



# NEWS

COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64 Park Ridge-Niles

164 S. Prospect Avenue

Park Ridge, IL 60068-4079

(847) 318-4300

FAX: (847) 318-4351

For information, contact:  
Superintendent Sally Pryor, 847-318-4300  
Bernadette Tramm, Public Information Coordinator, 847-318-4343

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## **State Stalemate Costs District 64; \$10 Million in Short-Term Financing Authorized**

The Park Ridge-Niles School District 64 Board of Education at its meeting on October 8 authorized the issuance of up to \$10 million in tax anticipation warrants to accommodate the District's operating needs into early 2008. "The unprecedented delay of the second installment of property taxes has caused this action to be necessary," Business Manager Bruce Martin reported to the Board. The District will incur a minimum of \$85,000 in issuance and interest costs for the first group of warrants to be sold on October 15, he estimated.

Fall property tax bills are being held indefinitely due to a stalemate in Springfield between the Governor and legislative leaders on potential property tax relief. District 64 had planned to receive at least a portion of those tax revenues in October and the bulk in November. About 80% of the District's revenues are from property taxes. This delay, coupled with the District's historically low Operating Fund balance, forced District 64 to issue the warrants, which are a "common form of short-term financing for public bodies," Mr. Martin stated.

The Board authorized the immediate issuance of \$7 million in warrants, which should accommodate the District's operating needs through December 2007. The warrants would be due January 15, 2008. In addition, the Board also gave authority to Board President Sue Runyon and Superintendent Sally Pryor to issue an additional \$3 million in warrants should the inaction at the state level drag on.

Frustration over the costly predicament forced upon it by the Springfield stalemate was evident at the meeting. "The \$85,000 could be so much better spent in our classrooms helping educate children rather than being spent on short-term borrowing. Who is going to make school districts whole for incurring this expense, which is a result of the Springfield stalemate?" Board Vice President Chris Mollet questioned.

Superintendent Sally Pryor called the delay a "final hurdle" before District 64 finances finally improve with the infusion of additional tax revenues from the successful referendum in April. "This situation clearly points out why District 64 asked local residents to strengthen our fund balance as part of the referendum request. The timing of when tax revenues are received is outside of our control and yet has such a huge impact on our cash flow. Having a healthy fund balance gives us the stability we need while reducing the cost to taxpayers overall," Dr. Pryor noted.

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