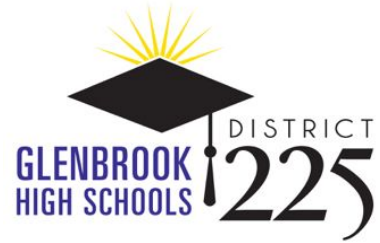


DRAFT



To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel

Date: Monday, November 12, 2018

Re: Estimated Tax Levy for 2018

Recommendation

It is recommended that the Board of Education approve the “Resolution Regarding Estimated Amounts Necessary to be Levied for the Year 2018”. Further, it is recommended that the Board direct the administration to publish the estimated levy amounts, and to schedule a public hearing on the estimated tax levy as part of the regular board meeting scheduled for December 10, 2018.

Background

Each year the Business Services department prepares an estimated tax levy, to be presented and discussed with the Finance Committee and the Board of Education. The estimated levy identifies the amount of money requested to be raised by taxation for the year 2018. This is the first action in the process to secure the District’s property tax revenue.

To provide additional insight into the tax levy process, the following timeline has been constructed:

Estimated Date	Activity
November 7, 2018	Board of Education Finance Committee Reviews Estimated Tax Levy
November 12, 2018	Board of Education Reviews Estimated Tax Levy; Approves Resolution to Publish Estimated Levy
December 10, 2018	Public Hearing on Estimated Levy; Board of Education Certifies Tax Levy *
January 31, 2019	Cook County Treasurer Mails 1st Installment Bills to Taxpayers (55% of TY2017 Assessment); District Begins to Receive Tax Receipts for TY2018 **
May 1, 2019	Cook County Treasurer Finalizes Tax Rate and Levy Amounts (To Be Paid in 2019)
July 1, 2019	Cook County Treasurer Mails 2nd Installment Bills to Taxpayers (Remainder for TY2018 Assessment); District Begins to Receive Remaining Tax Receipts for TY2018 **

* School districts are required to file a tax levy with the County Clerk annually, on or before the last Tuesday in December.

** Property tax revenue is received across two fiscal years.

Calculation of the Estimated Tax Levy for 2018

For the 2018-19 fiscal year, local property taxes represent 79.3% of the District's revenue. In certifying the tax levy, the Board of Education is formalizing its request for property tax revenue for the 2018 tax year, which is paid by taxpayers through two (2) installments during the 2019 calendar year.

To develop a levy, the school district begins by reviewing last year's property tax extension (finalized by the Cook County Clerk in June 2018), and determines if tax amounts levied in the prior year should be decreased, left at the same level, or increased. Historically, our school district has increased the tax levy by:

1. The maximum amount allowable under the Property Tax Extension Limitation Law (PTELL), which is the lesser of 5%, or the applicable percentage increase in the Consumer Price Index (35 ILCS 200).
2. A calculated factor that represents new property growth added to the tax base since the last extension was finalized. It is important to note that:
 - a. Revenue from new growth is essential to the District in order to meet the economic challenges resulting from the new growth.
 - b. The value of new property can only be captured in the year in which it is added to the tax base. Over time, the impact of not levying for new property in a given year compounds, resulting in a substantial loss in revenue to support educational programs.

Taking these two factors into consideration, the following data was utilized to develop the estimated tax levy for 2018 as presented:

- Equalized Assessed Value (EAV) for Tax Year 2017
 - \$5,436,276,518
 - Calculated by the Cook County Clerk; included on the District's Agency Tax Rate Report published in June 2018.
- Percent change in the Consumer Price Index for All Urban Consumers (CPI-U) Not Seasonally Adjusted between December 2017 and the previous 12 Months (December 2016)
 - 2.1%
 - Calculated by the US Department of Labor's Bureau of Labor Statistics; Published by the Bureau on January 12, 2018.
- Estimated New Property Growth Between Since the 2017 Tax Extension was Finalized
 - 2.3%
 - Calculated by the District based on trend-line analysis, known development activities, expiring tax incentives (e.g. 6(b), TIF), triennial reassessment activities.
 - New property captured during the 2017 tax year was \$68.5M. During the prior four years new property averaged \$37.6M, illustrating the volatility in the EAV of new property from one year to the next. Utilizing a percent of the school district's EAV, in lieu of a certain dollar amount, provides greater security to ensure that we capture all new growth.
 - During the 2022 tax year, it is expected that the school district will need to utilize a much higher factor of 12-15% to capture equalized assessed the value of the Glenview Naval Air Station redevelopment project (The Glen), as the TIF expires. The value of The Glen's EAV in 2015 was \$469,838,455, which would have represented 9.66% of the District's EAV, if it that value was included.

A detailed review of historical tax extensions and the 2018 levy, which incorporate the three previously stated factors has been attached to this memo. Please note that while the estimated levy presents a

4.4% increase, the actual amount to be raised by taxation will be limited by the maximum amount permissible with PTELL.

Publication of the Estimated Levy and Public Hearing

In accordance with Truth in Taxation law (35 ILCS 200/18-56), taxing bodies with estimated tax levies that are more than 105% of the preceding year's extension, are required publish the estimated amounts, and hold a public hearing. While our estimated levy does not require us to perform these two activities, it is recommended that the District continue past practice by publishing the levy, and holding a public hearing to provide an opportunity for our community to express their thoughts regarding the proposal.

**Resolution Regarding Estimated Amounts
Necessary To Be Levied For The Year 2018**

WHEREAS, the Truth in Taxation Act (35 ILCS 200/18-55) requires that all taxing districts in the State of Illinois determine the estimated amounts of money, exclusive of levies for debt service estimated to be necessary to be raised by taxation for the year 2018 not less than twenty (20) days prior to the official adoption of the aggregate tax levy of the district; and

WHEREAS, if the estimated aggregate amount necessary to be levied, exclusive of bond and interest costs, exceeds 105% of the aggregate amount of property taxes extended or estimated to be extended, including any amount abated by the taxing district prior to such extension, upon the levy of the preceding year, public notice shall be given and a public hearing shall be held on the district's intent to adopt a tax levy in an amount which is more than 105% of such extension or estimated extension for the preceding year; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Education, Northfield Township High School District No. 225, County of Cook, State of Illinois, as follows:

Section 1: The aggregate amount of taxes, estimated to be levied for the year 2018 is \$109,945,711, exclusive of levies for bond and interest and including estimated levies for the specific purposes as follows:

Educational Purposes	\$99,795,711
Operations and Maintenance Purposes	\$4,000,000
Transportation Purposes	\$2,000,000
Illinois Municipal Retirement Fund Purposes	\$1,500,000
Social Security/Medicare Purposes	\$1,800,000
Working Cash Fund Purposes	\$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 2018 is \$9,034,748.

Section 3: Appropriate public notice will be published and a public hearing scheduled on December 10, 2018 at 7:00 PM regarding the 2018 levy.

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

Board of Education, Northfield Township High School District No. 225

By: _____
Skip Shein
President, Board of Education

ATTEST:

Rosanne Williamson
Secretary, Board of Education

Date: November 12, 2018

**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 2017 will be held on December 10, 2018 at 7:00 PM at 3801 W. Lake Avenue., Public Meeting Room, 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 for Educational Services, at 3801 W. Lake Avenue, Glenview, Illinois, phone: (847) 486-4701, e-mail: rwilliamson@glenbrook225.org.

- II. The corporate and special purpose property taxes extended or abated for 2017 were \$105,311,984.

The proposed corporate and special purpose property taxes to be levied for 2018 are \$109,945,711. This represents a 4.4% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2017 were \$8,938,167.

The estimated property taxes to be levied for debt service and public building commission leases for 2018 are \$9,034,748. This represents a 1.1% increase over the previous year.

- IV. The total property taxes extended for 2017 were \$114,250,151. The estimated total property taxes to be levied for 2018 are \$118,980,459. This represents a 4.0% increase over the previous year.