

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business/CSBO
Regular Meeting Monday, November 9, 2015

TO: Dr. Michael Riggle
FROM: Hillarie Siena
DATE: November 9, 2015
RE: Proposed 2015 Tax Levy

It is recommended that the Board of Education approve the *Resolution Regarding the Estimated Amounts Necessary to be Levied for the Year 2015*, as well as the Notice of Proposed Tax Increase, in compliance with the Truth in Taxation Act.

Background

It has been the practice of the District to determine a tax levy by using the applicable Consumer Price Index (CPI) for All Urban Consumers, and by adding an adequate percentage allocation for new growth within the District. The applicable CPI released in January 2015, for the calendar year ended December 31, 2014, is 0.8% and the estimated new growth factor is 2.2%; this factor ensuring that all new growth is properly captured.

The District does not receive any data on new construction from Cook County until next year. If the District fails to request a levy that is high enough to capture new growth that has occurred within its boundaries, revenue generated by that new growth will be permanently lost to District 225. New growth revenue is essential to the District in order to meet the economic challenges resulting from that new growth. Once the value of new property becomes part of the overall tax base, it is limited by the tax cap. Going forward, the inability of the District to capture all property value would increase the likelihood for a voter-approved tax rate increase. For this reason, the recommended new growth factor includes estimated new property value from all new development within District borders.

By law, since the tax cap levy we are recommending is less than 5% over the past year's tax extension, the District is not required to publish notice and conduct a public hearing on the proposed 2015 Tax Levy as outlined in the Truth in Taxation Act. However, in accord with the District's efforts for financial transparency, we feel it prudent and in the best interest of the public to do so.

**RESOLUTION REGARDING THE ESTIMATED AMOUNTS
NECESSARY TO BE LEVIED FOR THE YEAR 2015**

WHEREAS, the Truth in Taxation Law requires that all taxing districts determine the estimated amounts of taxes necessary to be levied for the year not less than twenty (20) days prior to the adoption of the aggregate tax levy of the district; and

WHEREAS, the Law requires that public notice be given and a public hearing be held if the district intends to adopt an aggregate tax levy in an amount which is more than 105% of the amount extended or estimated to be extended upon the final aggregate levy extensions, plus any amount abated, exclusive of election costs, for the preceding year;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education for Northfield Township High School District 225, Cook County, Illinois, as follows:

Section 1. The aggregate amount of taxes, estimated to be levied for the year 2015, is \$101,564,123 exclusive of levies for bond and interest and including estimated levies for specific purposes as follows:

Educational Fund	\$93,914,123
Operations & Maintenance	\$3,000,000
Transportation	\$500,000
IMRF	\$1,500,000
Social Security	\$1,800,000
Working Cash	\$850,000

Section 2. The amount of taxes estimated to be levied or to have already been levied for bond and interest purposes for the year 2015 is \$8,775,692.

Section 3. If required, the administration shall cause an appropriate public notice to be published and a public hearing to be scheduled on the levy.

Section 4. This resolution shall be in full force and effect forthwith upon its adoption.

Board of Education, Northfield Township High School District
#225
Cook County, Illinois

By: _____
President, Board of Education

ATTEST:

Secretary, Board of Education

Date: November 9, 2015

**Notice of Proposed Tax Increase for
Northfield Township High School District No. 225**

- I. A public hearing to approve a proposed property tax levy increase for Northfield Township High School District No. 225 for 2015 will be held on December 14, 2015 at 7:00 PM at 3801 W. Lake Ave., Suite 100, Glenview, Illinois, 60026.

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact Dr. Rosanne Williamson, Assistant Superintendent, at 3801 W. Lake Ave., Glenview, Illinois, phone: 847-486-4701.

- II. The corporate and special purpose property taxes extended or abated for 2014 were \$98,605,281.

The proposed corporate and special purpose property taxes to be levied for 2015 are \$101,564,123. This represents a 3.0% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2014 were \$8,859,813.

The estimated property taxes to be levied for debt service and public building commission leases for 2015 are \$8,775,692. This represents a 0.95% decrease over the previous year.

- IV. The total property taxes extended for 2014 were \$107,465,094. The estimated total property taxes to be levied for 2015 are \$110,339,815. This represents a 2.68% increase over the previous year.

PROPERTY TAX INFORMATION

TAX EXTENSIONS - 8 YEAR HISTORY

	ACTUAL 2008	ACTUAL 2009	ACTUAL 2010	ACTUAL 2011	ACTUAL 2012	ACTUAL 2013	LEVY 2014	ACTUAL 2014	LEVY 2015
TAX CAP CPI									
Tax Levy Percentage (requested)	4.1%	0.1%	2.7%	1.5%	3.0%	1.7%	1.5%	1.5%	0.8%
New Growth Factor (requested)	6.1%	2.1%	4.7%	3.5%	5.0%	3.9%	3.7%	3.7%	3.0%
	2.0%	2.0%	2.0%	2.0%	2.0%	2.2%	2.2%	2.2%	2.2%
ACTUAL EXTENSION (Operating)									
Education	80,209,028	76,034,266	76,274,642	82,109,038	85,783,696	88,369,820	92,183,867	90,955,281	93,914,123
Op & Maintenance	1,500,000	6,000,000	4,700,000	4,000,000	4,000,000	4,000,000	3,000,000	3,000,000	3,000,000
Transportation	500,000	250,000	3,100,000	500,000	500,000	250,000	500,000	500,000	500,000
IMRF	750,000	250,000	2,000,000	1,000,000	1,000,000	1,000,000	1,500,000	1,500,000	1,500,000
Social Security	750,000	2,250,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Working Cash	962,500	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
Sub-total	84,671,528	85,634,266	88,724,642	90,259,038	93,933,696	96,269,820	99,833,867	98,605,281	101,564,123
Levy in Dollars (Operating)	85,051,245	86,449,630	89,656,391	91,830,004	94,767,809	97,600,569	N/A	99,833,867	
Amount Received Compared to Levy	(379,717)	(815,364)	(931,749)	(1,570,966)	(634,113)	(1,330,749)	N/A	(1,228,586)	
Actual % Increase (Operating)	5.63%	1.14%	3.61%	1.73%	4.07%	2.49%	3.70%	2.43%	3.00%
% under Levy	-0.47%	-0.96%	-1.09%	-1.77%	-0.93%	-1.41%	-0.00%	-1.27%	
Debt Service									
Limited Bonds	2,136,131	2,136,078	2,132,285	2,134,162	2,071,052	2,076,320	1,986,251	2,085,563	2,035,000
Building Bonds	5,270,994	5,411,824	6,254,485	5,946,907	6,111,734	6,595,928	6,193,503	6,774,250	6,740,692
Sub-total	7,407,125	7,547,902	8,386,770	8,081,069	8,182,786	8,672,248	8,179,751	8,859,813	8,775,692
TOTAL EXTENSION INCLUDING DEBT	92,078,653	93,182,168	97,111,412	98,340,107	102,116,482	104,942,068	108,013,618	107,465,094	110,339,815
Total % Increase from Prior Year (incl Debt)	5.40%	1.20%	4.22%	1.27%	3.84%	2.77%	2.93%	2.40%	2.68%
Total EAV	6,661,941,398	6,684,025,879	6,035,735,205	5,407,332,337	5,037,187,441	4,482,911,139	4,572,569,362	4,541,507,704	4,632,337,858
New Growth EAV	88,682,778	64,883,932	43,259,327	12,930,537	50,674,782	31,078,296	100,596,526	39,976,807	101,911,433
New Growth % of Total EAV	1.33%	0.97%	0.72%	0.24%	1.01%	0.69%	2.20%	0.88%	2.20%
EAV Without New Growth	6,573,258,620	6,619,141,947	5,992,475,878	5,394,401,800	4,986,512,659	4,451,832,843	4,471,972,836	4,501,530,897	4,530,426,425
Operating Tax Rate Including New Growth EAV	1,271	1,282	1,470	1,670	1,865	2,148	2,183	2,172	2,193
Operating Extension Without New Growth	83,546,117	84,857,400	88,089,395	90,086,510	92,998,461	95,625,369	97,637,522	97,773,251	99,329,599
Tax Revenue Due to New Growth	1,125,411	776,866	635,247	172,528	935,235	644,451	2,196,345	832,030	2,234,524

School Finance Topic: Tax Levy

What is a tax levy?

The amount of money a school district requests to be raised from property tax. The levy is only a request.

What is an Extension?

The process in which the County Clerk calculates the tax rate needed to raise the revenue (levy) allowable by law and certified by each school district in the county. The total extension is the product of the district's equalized assessed valuation (EAV) multiplied by its calculated tax rate and is equal to the total property tax billings on the district's behalf.

What is The Truth In Taxation Act?

Legislation approved and effective July 1981, that provides procedures for Public Notice and Public Hearings on tax increases greater than 105% of the prior year's extension.

What is The Property Tax Extension Limitation Law?

The Property Tax Extension Limitation Law, commonly referred to as "TAX CAP" or "PTELL" limits the increase in property tax extensions to 5% or the Consumer Price Index (CPI), whichever is less, not counting new construction or Debt Service obligations.

Last year, the district collected approximately \$107 million in taxes. The CPI used for determining the 2015 levy will be 0.8 percent. This means the district is limited to 0.8% plus whatever taxes are generated from new properties coming on the tax rolls for the first time.

How does the district determine its levy?

The law allows the district to request (levy) more taxes than it expects to collect. This is because at the time of the levy, new property EAV is unknown. In the spring of each calendar year, taxing bodies receive a notification (extension) from the County Clerk of the actual amount they will receive.

How does the levy affect property taxes?

It is possible for taxes to increase even when EAV is dropping, because the taxing bodies generally choose to maintain or increase their extensions in an effort to collect sufficient funds to preserve their services. Other external factors may impact tax bills as well, the most common of which is a reduction in the amount of the Cook County allowable exemptions and the possible shift of tax burden due to prior year(s) property tax refunds.

Example: $[\$100,000 \text{ (EAV)} / \$100] \times 2.172 \text{ (tax rate)} = \$2,172 \text{ (taxes collected)}$
 $[\$ 99,000 \text{ (EAV)} / \$100] \times 2.193 \text{ (tax rate)} = \$2,171 \text{ (taxes collected)}$

In tax year 2014, the district extension was \$107,465,094. The total EAV of all taxable properties was \$4,541,507,704, an increase of 1.31% from the previous year. The total tax rate was \$2.172.

Why would a District propose a levy that is higher than the limits of the Property Tax Extension Limitation Law (PTELL)?

Under The Property Tax Extension Limitation Law, if a taxing body does not ask (levy) for all funds that may be available (CPI + new property), those funds can never be recaptured, resulting in permanently lost revenue for the district.

Why doesn't the school district lower its levy?

The district would be penalized under the Tax Cap formula for future years.

How does the District 225 tax rate compare to other districts?

The residents of District 225 benefit from a strong and stable tax base. Tax rates are generally lower than those from areas with lesser property values.

When will the Board of Education approve the levy?

District 225 will host a public hearing on the tax levy as part of their regularly scheduled Board of Education meeting on Monday, December 14, 2015. The tentative tax levy is available on the District website at www.glenbrook225.org.