



**To:** Dr. Mike Riggle  
Board of Education

**From:** Dr. R.J. Gravel

**Date:** Monday, November 14, 2016

**Re:** Estimated Tax Levy for 2016

### **Recommendation**

It is recommended that the Board of Education approve the "Resolution Regarding Estimated Amounts Necessary to be Levied for the Year 2016", 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 12, 2016.

### **Background**

#### *Overview of the Tax Levy Process*

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, exclusive of debt service costs, to be raised by taxation for the year 2016. This is the first action in a process to secure the District's property tax revenue. To provide additional insight into the tax levy process, a timeline has been constructed below:

<b>Estimated Date</b>	<b>Activity</b>
November 3, 2016	Board of Education Finance Committee Reviews Estimated Tax Levy
November 14, 2016	Board of Education Reviews Estimated Tax Levy; Approves Resolution to Publish Estimated Levy
December 12, 2016	Public Hearing on Estimated Levy; Board of Education Certifies Tax Levy *
January 31, 2017	Cook County Treasurer Mails 1st Installment Bills to Taxpayers (55% of TY2015 Assessment)
May 1, 2017	Cook County Treasurer Finalizes Tax Rate and Levy Amounts (To Be Paid in 2017)
July 1, 2017	Cook County Treasurer Mails 2nd Installment Bills to Taxpayers (Remainder for TY2016 Assessment); District Begins to Receive Tax Receipt for TY2016 **

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

\*\* The majority of property tax revenue is received across two fiscal years.

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.

*Overview of the Estimated 2016 Levy*

In certifying the tax levy, the Board of Education is formalizing its request for property tax revenue for the 2016 tax year, which is paid by taxpayers in 2017. To complete the levy process, the school district reviews last year's property tax levy (finalized in May 2016), 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 based on the maximum amount allowable (CPI-U level for 2015), and new growth that has recently been added to the tax base. New growth revenue is essential to the District in order to meet the economic challenges resulting from the new growth. It is also important to emphasize that once the value of new real estate becomes part of the overall tax base, it is limited by the tax cap. As a result, it is extremely important for a school district to capture all new growth as it becomes part of the tax base, as it cannot be captured retroactively.

The 2016 levy includes the following factors:

- Equalized Assessed Value (EAV) from Tax Year 2015
- Consumer Price Index for All Urban Consumers (CPI-U) from December 2015 (announced in January 2016)
- Estimated New Property Growth Between Tax Years 2015 and 2016

A detailed review of historical tax extensions and the 2016 levy, which incorporate the three previously stated factors has been attached to this memo. Additionally, a summary of the formula utilized to determine the 2016 levy is presented below.

2015 EAV					2016 EAV	
\$4,390,619,134	+	CPI-U (0.7%)	\$30,734,334	=	\$4,522,337,708	
		New Growth (2.3%)*	\$100,984,240			

\* New growth includes new property and increases that are a result of existing property reassessments beyond the estimated CPI-U increase; Note: TY2016 is a triennial reassessment year.

**Resolution Regarding Estimated Amounts  
Necessary To Be Levied For The Year 2016**

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 2016 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, exceed 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 2016 is \$103,362,710, exclusive of levies for bond and interest and including estimated levies for the specific purposes as follows:

Educational Purposes	\$95,962,710
Operations and Maintenance Purposes	\$3,000,000
Transportation Purposes	\$500,000
Illinois Municipal Retirement Fund Purposes	\$1,250,000
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 2015 is \$8,955,694.

Section 3: Appropriate public notice will be published and a public hearing scheduled on December 12, 2016 at 7:00 PM regarding the 2016 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 14, 2016

**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 2016 will be held on December 12, 2016 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](mailto:rwilliamson@glenbrook225.org).

- II. The corporate and special purpose property taxes extended or abated for 2015 were \$100,352,146.

The proposed corporate and special purpose property taxes to be levied for 2016 are \$103,362,710. This represents a 3.0% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2015 were \$9,079,663.

The estimated property taxes to be levied for debt service and public building commission leases for 2016 are \$8,955,694. This represents a 1.4% decrease over the previous year.

- IV. The total property taxes extended for 2015 were \$109,431,809. The estimated total property taxes to be levied for 2016 are \$112,318,404. This represents a 2.6% increase over the previous year.

## Historical Tax Extensions and Estimated 2016 Levy

Equalized Assessed Value	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Levy	2015 Actual	Difference	2016 Estimated Levy	
Agency EAV	5,394,401,800	4,985,843,731	4,450,689,601	4,499,001,072	4,530,426,425	4,350,789,183	(179,637,242)	4,421,353,468	0.7%
New Growth EAV	12,930,537	51,343,710	32,221,538	42,506,632	101,911,433	39,829,951	(62,081,482)	100,984,240	2.3%
<b>Total EAV</b>	<b>5,407,332,337</b>	<b>5,037,187,441</b>	<b>4,482,911,139</b>	<b>4,541,507,704</b>	<b>4,632,337,858</b>	<b>4,390,619,134</b>	<b>(241,718,724)</b>	<b>4,522,337,708</b>	<b>3.0%</b>

  

Tax Levy Percent	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Levy	2015 Actual	Difference	2016 Estimated Levy	
Consumer Price Index (CPI-U)	1.5%	3.0%	1.7%	1.5%	0.8%	0.8%	0.0%	0.7%	
New Growth Factor	0.2%	0.9%	0.7%	0.9%	2.2%	0.9%	-1.3%	2.3%	
<b>Tax Levy Percent</b>	<b>1.7%</b>	<b>3.9%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>3.0%</b>	<b>1.7%</b>	<b>-1.3%</b>	<b>3.0%</b>	

  

Tax Levy Rate	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Levy	2015 Actual	Difference	2016 Estimated Levy	
Educational	1.5185	1.7030	1.9713	2.0028	2.1390	2.1114	-0.0276	2.1220	
Operations and Maintenance	0.0740	0.0794	0.0892	0.0661	0.0683	0.0683	0.0000	0.0663	
Transportation	0.0092	0.0099	0.0056	0.0110	0.0114	0.0114	0.0000	0.0111	
Municipal Retirement	0.0185	0.0199	0.0223	0.0330	0.0342	0.0342	0.0000	0.0276	
Social Security	0.0333	0.0357	0.0402	0.0396	0.0410	0.0410	0.0000	0.0398	
Working Cash	0.0157	0.0169	0.0190	0.0187	0.0194	0.0194	0.0000	0.0188	
Sub-total Operating	1.6692	1.8648	2.1476	2.1712	2.3132	2.2857	-0.0275	2.2856	
Building Bonds	0.1100	0.1213	0.1471	0.1492	0.1535	0.1581	0.0046	0.1474	
Limited Bonds	0.0395	0.0411	0.0463	0.0459	0.0463	0.0487	0.0024	0.0507	
Sub-total Debt Services	0.1495	0.1624	0.1934	0.1951	0.1999	0.2068	0.0069	0.1980	
<b>Total Tax Rate</b>	<b>1.819</b>	<b>2.027</b>	<b>2.341</b>	<b>2.366</b>	<b>2.513</b>	<b>2.493</b>	<b>-0.021</b>	<b>2.484</b>	

  

Tax Levy Extension	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Levy	2015 Actual	Difference	2016 Estimated Levy	
Educational	82,109,038	85,783,696	88,369,820	90,955,281	93,914,123	92,702,146	(1,211,977)	95,962,710	
Operations and Maintenance	4,000,000	4,000,000	4,000,000	3,000,000	3,000,000	3,000,000	-	3,000,000	
Transportation	500,000	500,000	250,000	500,000	500,000	500,000	-	500,000	
Municipal Retirement	1,000,000	1,000,000	1,000,000	1,500,000	1,500,000	1,500,000	-	1,250,000	
Social Security	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	-	1,800,000	
Working Cash	850,000	850,000	850,000	850,000	850,000	850,000	-	850,000	
Sub-total Operating	90,259,038	93,933,696	96,269,820	98,605,281	101,564,123	100,352,146	(1,211,977)	103,362,710	3.0%
Building Bonds *	5,946,907	6,111,734	6,595,928	6,774,250	6,740,692	6,942,913	202,221	6,663,817	
Limited Bonds **	2,134,162	2,071,052	2,076,320	2,085,563	2,035,000	2,136,750	101,750	2,291,877	
Sub-total Debt Services	8,081,069	8,182,786	8,672,248	8,859,813	8,775,692	9,079,663	303,971	8,955,694	-1.4%
<b>Total Tax Extension</b>	<b>98,340,107</b>	<b>102,116,482</b>	<b>104,942,068</b>	<b>107,465,094</b>	<b>110,339,815</b>	<b>109,431,809</b>	<b>(908,006)</b>	<b>112,318,404</b>	<b>2.6%</b>

\* Building bonds are those issued as a result of an approved referendum.

\*\* Limited bonds are those issues as part of the debt service extension base.