

SMITHTON COMMUNITY CONSOLIDATED SCHOOL DISTRICT #130
Smithton, Illinois 62285
Strategic Planning Committee Meeting, October 13, 2015
MINUTES

The Strategic Planning Committee meeting of the Board of Education of Smithton Community Consolidated School District #130 was held on October 13, 2015, in the Smithton School Art Room, 316 South Hickory, Smithton, Illinois 62285.

Dr. Susan Homes, Superintendent, recorded minutes of the Strategic Planning Committee meeting held on October 13, 2015 beginning at 6:08 p.m.

Present: Committee Chairman Brian Lester; Superintendent Dr. Susan Homes; Principal Vicki Norton; Director of Business Heidi Etling; Teachers Courtney Hammel, Michelle Smith, and Stephanie Berry; and community members Jennifer Davis and Angie Chamma.

1. The meeting was called to order by Chairman Brian Lester at 6:08 p.m.
2. Pledge of Allegiance was recited by all.
3. Strategic Planning

Mr. Lester provided an overview of the agenda for the meeting which included the following (a copy of the handout provided committee members is attached):

- Welcome
- Update on Subcommittee
- Discussion of Converging/Impact Topics
- Presentation on St. Clair County One Cent Sales Tax Initiative
- Discussion of Suggested Timeline
- Next Steps

Mr. Lester shared with the committee that the recent subcommittee meeting was cancelled pending the outcome of the October 13 meeting. He shared that Dr. Homes had an opportunity to interact with a number of strategic planning specialists and Illinois superintendents that led to further thoughts about how to frame the work of the committee.

Dr. Homes reviewed the current priorities identified by the committee which included the district's financial condition and the district's facilities. She also reviewed the current topics that are having/may have an impact on the district's strategic planning work which include the state's financial condition, proposed property tax cap legislation, and the St. Clair County facilities sales tax initiative. Dr. Homes reported that after consulting with a number of specialists, the number of converging topics faced by the district would likely lead to voter and community member confusion, and that a more streamlined, systematic approach would have a greater chance of success in meeting the district's needs.

Dr. Homes provided an overview of the impact of the proposed property tax cap legislation. Mr. Lester reiterated that the district's property tax revenue (making up approximately 76% of the district's revenue) would be capped for three years if current legislation under consideration were enacted. Dr. Homes went on to describe the potential impact to the district by discussing the district's aggregate extension base and the district's debt service extension base. Dr. Homes shared that the district's debt service extension base could limit future spending when/if working cash or health, life and safety bonds were needed regardless of the reason for the need. Because the district has maintained fiscal responsibility with limited outstanding debt, the legislation's unintended consequence would be that the district would be limited in its ability to issue bonds in the future without voter support.

Dr. Homes provided an overview of the make-up and work of the St. Clair County Sales Tax steering committee. She used a short ten-minute video to provide an overview of the county sales tax to the committee. Although the video appeared a "bit dated," the facts in the video helped the committee understand the purpose and history of the tax. Dr. Homes and Mr. Lester explained what would be subject to the tax as well as how the tax proceeds could be used ("pay as you go" capital projects, issuing capital needs bonds, and/or retiring existing capital project bonds).

Mr. Lester explained the estimated calculation of revenue for each of the districts that would be covered under the St. Clair County sales tax initiative. He explained that the revenue, approximately \$522 per student, would follow the student in the county. For example, should a Smithton student move to Freeburg, the sales tax revenue would follow the student to Freeburg. Based on Stifel's preliminary calculations, Smithton would earn \$277,417 annually through the successful passage of the sales tax. This would allow Smithton to sell approximately \$2.8 million in bonds for a 20 year repayment period.

Dr. Homes explained that districts representing 51% of the student population in the county would need to pass resolutions in support of putting the issue on the ballot. Passage of the measure by a simple majority at the November election would result in all districts in the county benefitting from the sales tax, regardless of the individual district's position on the issue.

Dr. Homes explained that the collection of sales tax would flow to the Illinois Department of Revenue. The IDR would keep 2% and the remaining funds would flow directly to the ROEs for distribution to districts based on student enrollment. The Illinois legislature could not divert the funds or use the funds to supplant other education monies.

Dr. Homes explained that the St. Clair County steering committee was beginning work to engage community members to determine whether or not support exists to place the measure on the November ballot.

Dr. Homes and Mr. Lester explained that the timing of the sales tax initiative would provide an excellent platform for the committee to educate the community about the district's current needs and allow the sales tax initiative to provide a revenue stream through which the facilities needs may be met without asking the voters to support a property tax increase. The two explained a new five-year diagram that would delay talk


of actual facilities and/or architectural drawings until after the November 2016 election. The five-year diagram is included in the attached handout.

Committee members met the new plan with optimism and commented that they felt it was a good way to move forward and help educate the community about the district's needs while educating them about a county-wide initiative that they are sure to hear about in the media.

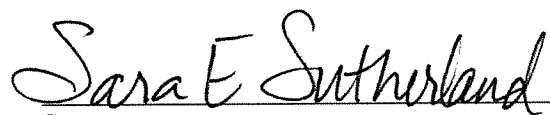
Dr. Homes shared with the committee that it is expected the engagement process of determining whether or not communities would support the sales tax initiative would occur during the early winter months. If sufficient support existed, she anticipated that districts would pass individual resolutions during the summer months. She and Mr. Lester shared that a citizen's committee would be needed to promote the initiative should it be placed on the ballot to ensure there would be no illegal activity or direction from district employees on the initiative. The district and any district-backed committees can only serve as information/fact providers. A separate citizen's group would be able to actively pursue a voting position.

Dr. Homes will seek to identify a meeting date to review the same material with the absent members through an email canvass. Dr. Homes will stay in contact with the committee and schedule other meetings with Mr. Lester as initiative advancement occurs. Mr. Lester announced that business will take him away from the area for approximately four months. He indicated that the meetings may continue without him. Mr. Lester thanked the committee for the many months of effort they had given and indicated that the many discussions helped with crystallizing a plan for moving forward. He and Dr. Homes encouraged the committee members to stay involved despite what may appear to be several months of inactivity during the county-wide engagement process.

4. The meeting was adjourned by Chairperson Lester at 8:45 p.m.



President



Secretary