



**To:** Dr. Charles Johns  
Board of Education

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

**Date:** Tuesday, November 12, 2019

**Re:** Resolution Regarding Estimated Amounts Necessary to be Levied for the Year 2019

**Recommendation**

It is recommended that the Board of Education approve the “Resolution Regarding Estimated Amounts Necessary to be Levied for the Year 2019”. 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 9, 2019.

**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 2019. 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:

<b>Estimated Date</b>	<b>Activity</b>
November 5, 2019	Board of Education Finance Committee Reviews Estimated Tax Levy
November 12, 2019	Board of Education Reviews Estimated Tax Levy; Approves Resolution to Publish Estimated Levy
December 9, 2019	Public Hearing on Estimated Levy; Board of Education Certifies Tax Levy *
January 31, 2020	Cook County Treasurer Mails 1st Installment Bills to Taxpayers (55% of TY2018 Assessment); District Begins to Receive Tax Receipts for TY2019 **
June 15, 2020	Cook County Clerk Finalizes Tax Rate and Levy Amounts (To Be Paid in 2020)
July 1, 2020	Cook County Treasurer Mails 2nd Installment Bills to Taxpayers (Remainder for TY2019 Assessment); District Begins to Receive Remaining Tax Receipts for TY2019 **

\* 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 2019

For the 2019-20 fiscal year, local property taxes represent 94% of the District's direct revenue receipts. In certifying the tax levy, the Board of Education is formalizing its request for property tax revenue for the 2019 tax year, which is paid by taxpayers through two (2) installments during the 2020 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 2019), 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 2019:

- Equalized Assessed Value (EAV) for Tax Year 2018
  - \$5,318,564,191
    - Calculated by the Cook County Clerk; included on the District's Agency Tax Rate Report published in June 2019.
- Percent change in the Consumer Price Index for All Urban Consumers (CPI-U) Not Seasonally Adjusted between December 2017 and December 2018 (12 month comparison period).
  - 1.9%
    - Calculated by the US Department of Labor's Bureau of Labor Statistics; Published by the Bureau on January 11, 2019.
- Estimated New Property Growth Between Since the 2018 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 \$45.8M. During the prior four years new property averaged \$47.5M, 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 2019 levy, which incorporates the three previously stated factors has been attached to this memo. Please note that while the estimated levy presents a 4.2% 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 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. 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 2019**

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 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

WHEREAS, while the estimated aggregate amount necessary to be levied for the year 2019 does not exceed 105%, it has been deemed in the best interest of the community for the school district to give public notice, and to schedule a public hearing regarding the district's intent to adopt a tax levy;

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 2019 is \$113,012,584, exclusive of levies for bond and interest and including estimated levies for the specific purposes as follows:

Educational Purposes	\$102,862,584
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 2019 is \$10,284,375.

Section 3: Appropriate public notice will be published and a public hearing scheduled on December 9, 2019 at 7:00 PM regarding the 2019 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:

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Bruce Doughty  
President, Board of Education

ATTEST:

\_\_\_\_\_  
Rosanne Williamson  
Secretary, Board of Education

Date: November 12, 2019

**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 9, 2019 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 2018 were \$108,457,374.

The proposed corporate and special purpose property taxes to be levied for 2019 are \$113,012,584. This represents a 4.2% increase over the previous year.

- III. The property taxes extended for debt service and public building commission leases for 2018 were \$9,353,292.

The estimated property taxes to be levied for debt service and public building commission leases for 2019 are \$10,284,375. This represents a 9.95% increase over the previous year.

- IV. The total property taxes extended for 2018 were \$117,810,666. The estimated total property taxes to be levied for 2018 are \$123,296,959. This represents a 4.66% increase over the previous year.

## Historical Tax Extensions and Estimated 2019 Levy

Equalized Assessed Value	2014 Actual	2015 Actual	2016 Actual <sup>^</sup>	2017 Actual	2018 Estimated Levy	2018 Actual	Difference	2019 Estimated Levy <sup>^</sup>
Agency Existing EAV	4,499,001,072	4,350,789,183	5,228,661,177	5,368,343,182	5,551,026,421	5,272,721,056	(278,305,365)	5,419,616,911
New Growth EAV	42,506,632	39,829,951	35,971,336	68,509,336	125,047,608	45,843,135	(79,204,473)	122,326,976
<b>Total EAV</b>	<b>4,541,507,704</b>	<b>4,390,619,134</b>	<b>5,264,632,513</b>	<b>5,436,852,518</b>	<b>5,676,074,029</b>	<b>5,318,564,191</b>	<b>(357,509,838)</b>	<b>5,541,943,887</b>

  

Tax Levy Percent	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Estimated Levy	2018 Actual	Difference	2019 Estimated Levy
Consumer Price Index (CPI-U)	1.5%	0.8%	0.7%	2.1%	2.1%	2.1%	0.0%	1.9%
New Growth Factor	0.9%	0.9%	0.7%	1.3%	2.3%	0.9%	-1.4%	2.3%
<b>Tax Levy Percent</b>	<b>2.4%</b>	<b>1.7%</b>	<b>1.4%</b>	<b>3.4%</b>	<b>4.4%</b>	<b>3.0%</b>	<b>-1.4%</b>	<b>4.2%</b>

  

Tax Levy Rate	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Estimated Levy	2018 Actual	Difference	2019 Estimated Levy
Educational	2.0028	2.1114	1.7885	1.7447	1.7582	1.8427	0.0845	1.8561
Operations and Maintenance	0.0661	0.0683	0.0587	0.0758	0.0705	0.0775	0.0070	0.0722
Transportation	0.0110	0.0114	0.0098	0.0379	0.0352	0.0387	0.0035	0.0361
Municipal Retirement	0.0330	0.0342	0.0245	0.0284	0.0264	0.0290	0.0026	0.0271
Social Security	0.0396	0.0410	0.0352	0.0341	0.0317	0.0349	0.0032	0.0325
Working Cash	0.0187	0.0194	0.0166	0.0161	0.0150	0.0165	0.0015	0.0153
Sub-total Operating	2.1712	2.2857	1.9340	1.9370	1.9370	2.0400	0.1030	2.0392
Building Bonds *	0.1492	0.1581	0.1263	0.1251	0.1173	0.1290	0.0117	0.1421
Limited Bonds **	0.0459	0.0487	0.0457	0.0393	0.0418	0.0469	0.0051	0.0435
Sub-total Debt Services	0.1951	0.2068	0.1720	0.1644	0.1592	0.1759	0.0167	0.1856
<b>Total Tax Rate</b>	<b>2.366</b>	<b>2.493</b>	<b>2.106</b>	<b>2.102</b>	<b>2.096</b>	<b>2.216</b>	<b>0.120</b>	<b>2.225</b>

  

Tax Levy Extension	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Estimated Levy	2018 Actual	Difference	2019 Estimated Levy
Educational	90,955,281	92,702,146	94,156,068	94,857,484	99,795,711	98,002,874	(1,792,837)	102,862,584
Operations and Maintenance	3,000,000	3,000,000	3,090,000	4,120,000	4,000,000	4,120,000	120,000	4,000,000
Transportation	500,000	500,000	515,000	2,060,000	2,000,000	2,060,000	60,000	2,000,000
Municipal Retirement	1,500,000	1,500,000	1,287,500	1,545,000	1,500,000	1,545,000	45,000	1,500,000
Social Security	1,800,000	1,800,000	1,854,000	1,854,000	1,800,000	1,854,000	54,000	1,800,000
Working Cash	850,000	850,000	875,500	875,500	850,000	875,500	25,500	850,000
Sub-total Operating	98,605,281	100,352,146	101,778,068	105,311,984	109,945,711	108,457,374	(1,488,337)	113,012,584
Building Bonds *	6,774,250	6,942,913	6,651,068	6,483,567	6,659,642	6,859,431	199,789	7,873,642
Limited Bonds **	2,085,563	2,136,750	2,406,471	2,454,600	2,375,106	2,493,861	118,755	2,410,733
Sub-total Debt Services	8,859,813	9,079,663	9,057,539	8,938,167	9,034,748	9,353,292	318,544	10,284,375
<b>Total Tax Extension</b>	<b>107,465,094</b>	<b>109,431,809</b>	<b>110,835,607</b>	<b>114,250,151</b>	<b>118,980,459</b>	<b>117,810,666</b>	<b>(1,169,793)</b>	<b>123,296,959</b>

<sup>^</sup> 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.