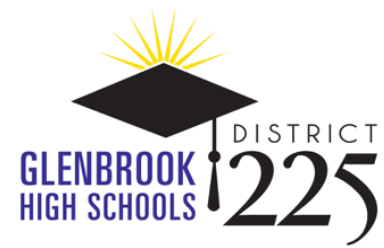


Historical Board of Education Memo



To: Dr. Charles Johns
Board of Education

From: Dr. R.J. Gravel

Date: Monday, November 8, 2021

Re: Resolution Regarding Estimated Amounts Necessary to be Levied for the Year 2021

Recommendation

It is recommended that the Board of Education approve the “Resolution Regarding Estimated Amounts Necessary to be Levied for the Year 2021”. 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 13, 2021.

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 2021. 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 2, 2021	Board of Education Finance Committee Reviews Estimated Tax Levy
November 8, 2021	Board of Education Reviews Estimated Tax Levy; Approves Resolution to Publish Estimated Levy
December 13, 2021	Public Hearing on Estimated Levy; Board of Education Certifies Tax Levy*
January 31, 2022	Cook County Treasurer Mails 1st Installment Bills to Taxpayers (55% of TY2020 Assessment); District Begins to Receive Tax Receipts for TY2021**
June 15, 2022	Cook County Clerk Finalizes Tax Rate and Levy Amounts
July 1, 2022	Cook County Treasurer Mails 2nd Installment Bills to Taxpayers (Remainder for TY2021 Assessment); District Continues Receiving Tax Receipts for TY2021**

* 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 2021

For the 2021-22 fiscal year, local property taxes represent 82.4% and The Glen Make Whole Payments represent 6.1% of direct revenue receipts. In certifying the tax levy, the Board of Education is formalizing its request for property tax revenue for the 2021 tax year, which is paid by taxpayers through two (2) installments during the 2022 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 2021) 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:

- 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).
- 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:
 - Increased revenue as a result of new property provides the financial resources necessary to provide educational services to the increased student population.
 - The ability to increase the District's tax extension as a result of new property only exists in the year in which the new property is added to the tax base. If the levy does not reflect a calculation to capture potential new property in a given year, the negative financial impact compounds each year.

Taking these two factors into consideration, the following data was utilized to develop the estimated tax levy for 2020:

- Equalized Assessed Value (EAV) for Tax Year 2020
 - \$6,047,073,464
 - Calculated by the Cook County Clerk; included in the District's Agency Tax Rate Report published in June 2021¹.
- Percent change in the Consumer Price Index for All Urban Consumers (CPI-U) Not Seasonally Adjusted between December 2019 and December 2020 (12 month comparison period).
 - 1.4%
 - Calculated by the US Department of Labor's Bureau of Labor Statistics; Published by the Bureau on January 13, 2021².
- Estimated New Property Growth Between Since the 2019 Tax Extension was Finalized
 - 13.6%
 - Calculated by the District based on trend-line analysis, known development activities, expiring tax incentives (e.g. 6(b), TIF), and triennial reassessment activities.
 - New property captured during the 2020 tax year was \$51.9M. During the prior five years, new property averaged \$57.4M, 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.

¹ Cook County Clerks Office. (n.d.). *Tax Agency Report for Tax Year 2020 for Agency 04-2220-000*. <https://www.cookcountyclerkil.gov/service/tax-agency-reports>

² U.S. Bureau of Labor Statistics. (2021, January 13). *Consumer Price Index News Release*. https://www.bls.gov/news.release/archives/cpi_01132021.htm

- On October 28, 2021, the Village of Glenview's Board of Trustees offered unanimous direction to bring forward an ordinance to close "The Glen" TIF on December 31, 2021. The closure of The Glen was anticipated, however, this timeline accelerates the closure a year earlier than originally scheduled. As a result, the school district's estimated tax levy reflects an increase to ensure that the property from The Glen is fully captured. A series of supporting calculations and charts are provided in the attached document.

A detailed review of historical tax extensions and the 2021 levy, which incorporates the three previously stated factors has been attached to this memo. **Please note that while the estimated levy presents a 15.0% increase, exclusive of the amounts required for previously approved debt service payments, the actual amount to be raised by taxation will be limited by the maximum amount permissible under PTELL. The Cook County Clerk will reduce this amount in accordance 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 to publish the estimated amounts, and hold a public hearing. Even in times when the district's tax levy does not exceed 105%, it has been our practice to publish the levy and hold 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 2021**

WHEREAS, the Truth in Taxation Act (35 ILCS 200/18-55) requires that all taxing districts in the State of Illinois determine the estimated amount of money, exclusive of levies for debt service estimated to be necessary to be raised by taxation for the year 2021 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

WHEREAS, while the estimated aggregate amount necessary to be levied for the year 2021 does exceed 105%.

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 2021 is \$132,560,239, exclusive of levies for bond and interest and including estimated levies for the specific purposes as follows:

Educational Purposes	\$114,510,239
Operations and Maintenance Purposes	\$10,000,000
Transportation Purposes	\$3,000,000
Illinois Municipal Retirement Fund Purposes	\$1,800,000
Social Security/Medicare Purposes	\$3,000,000
Working Cash Fund Purposes	\$250,000

Section 2: The amount of taxes estimated to be levied or to have already been levied for bond and interest purposes for the year 2020 is \$10,391,047.

Section 3: Appropriate public notice will be published and a public hearing scheduled on December 13, 2021, at 7:00 PM regarding the 2020 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: _____
Bruce Doughty
President, Board of Education

ATTEST:

Rosanne Williamson
Secretary, Board of Education

Date: November 8, 2021

**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 2021 will be held on December 13, 2021, 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 2020 were \$115,269,773.

The proposed corporate and special purpose property taxes to be levied for 2021 are \$132,560,239. This represents a 15% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2020 were \$10,707,038.

The estimated property taxes to be levied for debt service and public building commission leases for 2021 are \$10,391,047. This represents a 2.95% decrease over the previous year.

- IV. The total property taxes extended for 2020 were \$126,021,011. The estimated total property taxes to be levied for 2021 are \$142,951,286. This represents a 13.43% increase over the previous year.

Historical Tax Extensions and Estimated 2021 Levy

Equalized Assessed Value	2016 Actual [^]	2017 Actual	2018 Actual	2019 Actual [^]	2020 Estimated Levy	2020 Actual	Difference	2021 Estimated Levy
Agency Existing EAV	5,228,661,177	5,368,343,182	5,272,721,056	6,035,167,626	6,240,861,280	5,995,105,565	(245,755,715)	6,131,732,492
New Growth EAV	35,971,336	68,509,336	45,843,135	65,381,035	140,312,619	51,967,899	(88,344,720)	822,401,991
Total EAV	5,264,632,513	5,436,852,518	5,318,564,191	6,100,548,661	6,381,173,899	6,047,073,464	(334,100,435)	6,954,134,484
Tax Levy Percent	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Estimated Levy	2020 Actual	Difference	2021 Estimated Levy
Consumer Price Index (CPI-U)	0.7%	2.1%	2.1%	1.9%	2.3%	2.3%	0.0%	1.4%
New Growth Factor	0.7%	1.3%	2.3%	1.1%	2.3%	0.9%	-1.4%	13.6%
Tax Levy Percent	1.4%	3.4%	4.4%	3.0%	4.6%	3.2%	-1.4%	15.0%
Tax Levy Rate	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Estimated Levy	2020 Actual	Difference	2021 Estimated Levy
Educational	1.7885	1.7447	1.8427	1.6597	1.6814	1.7435	0.0621	1.6466
Operations and Maintenance	0.0587	0.0758	0.0775	0.0675	0.0784	0.0852	0.0068	0.1438
Transportation	0.0098	0.0379	0.0387	0.0338	0.0235	0.0255	0.0020	0.0431
Municipal Retirement	0.0245	0.0284	0.0290	0.0253	0.0157	0.0170	0.0013	0.0259
Social Security	0.0352	0.0341	0.0349	0.0304	0.0282	0.0307	0.0025	0.0431
Working Cash	0.0166	0.0161	0.0165	0.0144	0.0039	0.0043	0.0004	0.0036
Sub-total Operating	1.9340	1.9370	2.0400	1.8320	1.8311	1.9070	0.0759	1.9062
Building Bonds *	0.1263	0.1251	0.1290	0.1329	0.1238	0.1346	0.0108	0.1078
Limited Bonds **	0.0457	0.0393	0.0469	0.0415	0.0383	0.0424	0.0041	0.0417
Sub-total Debt Services	0.1720	0.1644	0.1759	0.1744	0.1622	0.1770	0.0148	0.1494
Total Tax Rate	2.106	2.102	2.216	2.006	1.993	2.084	0.091	2.056
Tax Levy Extension	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Estimated Levy	2020 Actual	Difference	2021 Estimated Levy
Educational	94,156,068	94,857,484	98,002,874	101,251,040	107,293,995	105,433,273	(1,860,722)	114,510,239
Operations and Maintenance	3,090,000	4,120,000	4,120,000	4,120,000	5,000,000	5,150,000	150,000	10,000,000
Transportation	515,000	2,060,000	2,060,000	2,060,000	1,500,000	1,545,000	45,000	3,000,000
Municipal Retirement	1,287,500	1,545,000	1,545,000	1,545,000	1,000,000	1,030,000	30,000	1,800,000
Social Security	1,854,000	1,854,000	1,854,000	1,854,000	1,800,000	1,854,000	54,000	3,000,000
Working Cash	875,500	875,500	875,500	875,500	250,000	257,500	7,500	250,000
Sub-total Operating	101,778,068	105,311,984	108,457,374	111,705,540	116,843,995	115,269,773	(1,574,222)	132,560,239
Building Bonds *	6,651,068	6,483,567	6,859,431	8,109,851	7,902,700	8,139,781	237,081	7,493,200
Limited Bonds **	2,406,471	2,454,600	2,493,861	2,531,270	2,445,008	2,567,257	122,249	2,897,847
Sub-total Debt Services	9,057,539	8,938,167	9,353,292	10,641,121	10,347,708	10,707,038	359,330	10,391,047
Total Tax Extension	110,835,607	114,250,151	117,810,666	122,346,661	127,191,703	126,021,011	(1,170,692)	142,951,286
The Glen Make-Whole Payment	9,455,655	9,610,690	9,009,876	8,968,672		9,059,556		0
Total Property Tax Revenue	120,291,262	123,860,841	126,820,542	131,315,333		135,080,567		142,951,286

< Includes the addition of "The Glen" and other anticipated new property growth.

< This is not the actual amount that will be collected. This value represents a "balloon" levy to ensure that the value of "The Glen" and other anticipated new property is captured. The Cook County Clerk will reduce this amount in accordance with the Property Tax Extension Limitation Law (PTELL).

[^] Denotes a triennial reassessment year.

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

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