point is that none of the surplus properties that we are proposing are really earmarked for redevelopment. We believe that the properties we have included are not blighted nor are they anticipated to become blighted in the near future. The City has to realize that these are not frivolous issues, but important issues to the district. There are some eligibility facts that are still in dispute between the parties that will go away if we can reach an agreement that satisfies both parties.

Mr. Lamb reported on his comments at the City's Committee of the Whole meeting. When it was suggested that additional properties be added to the agreement, the district thought the City would reconvene. However, the agreement that we have received from them only contained the initial two properties, and they wanted a response back by a specific date which we were not able to convene before. We did respond by email requesting to continue conversations, because this agreement represents the initial properties but not any of the additional properties that were discussed. We were not shutting down negotiations but making a call to action. We were trying to help them understand that the properties we were proposing were fully functioning properties. Our understanding is that they City could dip into TIF 2, where they have a balance of roughly \$600,000 that could help with the properties in TIF 3.

The Superintendent pointed out that the objective was to help the council members better understand TIF and its impact on taxpayers that night, but there were several aldermen who made it clear that their minds were made up, and they didn't see any point in negotiating. We are asking the Board of Education to take action on a counter proposal to send back to the City.

Each Board member gave comments on the revised proposal and all were in support of moving forward with this counter offer.

Board questions, comments, concerns: The City had asked how we arrived at the \$3.4 million, which we based on the City's estimates of growth from the TIF. Everything is consistent with this proposal as based on our value's as a school district correct? (That is correct.) If we can't get this \$3.4 million, how do we make up that bond and interest payment? Will we have to raise taxes? (We would have to raise taxes.) So, the taxpayers would not be getting anything more for their money if we raised taxes, because it would be covering the bond and interest? (Correct.) Did we explain at the Committee of the Whole meeting how we came up with the \$3.4 million? (Yes.) So they knew the \$3.4 million was for bond and interest? (Yes, that was made clear.) Did the tax increment amount on the proposed properties come out of the pool to be used for other redevelopment? (That's correct.) One alderman stated that 49% was an outrageous amount to ask for. (It's an over simplification and distortion to say that it's 49%. It's not going to be 49%.) If these additional properties are surplus properties, that doesn't affect the continuity of the district does it? (No.) When we talk about eligibility of properties that we have included, did we include these because they wouldn't pass the "but for" test? (Mr. Petesch walked the entire 431 block and his opinion was that they did not qualify. This is why we think the initial report is flawed.) Why were these additional properties chosen? (Because they have had recent redevelopment.) In your opinion, why would two TIF's not be a good compromise? (It would not be cost effective.) Would it be more or less costly than having two TIF's? (It's a tossup.) Is it \$1.4 million that we would be passing on to the taxpayers? (You would be looking at the EAV. These are properties we are asking to qualify into a surplus category. It would be the increment surplus from those properties, which we don't know at this time.) If these properties remain in the TIF, will that effect the continuity? (As long as they are still in the TIF, it does not affect the continuity.) We are not asking for them to remove the properties from the TIF. We are just asking them to consider them surplus properties so that they are flexible enough to provide us with the bond and interest increment that the property grosses? (The district will receive the increment that would have gone to the City. It will be distributed to all taxing bodies, so you will get the full amount of taxes on those properties.) None of the taxes from the surplus properties will go into the TIF fund, so there

is no start-up cost. Does the surplus fund have to be tied to specific properties? Are we not allowed to negotiate an agreement that just specifies a dollar amount? (The City could agree to declare a surplus every year at a specific dollar amount or a percentage.) So, we could arrive at an amount that would be the \$1.4 million loss? (This would transfer the risk back to them, and they did not seem inclined to go in this direction.) If these properties are deemed surplus, will we get the full \$5-\$6 amount on the EAV? (We could get the full \$5-\$6 per \$100.) They probably won't agree to a dollar amount because they are likely going to have to bond against TIF funds. We will get the baseline plus incremental increases. The City is looking for additional capital for infrastructure. When this agreement was drawn up by the City, they talked about other taxing bodies, but do those other taxing bodies know where this is at, because we have not had conversations with them? (They know we were the only taxing body that disapproved of TIF 3. We don't know if they know what stage this is in, but I don't think any of them would complain. It was discussed at an intergovernmental meeting, but not all bodies were present.) Thank you to Mr. Lamb, Mr. Petesch, Mr. Latham and Dr. Mutchler for all of their hard work on this.

Motion by Wilson, second by Lamb, to approve the proposed revised IGA with the City of Geneva, item 3.1 as presented. On roll call, Ayes, six (6), Juby, Lamb, McCormick, Nowak, Stith, Wilson. Nays, none (0). Absent, none (0). Abstained, none (0).

4. ADJOURNMENT

At 7:57 p.m., motion by Wilson, second by McCormick, and with unanimous consent, the meeting was adjourned.

APPROVED July 25, 2016
(Date)

PRESIDENT

SECRETARY _____

RECORDING
SECRETARY