



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 18, 2014

COMMITTEE ON JUDICIARY

Mr. David St. Pierre, Executive Director

Authority to settle tax rate objections for the years 2006 through 2009 for an estimated amount of \$2,898,857.00 plus interest

Dear Sir:

Objections to the District's 2006 through 2009 tax levies are pending in the Circuit Court of Cook County. After extensive negotiations between the parties over the past year, the Law Department recommends settlement of the objections for tax years 2006 through 2009 for a total of five (5) mills.

Based upon the most recent available data from the Cook County Treasurer as to the percentage of equalized assessed valuation paid under protest, five mills amount to approximately \$2,898,857.00. The payout is only an estimate based upon the most recent data supplied by the Treasurer and could increase or decrease depending upon the final percentage of equalized assessed valuation paid under protest.

If the settlement is approved by the parties and the Court, the Treasurer will calculate the precise payout at the time the funds are disbursed. Such disbursement will occur as a holdback by the Treasurer from future District tax revenues and will include statutory interest calculated through the date of payment at the rate of 3.4%, 3.2%, 2.8%, and 3.8% per year for 2006 through 2009, respectively.

The specific claims of the objectors for the 2006 through 2009 years under protest exceed one billion dollars. While the Law Department is confident that it could successfully defend the District from the objectors' claims, loss of even one objection for a single year out of the 76 objections asserted could result in a payout that is 5 to 10 times the amount of the recommended settlement.

Additionally, the recommended settlement saves the District the high cost of proceeding with expert discovery and trial. In light of the District's potential exposure and the unpredictability of litigation, the settlement is in the best interests of the District.

As a point of reference, we are attaching a summary of mills paid by the other major taxing bodies since 2001.

The General Counsel recommends that the Board of Commissioners approve the settlement on the above-mentioned terms and that he be authorized to execute such documents as may be necessary to effectuate the settlement.

Requested, Ronald M. Hill, General Counsel, RMH:LLD:JTM:nm

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, Mariyana T. Spyropoulos, Chairman, Committee on Judiciary Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners

for December 18, 2014

Attachment