

BARRINGTON ENLIGHTENED TAXPAYERS ASSOCIATION (BETA)

P.O. Box 1522 • Barrington, Illinois 60011

October 2006

Financially Sound Policy or Unsustainable?

Following a defeat in March 2006, CUSD #220 will again go to referendum in November 2006. This time the referendum will be for \$87,500,000 vs. \$107,100,000 for the Building Bonds and \$.15 vs. \$.25 for the levy increase (operating costs). BETA believes that this referendum is the same as the first, only repackaged in a different manner. If the referendum is passed, the burden to taxpayers will undoubtedly be enormous. Our recommendation is a NO VOTE on each part of the referendum based upon the following:

Part 1 – Proposition to Issue \$87,500,000 School Building Bonds

	November, 2006 vs. March, 2006	
2 New Middle Schools (145,000 sq. ft. each)	\$68.5M	\$73.9M
Prairie & Station Renovations	15.0M	14.4M
Construction Contingency	4.0M	8.0M
Early Childhood Center	see levy increase	10.0M
TOTALS	\$87.5M	\$107.1M

Is the \$87.5M a true figure? We think not. The Levy part of this referendum will reap over **\$13.5M** for the first three years. As stated by the School Board and Administration this money will not be needed until the buildings are completed. Instead the money will be used for the Superintendent's WISH LIST. Since there is no written board policy for being fiscally responsible, the sky is the limit. There will be a new Early Childhood Learning Center (site to be determined), more BHS renovations, new pro-

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grams and other items as the School Board and Superintendent want. Additionally, the School Board has stated that it will issue Life Safety Bonds (a way the District gets money without taxpayers' approval) as needed to fulfill the WISH LIST. Adding the approximate **\$13.5M** plus Life Safety Bonds at an estimated \$6.1M brings the total **November referendum to \$107.1M**. LOOK AT THE RESEMBLANCE. JUST A

DIFFERENT PACKAGE!

Before discussing the Levy, let's take a look at enrollment. According to our

Superintendent, enrollment is increasing. Here are the numbers as provided by District #220:

	FY 07	FY 06
K-5 Totals	3,763	3,833
6-8 Totals	2,119	2,099
9-12 Totals	2,775	2,710
Special Ed & Preschool	417	493
TOTAL STUDENT POPULATION	9,074	9,135

Using the District's projections, our BETA enrollment analysis expert reveals that student popu-

lation for the **Middle Schools** will peak in the year 2007 and decline from that point forward.

Furthermore, as was stated by Superintendent Mary Herrmann at the August 8th School Board meeting, "**SPACE IS NOT A CRISIS.**" It was also stated at the August 8th meeting, by a Board member, "**Building two 5/8 middle schools creates a capacity for 600 new spots for growth. Building two 5/8 middle schools gives a 15% growth across the board for the elementary schools. We will have a surplus of space, clearly a lot more space.**"

To explain how all of this will impact the taxpayers, we offer the following: Lake County residents pay real estate taxes to CUSD #220 at \$3.246 per \$100,000 of EAV. Of that amount, \$.082 is for #220 pensions, approximately \$.42 goes toward Building Bonds, and the remainder goes toward operating/maintenance and other funds (which is Part 2 of the Referendum). The \$.42 that goes toward the Building Bonds generally decreases by a few cents each year as the Bonds are paid down.

If the Proposition to Issue \$87,500,000 in School Buildings Bonds passes, that \$.42 will not DECREASE and will last 20 to 30 years until the bonds are paid. If your EAV increases, you will likely experience an additional increase in your real estate tax bill.

Does the District need two new schools? **BETA recommends**

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that you VOTE NO on Part 1 of the Referendum.

Part 2 – Proposition To Increase The Limiting Rate (The Levy Increase)

The BETA March 2006 newsletter strongly stated that taxpayers should vote “NO” on that proposed referendum because there was a Property Tax Extension Limitation Law (PTELL) loophole that had to be corrected by the Illinois Legislature. Our legislators have now closed the loophole when they passed SB1682. What does this mean?

Illinois school districts must now be more transparent when requesting additional taxpayer money. School districts do not have to designate a specific fund (Education, Operations & Maintenance, Transportation, Municipal Retirement & Social Security, Working Cash, Bond & Interest, Site & Construction and Life Safety), making it easier for a district to move referendum approved money where wanted. What is not transparent, however, is how the district will spend the extra money.

It is extremely important that all registered voters in District #220 carefully read the referendum proposal (what the district calls the “Levy for Learning”) that will appear on the November 7, 2006 ballot. Note the following:

“Proposition to Increase the Limiting Rate”

1. “The **approximate** amount of taxes extendable at the most recently extended limiting rate is \$81,527,967.” The key word is *approximate*. If the proposition is approved, the district will be able to collect \$85,849,237 or **an additional \$4.3 million dollars the first year. It increases each year after that.**

2. “For the 2006 levy year the approximate amount of the additional tax extendable against property containing a single family residence and having a **FAIR MARKET** value at the time of the referendum of \$100,000.00 is estimated to be **\$50.00 in Lake, Kane and McHenry Counties** and **\$24.00 in Cook County.**”

3. READ CAREFULLY:
2007 levy year per \$100,000 fair market value

\$102.06 Lake, Kane, McHenry vs. \$48.97 in Cook

- 2008 levy year per \$100,000 fair market value

\$156.83 Lake, Kane, McHenry vs. \$75.26 in Cook

- 2009 levy year per \$100,000 fair market value

\$214.50 Lake, Kane, McHenry vs. \$102.94 in Cook

4. Finally: “If the proposition is approved, the aggregate extension for 2006, 2007, 2008, and 2009 **will be determined by the limiting rate set forth in the proposition...**”

The bottom line is District #220 will be able to collect over **\$13.5 Million** before any referendum approved schools are opened (see Part 1 for the “WISH LIST”). Furthermore the law only permits locking in the rates for four years and as stated by Jeff Nordquist, School Board President, at the August 22, 2006 Special School Board Meeting, “...if things don’t go as planned we could look for a referendum in the fifth year.” Of course by then a new teachers’

contract will be negotiated and based on the School Boards past generosity of **5.5%** annual increases plus stipends, insurance, retirement benefits and other perks the *average taxpayer does not receive but is expected to pay*, the Board and Administration will be back for more. Ultimately, the accumulative debt will be unsustainable.

For an idea of how much the school portion of your property taxes will increase, first take a look at your blue assessment card. Your Assessed Value and FAIR MARKET VALUE are stated on the card. The following calculations for **LAKE, KANE & McHENRY COUNTIES** will put this into a better perspective:

FAIR MARKET VALUE	2006	2007	2008	2009
\$100,000	\$50.00	\$102.06	\$156.83	\$214.50
\$350,000	\$175.00	\$357.21	\$548.91	\$750.75
\$600,000	\$300.00	\$612.36	\$940.98	\$1,287.00
\$850,000	\$425.00	\$867.51	\$1,333.06	\$1,823.25

Note: With respect to each part of the referendum, if the equalized assessed value rises so do these numbers and your taxes will increase that much more. The referendums provide for a 5.24% increase each year. ■

Recommended Books, Video and Web Sites

- Education Myths: Jay Greene, 2005
- Dumbing Down Our Kids: Charles J. Sykes, 1995
- Stupid in America: John Stoessel, ABC 20/20 Code T06090101
- www.thechampion.org – view your employees’ salaries
- Citizens for Reasonable and Fair Taxes (CRAFT) <http://user.mc.net/~igloo/craft.htm>
- BETA: www.betaonline.us

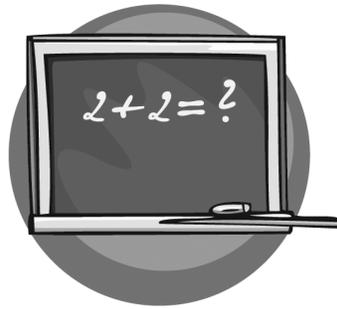
\$1,000,000 per Classroom and Other Tidbits

- As quoted by a CUSD #220 resident at the 8/22/06 School Board Meeting – “37 classrooms in 2 new schools, equates to **\$1,000,000 per classroom!**”

- **Enrollment numbers are not increasing**, as everyone was lead to believe. Less than 1/3 of CUSD #220 households have school age children.

- At the 8/22 Board meeting, the new Assistant Superintendent of Finance stated that the original plans (per the referendum in March 2006) called for the schools to have 168,000 sq. ft. and that they were now reducing the square footage of the new schools to 145,000. However, our research has shown it was proposed to be 145,000 sq. ft. for the original referendum. Is the Board trying to make us think they reduced the cost by reducing the square footage? **ABSOLUTELY NOT!**

- Stated at the School Board Meeting of 8/22/06 by a Perkins & Will architectural firm representative in response to a question by a Board member regarding the Kelsey Road property, “**13 Acres was too much** and they wouldn’t use it all, but would have a lot of room for expansion.” So why did



the Superintendent push to purchase this much property?

- **Lake County residents** will bear the burden of this referendum if it passes. Is this equitable?

- Three school board members voted **AGAINST** the 5 to 8 configuration, and three school board members voted **AGAINST** the proposed referendum of \$87.5M. Does this demonstrate broad support for a plan?

- Woodland School had substantial renovations in 2001, and it was said that it was “basically a brand-new school.” Since then, it has been neglected as the intention was to get rid of it. The recent leakage at Woodland was caused by a maintenance/landscape problem and not a problem attributable to a bad foundation.

- Revenue received for 2005-2006 school year was \$97,617,262.

Expenditures were \$92,275,769 (including \$67,801,100 in salary & benefits). There appears to be a spending problem.

- The school **FUND BALANCE at 6/30/06 was a whopping \$27,536,609**. CUSD #220 claims a reserve of 15% to 25% is needed. Why is it necessary to keep such large revenues in reserve?

- Did you know that Barrington Education Association (Teacher’s Union) and Barrington Transportation Company each contributed \$1,000 toward the “Yes” campaign for the last referendum (March, 20, 2006).

- Parents of students in CUSD #220 **PAY ADDITIONAL** fees toward their child’s education. As an example, students at BHS pay up to \$465 in Fees each year. Driver’s Education is extra at \$350.

- Students who want to park in the High School lot **MUST PAY ADDITIONAL FEES** according to the lot they are assigned. Isn’t this interesting since we the taxpayers, *paid for the parking lot and we pay for the maintenance*. Where does this additional money go? ■



School Board Elections

There will be school board elections Spring 2007. We are looking for people who will represent the interests of the taxpayers, children **and** who will squeeze every property tax dollar

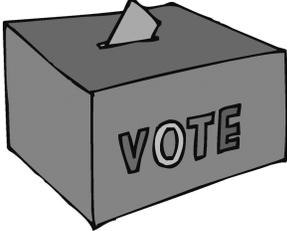
as if they had earned it themselves. It is imperative that future school board candidates possess skills in negotiating contracts or budgeting or construction. It would be refreshing to

elect an independent “outside the box” thinker. ■

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VOTE NO
November 7, 2006



**Financially Sound
Policy?**

Conclusion

One of the main functions of any school board is to make policy decisions. A policy decision that is needed in District #220 is one that curtails spending and directs those employed by the taxpayers to make conservative choices with the money already provided by a very generous community. If this referendum was a sound, economical proposal it could have been presented to the public by the Board without hiring a marketing consultant to organize focus groups, design unrepresentative phone surveys, and produce movies that are shown to parents at "Back to School" nights.

District #220's 2006-2007 budget is OVER \$100M. Add to this the

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tens of millions spent for construction projects and we are talking about REAL money, OUR money. What happens if the November 7, 2006 referendum is passed? Our property tax bills will increase faster than at any time since the property tax cap was put in place thirteen years

ago. How will the money be spent? There is no policy so anything is possible.

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—Please visit our Website:

www.betaonline.us

