

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business/CSBO
Regular Meeting Monday, November 10, 2014

TO: Dr. Michael Riggle
FROM: Hillarie Siena
DATE: November 10, 2014
RE: Proposed 2014 Tax Levy

It is recommended that the Board of Education approve the *Resolution Regarding the Estimated Amounts Necessary to be Levied for the Year 2014*, 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 2014, for the calendar year ended December 31, 2013, is 1.5% 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 2014 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 2014**

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 2014, is \$99,833,867 exclusive of levies for bond and interest and including estimated levies for specific purposes as follows:

| | |
|--------------------------|--------------|
| Educational Fund | \$92,183,867 |
| 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 2014 is \$8,179,751.

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 10, 2014

Northfield Township High School District No. 225, Cook County, Illinois

**DIRECTIONS ON PUBLICATION OF
TRUTH-IN-TAXATION NOTICE**

Please publish our Truth-in-Taxation notice according to the following instructions:

The notice must be no less than one-eighth page in size and the smallest type used must be 12 point. The notice must be enclosed in a black border no less than one-fourth inch wide. The notice cannot be placed in the legal notice for classified advertisement portions of the newspaper.

Please publish the enclosed notice in the November 13, 2014, editions of the Glenview Announcements and the Northbrook Star.

Northfield Township High School District No. 225, Cook County, Illinois

**DIRECTIONS ON PUBLICATION OF
TRUTH-IN-TAXATION NOTICE**

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Please publish the enclosed notice in the November 13, 2014, editions of the Glenview Lantern and the Northbrook Tower.

**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 2014 will be held on December 15, 2014 at 7:00 PM at Glenbrook South High School, Student Activity Center, 4000 W. Lake Ave., 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 2013 were \$96,269,820.

The proposed corporate and special purpose property taxes to be levied for 2014 are \$99,833,867. This represents a 3.7% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2013 were \$8,672,248.

The estimated property taxes to be levied for debt service and public building commission leases for 2014 are \$8,179,751. This represents a -5.68% decrease over the previous year.

- IV. The total property taxes extended for 2013 were \$104,942,068. The estimated total property taxes to be levied for 2014 are \$108,013,618. This represents a 2.93% increase over the previous year.

PROPERTY TAX INFORMATION

TAX EXTENSIONS - 8 YEAR HISTORY

| | ACTUAL 2006 | ACTUAL 2007 | ACTUAL 2008 | ACTUAL 2009 | ACTUAL 2010 | ACTUAL 2011 | ACTUAL 2012 | ACTUAL 2013 | LEVY 2014 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| TAX CAP CPI | 3.4% | 2.5% | 4.1% | 0.1% | 2.7% | 1.5% | 3.0% | 1.7% | 1.5% |
| Tax Levy Percentage (requested) | 5.0% | 6.0% | 6.1% | 2.1% | 4.7% | 3.5% | 5.0% | 3.9% | 3.7% |
| New Growth Factor (requested) | 1.6% | 3.5% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.2% | 2.2% |
| ACTUAL EXTENSION (Operating) | | | | | | | | | |
| Education | 68,108,132 | 71,398,900 | 80,209,028 | 76,034,266 | 76,274,642 | 82,109,038 | 85,783,696 | 88,369,820 | 92,183,867 |
| Op & Maintenance | 5,337,579 | 3,500,000 | 1,500,000 | 6,000,000 | 4,700,000 | 4,000,000 | 4,000,000 | 4,000,000 | 3,000,000 |
| Transportation | 205,687 | 1,500,000 | 500,000 | 250,000 | 3,100,000 | 500,000 | 500,000 | 250,000 | 500,000 |
| IMRF | 411,374 | 2,000,000 | 750,000 | 250,000 | 2,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,500,000 |
| Social Security | 2,046,586 | 800,000 | 750,000 | 2,250,000 | 1,800,000 | 1,800,000 | 1,800,000 | 1,800,000 | 1,800,000 |
| Working Cash | 935,876 | 962,500 | 962,500 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| Sub-total | 77,045,234 | 80,161,400 | 84,671,528 | 85,634,266 | 88,724,642 | 90,259,038 | 93,933,696 | 96,269,820 | 99,833,867 |
| Levy in Dollars (Operating) | 77,015,794 | 81,636,742 | 85,051,245 | 86,449,630 | 89,656,391 | 91,830,004 | 94,767,809 | 97,600,569 | N/A |
| Amount Received Compared to Levy | 29,440 | (1,475,342) | (379,717) | (815,364) | (931,749) | (1,570,966) | (834,113) | (1,330,749) | N/A |
| Actual % Increase (Operating) | 4.99% | 4.04% | 5.63% | 1.14% | 3.61% | 1.73% | 4.07% | 2.49% | 3.70% |
| % under Levy | 0.04% | -1.96% | -0.47% | -0.96% | -1.09% | -1.77% | -0.93% | -1.41% | 0.00% |
| Debt Service | | | | | | | | | |
| Limited Bonds | 2,129,306 | 2,132,443 | 2,136,131 | 2,136,078 | 2,132,285 | 2,134,162 | 2,071,052 | 2,076,320 | 1,986,251 |
| Building Bonds | 4,245,568 | 5,066,061 | 5,270,994 | 5,411,824 | 6,254,485 | 5,946,907 | 6,111,734 | 6,595,928 | 6,193,500 |
| Sub-total | 6,374,874 | 7,198,504 | 7,407,125 | 7,547,902 | 8,386,770 | 8,081,069 | 8,182,786 | 8,672,248 | 8,179,751 |
| TOTAL EXTENSION INCLUDING DEBT | 83,420,108 | 87,359,904 | 92,078,653 | 93,182,168 | 97,111,412 | 98,340,107 | 102,116,482 | 104,942,068 | 108,013,618 |
| Total % Increase from Prior Year (incl Debt) | | 4.72% | 5.40% | 1.20% | 4.22% | 1.27% | 3.84% | 2.77% | 2.93% |
| Total EAV | 5,142,176,826 | 6,229,275,624 | 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 |
| New Growth EAV | 75,301,207 | 87,008,421 | 88,682,778 | 64,883,932 | 43,259,327 | 12,930,537 | 50,674,782 | 31,078,296 | 100,596,526 |
| New Growth % of Total EAV | 1.46% | 1.40% | 1.33% | 0.97% | 0.72% | 0.24% | 1.01% | 0.69% | 2.20% |
| EAV Without New Growth | 5,066,875,619 | 6,142,267,203 | 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 |
| Operating Tax Rate Including New Growth EAV | 1.499 | 1.287 | 1.271 | 1.282 | 1.470 | 1.670 | 1.865 | 2.148 | 2.183 |
| Operating Extension Without New Growth | 75,952,466 | 79,050,979 | 83,546,117 | 84,857,400 | 88,089,395 | 90,086,510 | 92,998,461 | 95,625,369 | 97,637,522 |
| Tax Revenue Due to New Growth | 1,092,768 | 1,110,421 | 1,125,411 | 776,866 | 635,247 | 172,528 | 935,235 | 644,451 | 2,196,345 |

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 \$104 million in taxes. The CPI used for determining the 2014 levy will be 1.5 percent. This means the district is limited to 1.5% 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 Homeowner's Exemption and the possible shift of tax burden due to prior year(s) property tax refunds.

Example: $[\$100,000 \text{ (EAV)} / \$100] \times 2.148 \text{ (tax rate)} = \$2,148 \text{ (taxes collected)}$
 $[\$99,000 \text{ (EAV)} / \$100] \times 2.183 \text{ (tax rate)} = \$2,161 \text{ (taxes collected)}$

In tax year 2013, the district extension was \$104,942,068. The total EAV of all taxable properties was \$4,482,911,139, a decline of -11.00% from the previous year. The total tax rate was \$2.148.

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 15, 2014. The tentative tax levy is available on the District website at www.glenbrook225.org.