

February 21, 2018

Community High School District 99
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**RE: Proposed Agenda Item – Return Of Taxpayer Funds From Various Bond Trust Funds
Via An Abatement Of 2017 Bond Levies**

Dear Board President Kupka:

Downers Grove Watch is requesting that you include an agenda item within the regularly scheduled Board of Education meeting next Monday, February 26, 2018. The proposed agenda item would be the discussion of and the approval of the abatement of 2017 bond levies by an amount equal to all accumulated property taxes and interest accumulated in all the various bond and interest trust funds of the district

Other public bodies offer the opportunity for members of the public to place items on Board Meeting agendas. For example, District 58 Board Policy 1150 states "A citizen's written request to have a matter placed on the Board agenda. Such matter may be placed on the Board agenda at the discretion of the Superintendent or any individual Board member." Therefore, even though the Board of Education has failed within its approved policies to offer the community an opportunity to propose an agenda item, we fully expect this request to receive equal attention and consideration as that of any request made by an individual member of the board,

We believe that our request for the inclusion of this agenda item is first and foremost extremely time sensitive given the fact that the county clerk's property tax abatement deadline is the end of March during the clerk's 7-day rate reallocation, correction, and abatement(s) window. Furthermore, abating the accumulated surplus that is in excess of \$1,300,000 **before** the March 20th election would be a clear signal that this Board respects the contributions made to the funding of the school district by the taxpayers.

The bond referendum on the ballot is a request for over \$182,000,000 (principal and interest over

20 years) in additional funding for the school district. It is a tax increase of \$195/per year (20-year flat levy payback schedule) for a \$300,000 market value home (after the \$6,000 residential deduction).

That \$195 per year tax increase (\$300,000 market value residence) should not be, cannot be, granted unless the Board of Education demonstrates that when taxes are collected in excess of what is needed, the members of the Board of Education will fulfil their Oath of Office and return the surplus to the families and business owners who make up our community.

At the January 29th business meeting, the Board approved an abatement of the Debt Service levy on file with the County Clerk for the 2011 ARS bonds. This action is taken every January as the Board determines that "Pledged Revenues will provide an amount" sufficient to cover the December 5 and subsequent June 5 principal and interest payments. Noticeably absent was a similar resolution abating the Series 2014 bond and interest levy after a determination that "Pledged Revenues will provide an amount" sufficient to cover \$1,300,000 of the December 5 principal and interest payment.

Mr. Staehlin previously identified the existence of a surplus in the fund that accounts for levy proceeds collected to pay off the 2014 refunding bond that was sold to refinance the 1998 referendum bond and the 2004 refunding bond. He announced his, and by implication the Board's, intention to ignore the accumulated \$1,300,000 until the last maturity had been retired with tax receipts. It is the opinion of the Downers Grove Watch (and the bond contract that created the 2014 Bond and Interest Fund and identified its purpose) that those assets exist for one purpose and one purpose only -to pay off principal and interest on the outstanding bonds.

\$1,300,000 is not petty cash. It is our understanding from the bond contract language that the Bond Fund " ...will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the bonds in each bond year." In other words, the Bond Fund is to be used to pay off debt service and to reduce tax levies that would exceed the amount needed to pay off principal and interest on the bonds if the accumulated bond fund assets were to be considered.

Given the fact that the final maturity for the 2014 refunding bonds is December 1, 2018 and that levy is set to be finalized by the end of March, there is precious little time to spare to notify the County Clerk that at least \$1,300,000 can and must be abated from that levy. If not abated now, that money, according to Mr. Staehlin's plan, would then be (in our opinion dishonestly and illegally) appropriated by the district with no voter approval.

Absent the abatement we have formally requested herein, the district would be in violation of the bond contract and would seriously undermine its reputation as a trustworthy, honest shepherd of taxpayer money.

It is our belief that the administration planned to run out the clock on the 2014 bond maturities so they could say, "Look what we found! \$1,300,000! Aren't we clever."

The fact that Mr. Staehlin explicitly identified the intention to wait until "the last of the original bonds are retired" indicates his knowledge that **those assets do not belong to the district until the bonds are retired in full.**

As Mr. Staehlin acknowledges, they don't currently belong to the district. As the bond contract stipulates, those assets are held in trust for the benefit of the bondholders and also the taxpayers who ultimately are responsible for paying the bondholders.

It is the duty of the Board of Education to formally debate the legality of this delay tactic.

We strongly urge you to place this item on Monday's agenda and use the accumulated levy and interest money to reduce taxes

Again, before the March 20th election, the full community needs to be witness to how each board member votes on the issue of returning surplus funds which have been squirreled away for many, many years.

A disturbing analogy is that of a customer at 7-Eleven paying for a gallon of milk with a five dollar bill and then being put in a position to demand his change. As taxpayers we shouldn't be put in a position to have to read bond resolutions, check the County Collectors tax payments and follow every agenda item for every board meeting to determine if we, as taxpayers, are being deliberately shortchanged. Yet, here we are.

Please place the Series 2014 bond abatement item on Monday's agenda as well as an abatement of all bond and interest funds that can and should also be abated.

Respectfully,

A handwritten signature in black ink that reads "Tom Sleeter". The signature is written in a cursive, flowing style.

Tom Sleeter

Chairman Downers Grove Watch