



# Levy Presentation

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November 17, 2015

# 2015 Tax Levy Calculation

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Levy cannot exceed 5% or the prior year CPI, plus new construction; “tax cap” legislation.

CPI is a primary factor in determination of extended taxes.

# Increase in Real Estate Tax Revenue Based on the CPI Index and Value of New Construction

(Current CPI is used to calculate the levy for the following year)

Last 5 Year CPI Increase Average	1.70%	(2011-2015)
Last 10 Year CPI Increase Average	2.13%	(2006-2015)
Average CPI increase since 1994	2.33%	

Last 5 Year New Construction Average	0.46%	(2011-2015)	*includes the estimate percentage
Last 10 Year New Construction Average	0.91%	(2006-2015)	*includes the estimate percentage
Average New Construction since 1994	1.66%		*includes the estimate percentage

Last 5 Year Total Increase Average	2.16%	(2011-2015)	*includes the estimate percentage
Last 10 Year Total Increase Average	3.04%	(2006-2015)	*includes the estimate percentage
Average Total Increase since 1994	3.99%		*includes the estimate percentage

# 2015 Levy Factors

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CPI  
Known/Fixed  
0.80%

New Property  
Unknown/  
Uncertain ?

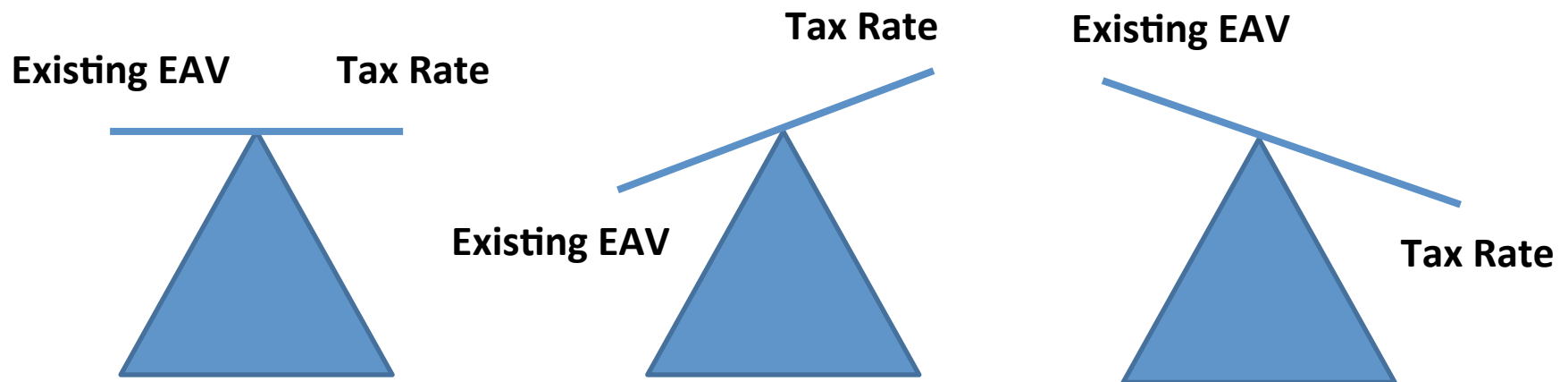
EAV  
Unknown/  
Uncertain ?

# New Construction Estimation Consideration

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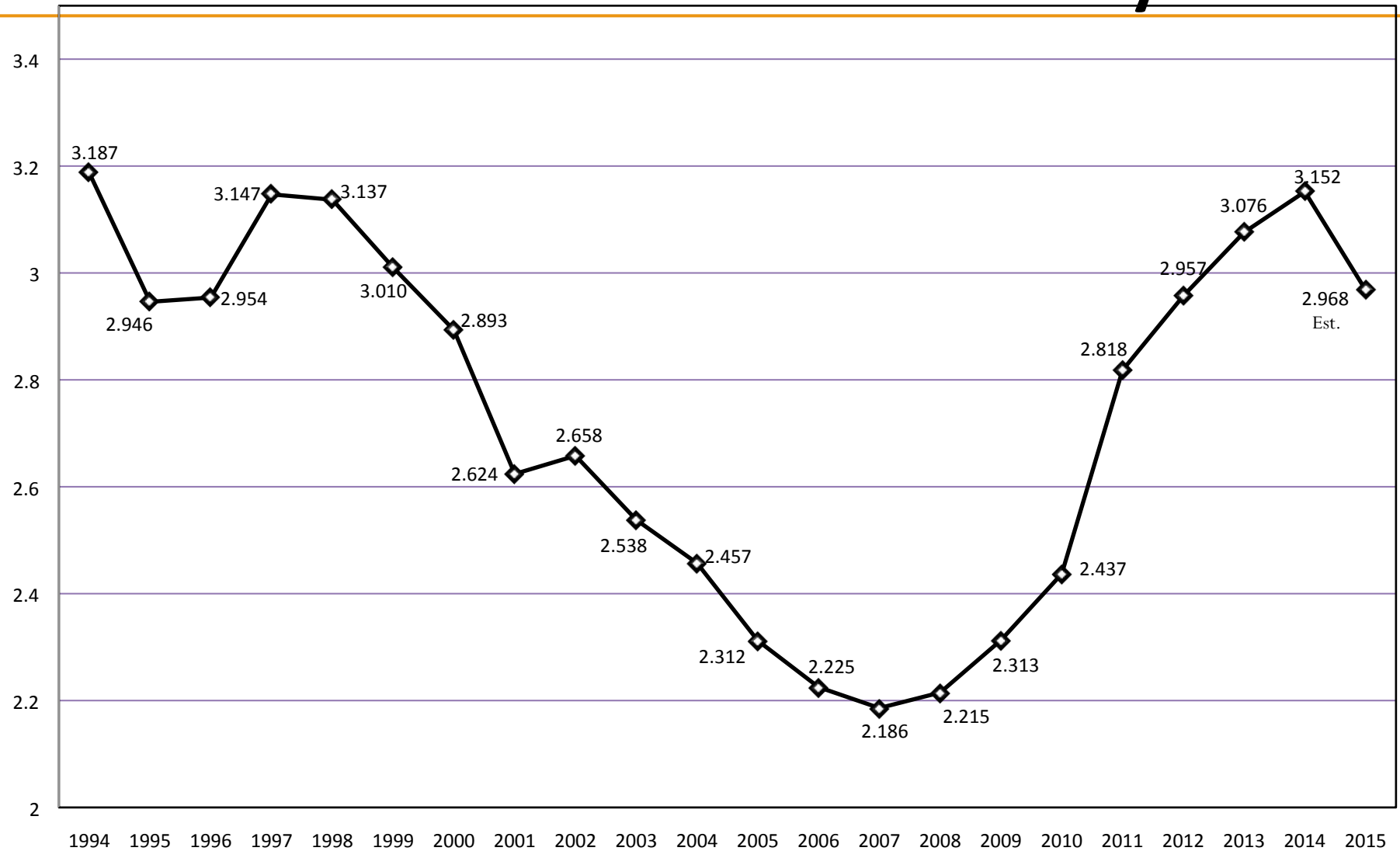
- District must request additional taxes related to the new property/new taxpayers
- Amount for new property/new taxpayers is an estimate at the time of the levy
- Excess request avoids loss of tax revenues due and future requests to replace revenue

# EAV Change, CPI and Tax Rate

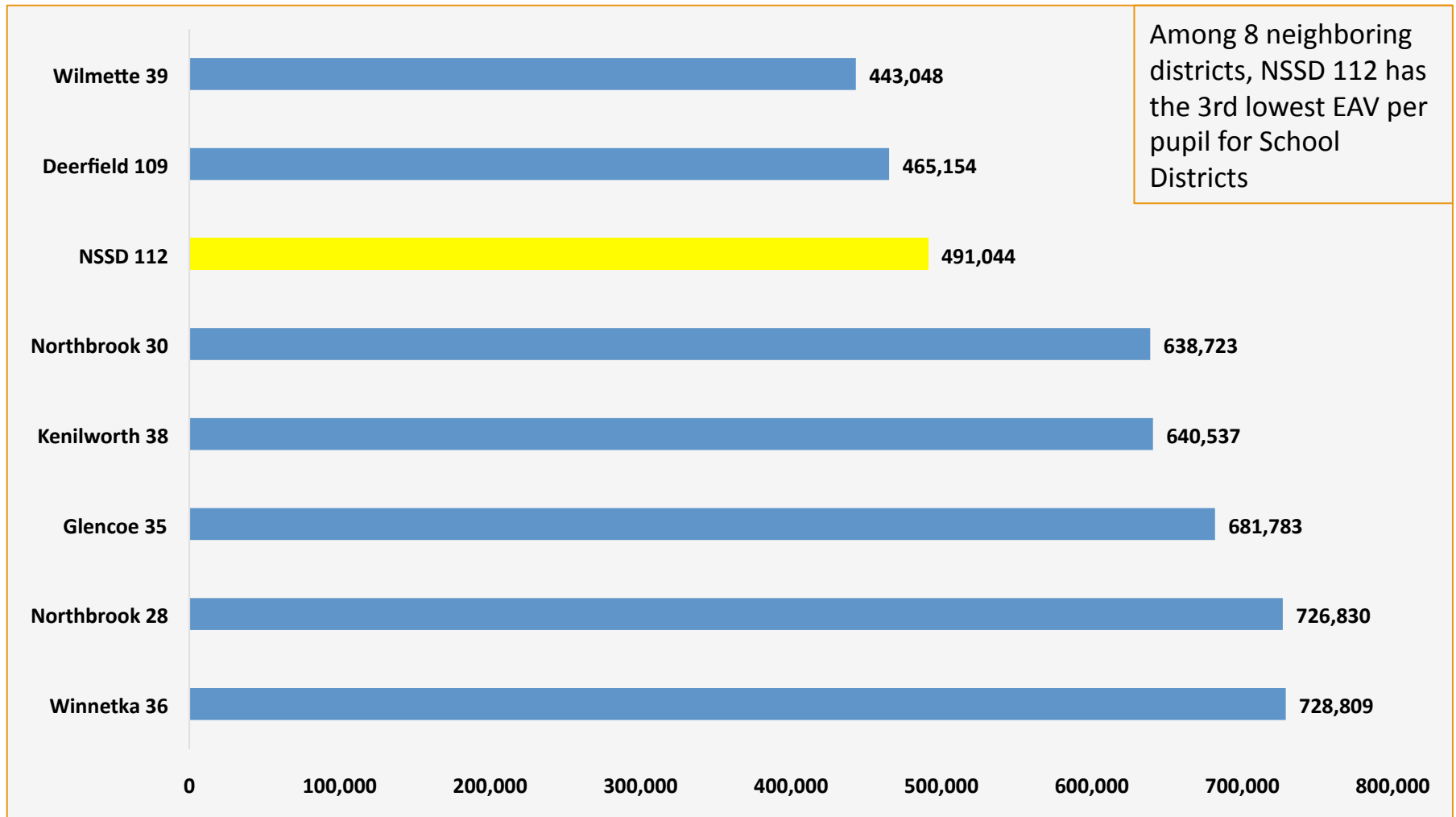


The increase in 2015 EAV, exclusive of new construction, over and above the CPI rate will cause the tax rate to decline.

# District 112 – Tax Rate History

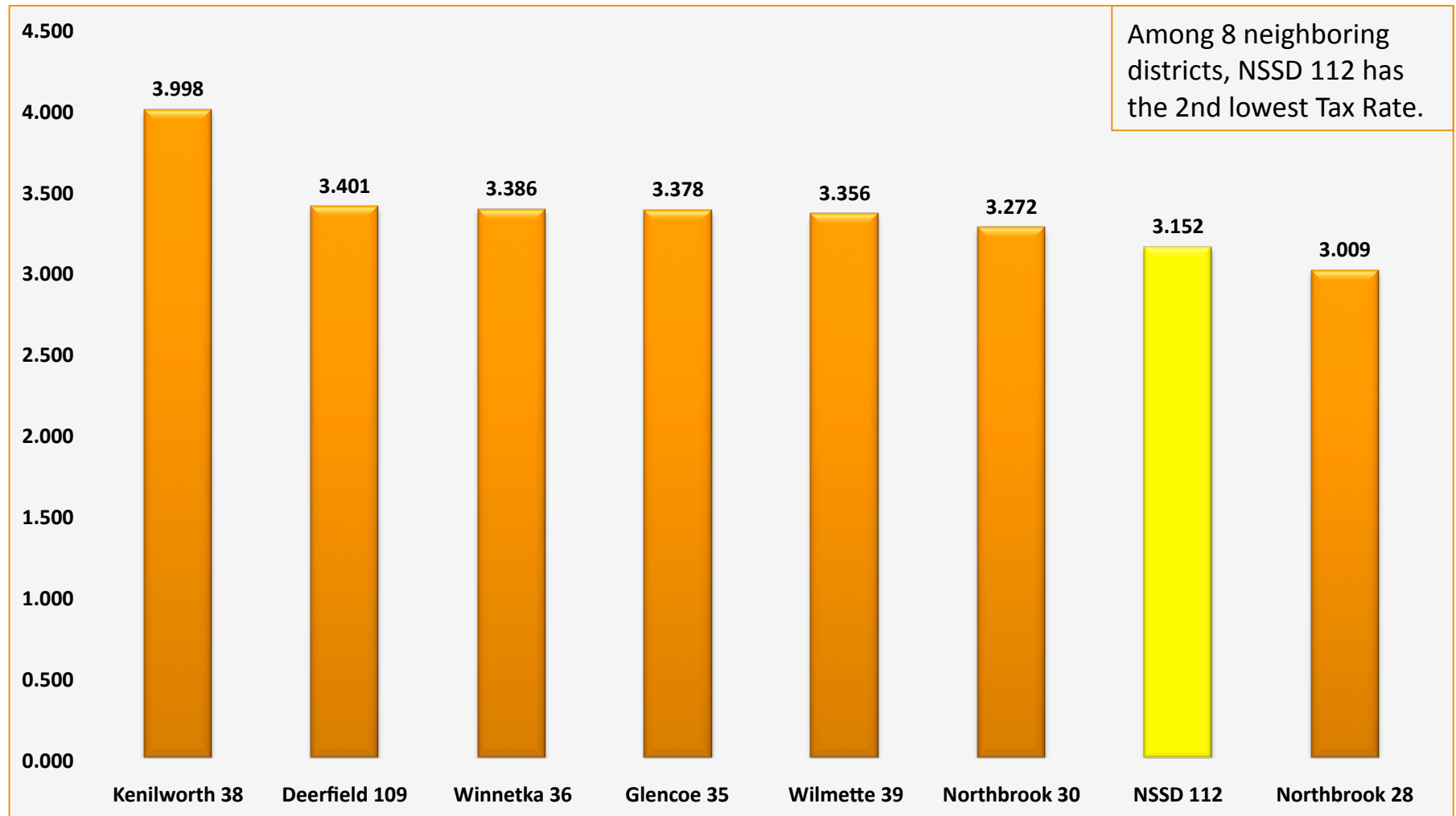


# 2014 EAV Per-Pupil

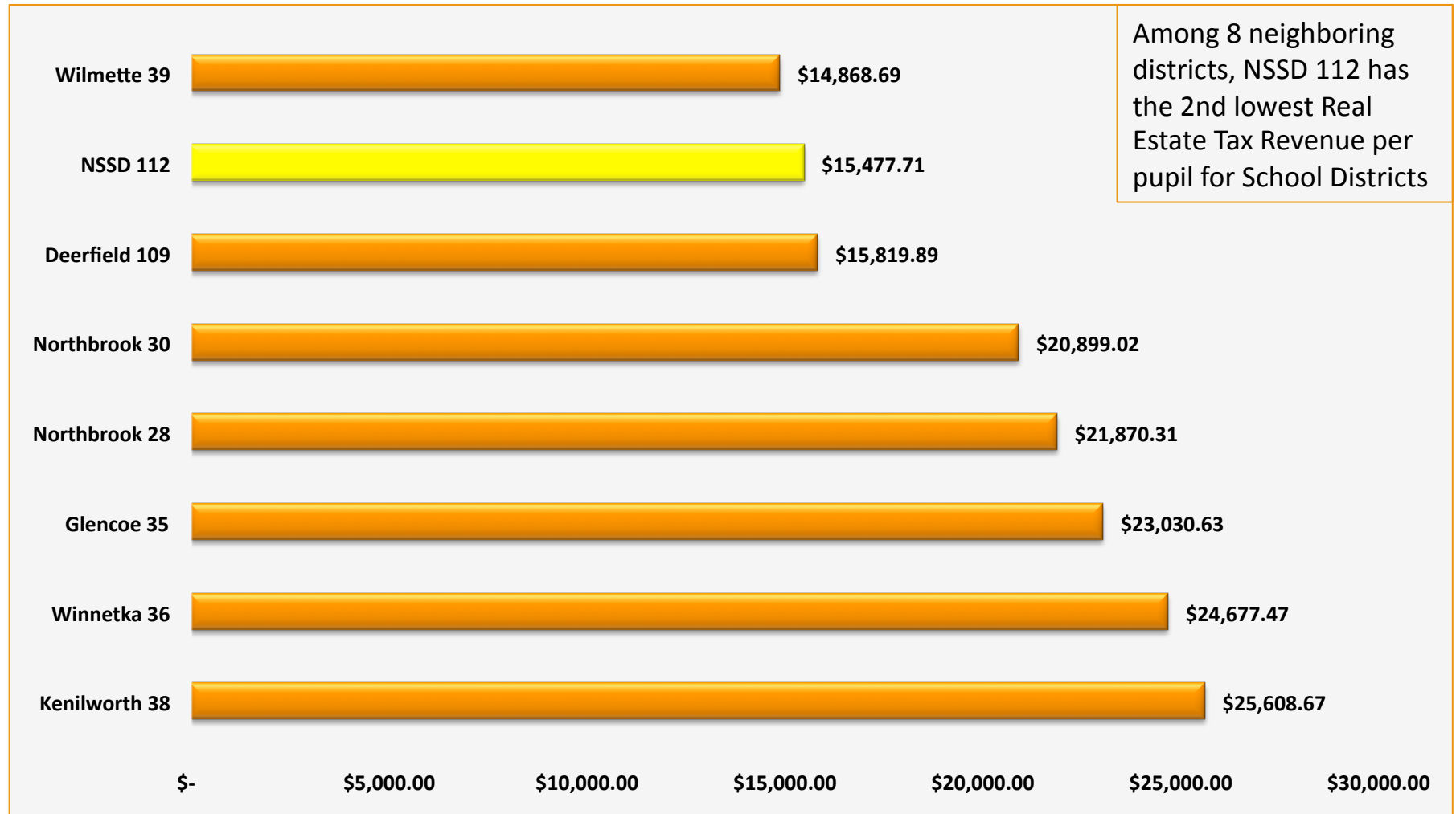




# 2014 Tax Rate (per 100)



# 2014 Real Estate Tax Revenue Per Pupil for School Districts



# 2015 Levy Request

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**Operating “Cap” Funds** **\$**  
**67,742,000**

**Bond & Interest, net** **\$**  
**0**

**Total Levy Request** **\$**  
**67,742,000**

# 2015 vs. 2014 Levy Request

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**Total Levy Request; 2015** **\$**  
**67,742,000**

**Total Levy Extension; 2014** **\$**  
**66,417,096**

**2015 vs. 2014 Increase <Decrease>** **1.99%**  
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**\* Individual taxpayer effect subject to EAV distribution**

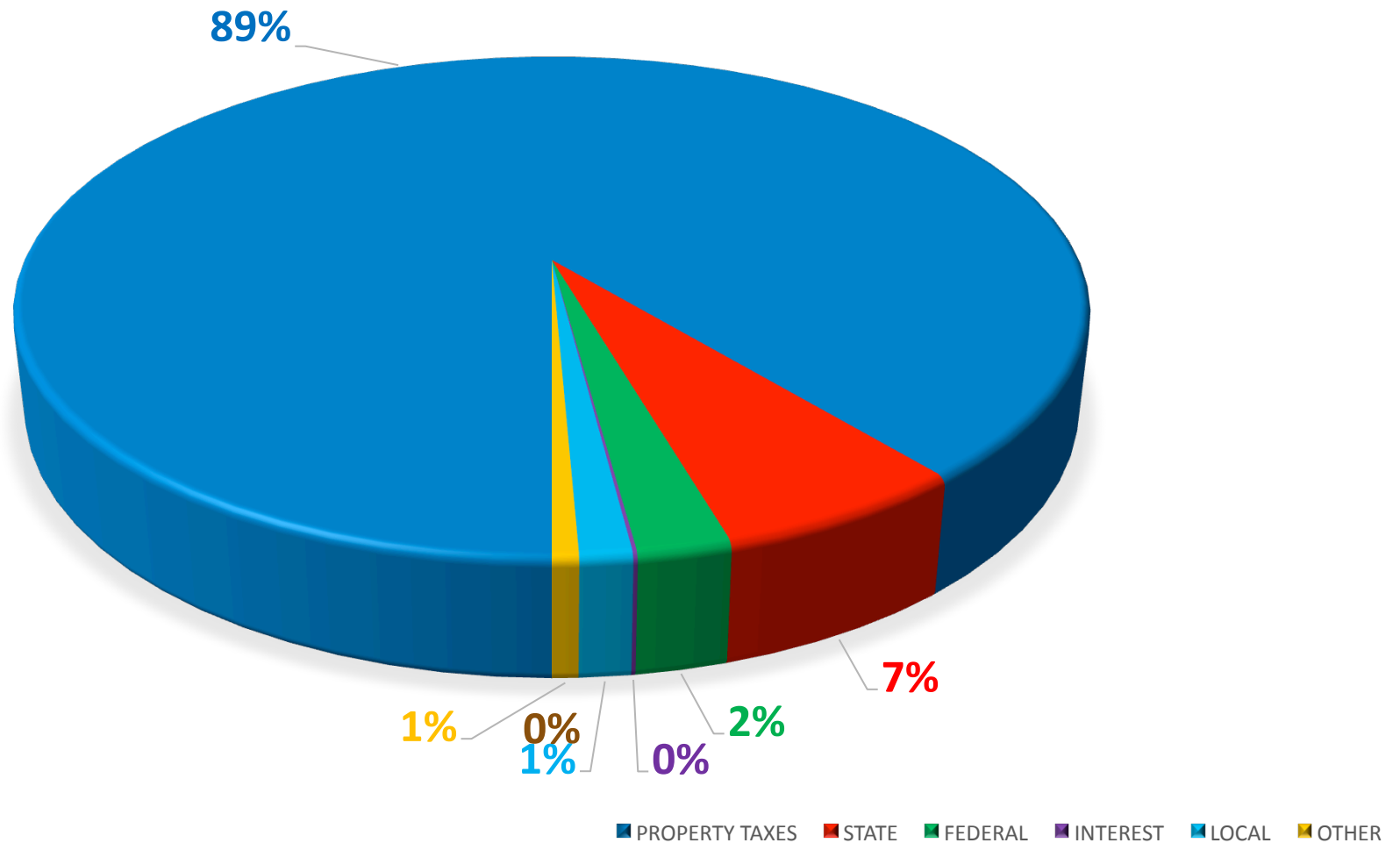
## As Requested

Funds	Requested Levy for Year 2015		Levy Tax Approved for year 2014	Increase/Decrease in dollar amounts	Difference in percentage amount
Education Purposes	\$ 52,881,000.00	78.1%	\$ 53,240,310.15	\$ (359,310.15)	-0.67%
Operations and Maintenance	\$ 10,197,000.00	15.1%	\$ 7,470,644.68	\$ 2,726,355.32	36.49%
Fire Prevention and Safety	\$ 723,000.00	1.1%	\$ 1,459,577.68	\$ (736,577.68)	-50.47%
Special Education Purposes	\$ 556,000.00	0.8%	\$ 548,466.40	\$ 7,533.60	1.37%
Illinois Municipal Retirement Fund	\$ 620,000.00	0.9%	\$ 717,366.32	\$ (97,366.32)	-13.57%
Social Security/Medicare	\$ 620,000.00	0.9%	\$ 717,366.32	\$ (97,366.32)	-13.57%
Transportation	\$ 2,135,000.00	3.2%	\$ 2,204,739.26	\$ (69,739.26)	-3.16%
Tort Immunity Purposes	-	0.0%	-	-	
Working Cash Fund	\$ 10,000.00	0.0%	\$ 58,625.03	\$ (48,625.03)	-82.94%
Total Corporate and Special Purpose	\$ 67,742,000.00	100.0%	\$ 66,417,095.84	\$ 1,324,904.16	1.9948%
Debt Service	-		-	-	
Total Aggregate Levy	<u>\$ 67,742,000.00</u>		<u>\$ 66,417,095.84</u>	<u>\$ 1,324,904.16</u>	<u>1.9948%</u>

## As Projected

Funds	Projected Levy for Year 2015		Levy Tax Approved for year 2014	Increase/Decrease in dollar amounts	Difference in percentage amount
Education Purposes	\$ 52,552,260.13	78.1%	\$ 53,240,310.15	\$ (688,050.02)	-1.29%
Operations and Maintenance	\$ 10,133,609.36	15.1%	\$ 7,470,644.68	\$ 2,662,964.68	35.65%
Fire Prevention and Safety	\$ 718,505.40	1.1%	\$ 1,459,577.68	\$ (741,072.28)	-50.77%
Special Education Purposes	\$ 552,543.57	0.8%	\$ 548,466.40	\$ 4,077.17	0.74%
Illinois Municipal Retirement Fund	\$ 616,145.71	0.9%	\$ 717,366.32	\$ (101,220.61)	-14.11%
Social Security/Medicare	\$ 616,145.71	0.9%	\$ 717,366.32	\$ (101,220.61)	-14.11%
Transportation	\$ 2,121,727.57	3.2%	\$ 2,204,739.26	\$ (83,011.69)	-3.77%
Tort Immunity Purposes	-	0.0%	-	-	
Working Cash Fund	\$ 9,937.83	0.0%	\$ 58,625.03	\$ (48,687.20)	-83.05%
Total Corporate and Special Purpose	\$ 67,320,875.28	100.0%	\$ 66,417,095.84	\$ 903,779.44	1.3608%
Debt Service	-		-	-	
Total Aggregate Levy	<u>\$ 67,320,875.28</u>		<u>\$ 66,417,095.84</u>	<u>\$ 903,779.44</u>	<u>1.3608%</u>

# FY 2016 Revenue Budget - \$73,225,314



NOTE - EXCLUDES: TRANSFERS AND ON-BEHALF PAYMENT TO TRS

# Change in Revenue due to Change in CPI

<b>2014 Tax Extension:</b>	<b>\$ 66,417,096</b>
<b>Debt Service Extension (Bonds):</b>	<b>\$ -</b>
<b>Total Extension Subject to CPI limit:</b>	<b><u>\$ 66,417,096</u></b>

## New Money at Different Growth Rates

0.80%	\$ 531,337
1.00%	\$ 664,171
1.50%	\$ 996,256
1.70%	\$ 1,129,091
2.00%	\$ 1,328,342
2.25%	\$ 1,494,385
2.50%	\$ 1,660,427

## Difference in new money between 2.50% and 0.80%

2.50%	\$ 1,660,427
-	\$ -
0.80%	<u>\$ 531,337</u>
	<u><u>\$ 1,129,090</u></u>

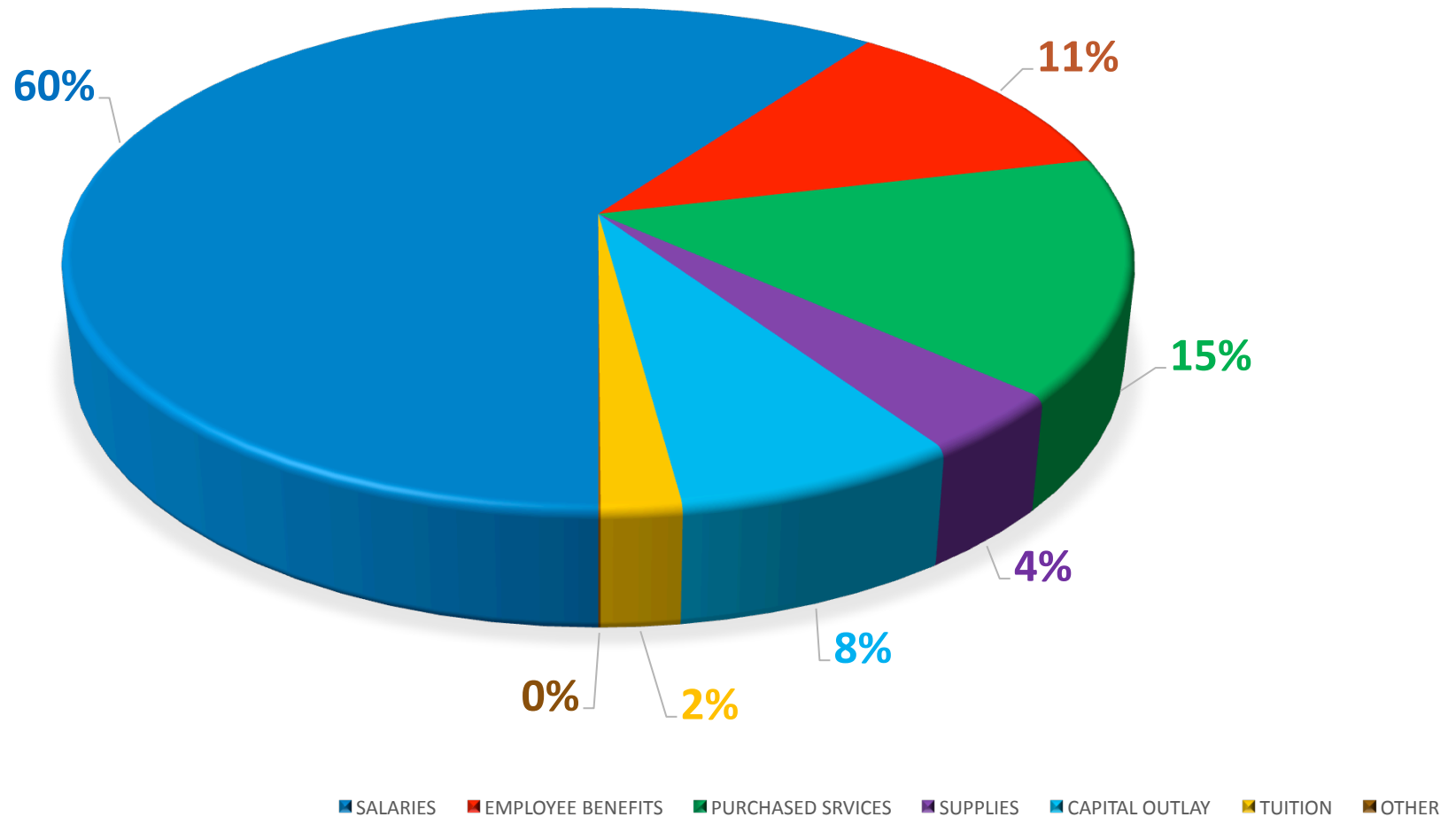
# Change in Revenue due to New Construction

## New Money at Different Growth Rates of New Construction

0.30%	\$ 199,251
0.40%	\$ 265,668
0.43%	\$ 285,594
0.50%	\$ 332,085
0.60%	\$ 398,503
1.66%	\$ 1,102,524



# 2016 Expenditure Budget - \$74,270,398



NOTE - EXCLUDES: TRANSFERS AND ON-BEHALF PAYMENT TO TRS

# Revenue and Expenditure Growth Trends

Change in Expenditures at Different Growth Rates, based on Assumptions used for Projections

Revenue Growth		Expenditures Growth	
<b>Consumer Price Index (CPI): 0.80%</b>			
	\$ 531,337		
<b>New Construction: 0.60%</b>			
<b>( At lower tax rate)</b>			
	\$ 372,442		
<b>Total New Money</b>			
	\$ 903,779		
		<b>Change in Salary</b>	<b>\$44,554,496</b>
		1.00%	\$ 445,545
		2.00%	\$ 891,090
		3.00%	\$1,336,635
		<b>Change in Medical Insurance</b>	<b>\$5,791,103</b>
		6.00%	\$ 347,466
		7.00%	\$ 405,377
		8.00%	\$ 463,288
		9.00%	\$ 521,199
		<b>Change in Special Ed Tuition</b>	<b>\$1,532,396</b>
		6.00%	\$ 91,944
		<b>Change in Benefits, Purchase Services &amp; Supplies</b>	<b>\$16,925,153</b>
		2.50%	\$ 423,129
		<b>Fixed Costs Capital Outlet: As Per Scheduled</b>	<b>\$5,467,250</b>
		<b>Total Costs FY16:</b>	<b>\$74,270,398</b>

# Bond Issuance Process

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- Under Illinois law, referendum bonds may be issued for up to 20 years
- Thanks to special legislation, the District's referendum bonds will have a 30-year maturity
- The District will base the number and timing of bond issues on the construction draw schedule
- All of the referendum bond authority must be issued within five years of a successful referendum

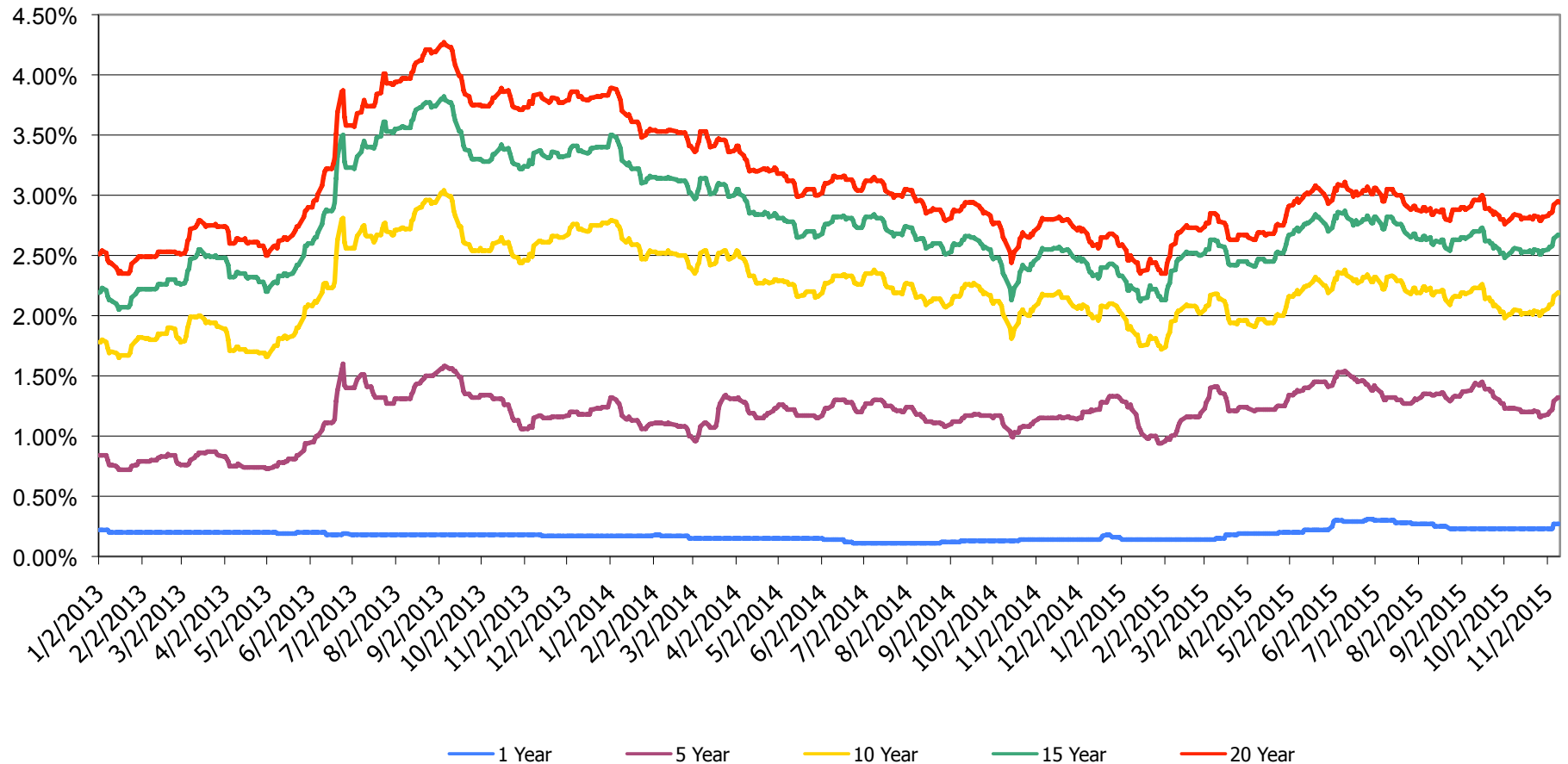
# Interest Rate & Bond Issuance

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- Historically, municipal bond interest rates on the shorter end of the yield curve have typically been lower than on the longer end
- A “wider” yield curve
- Many variables influence the municipal bond market, including the actions of the Federal Reserve
- When the Fed raises short term interest rates, will it cause a “flatter” yield curve?
- Will short-term interest rise while longer-term rates won’t change much?
- Has the municipal bond market already built in the anticipated Fed increase in short term rates?

# Historical Interest Rate Comparison

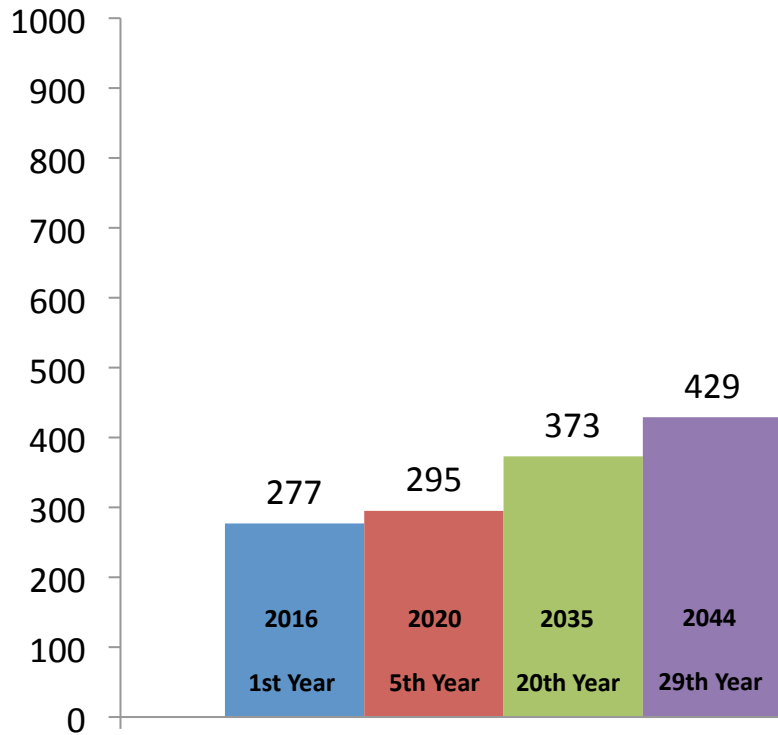
## MMD “AAA” Bond Index – Day to Day Comparison



\*The Municipal Market Data “MMD” is a AAA municipal bond market index produced by TM3. As of November 11, 2015.

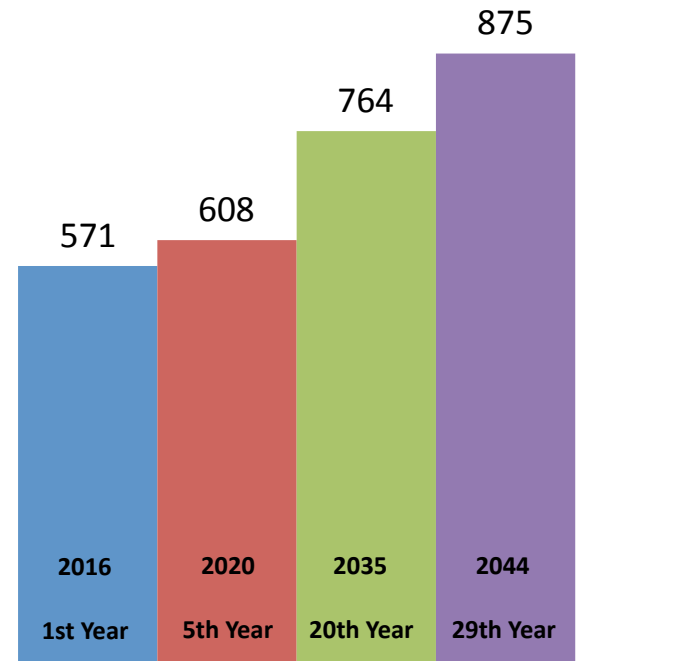
## \$150 Million Referendum 30 Year Payment Schedule – Level Tax Rate

Rate Comparison \$300,000 Home\*



300K Home

Rate Comparison \$600,000 Home\*

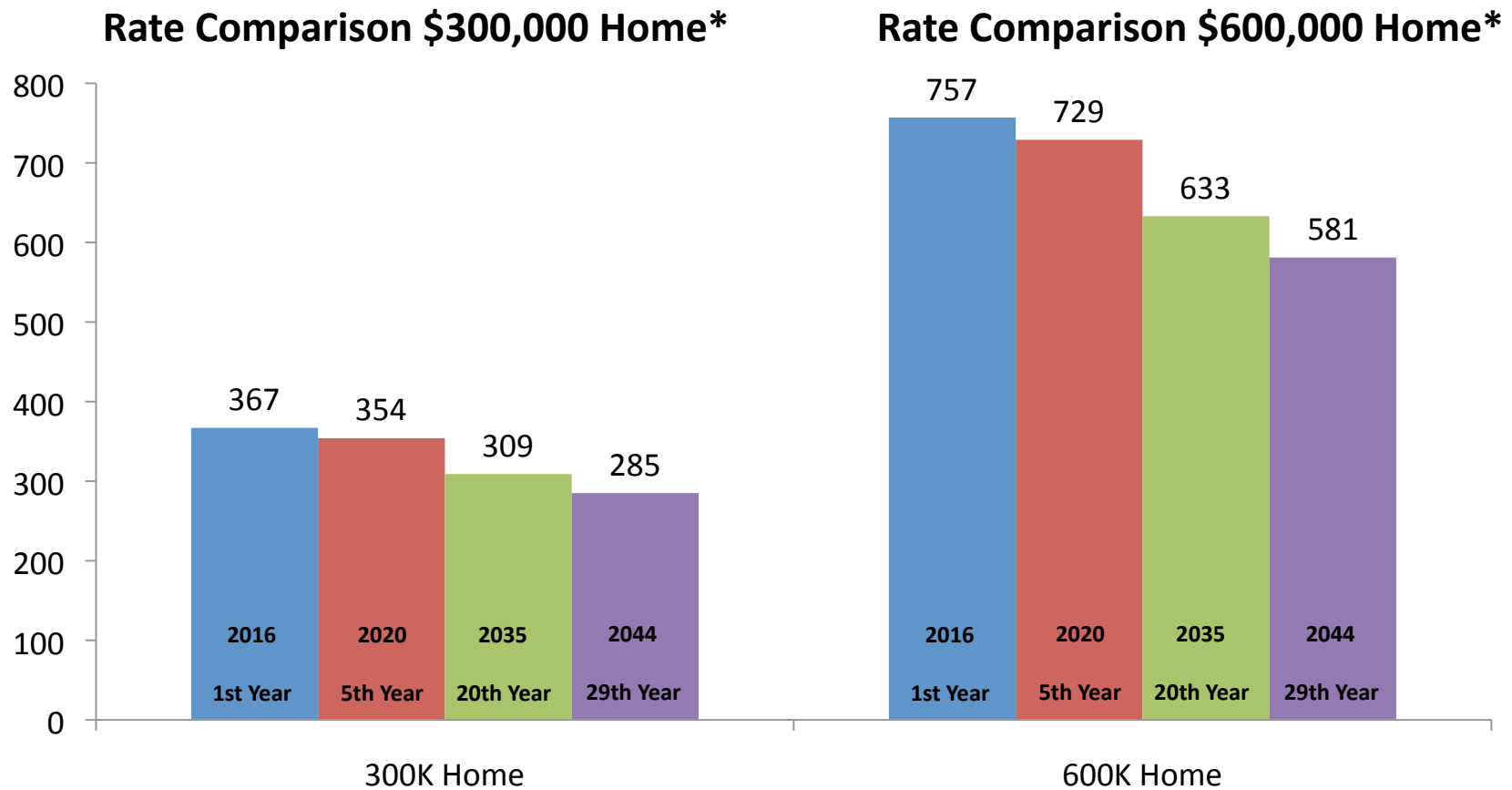


600K Home

\*Assumes normal home valuation appreciation impact. Actual reassessment rates for most homeowners will be above or below these annual estimates, and includes a \$6,000 homeowner exemption.

# \$150 Million Referendum

## 30 Year Payment Schedule – Level Debt Service

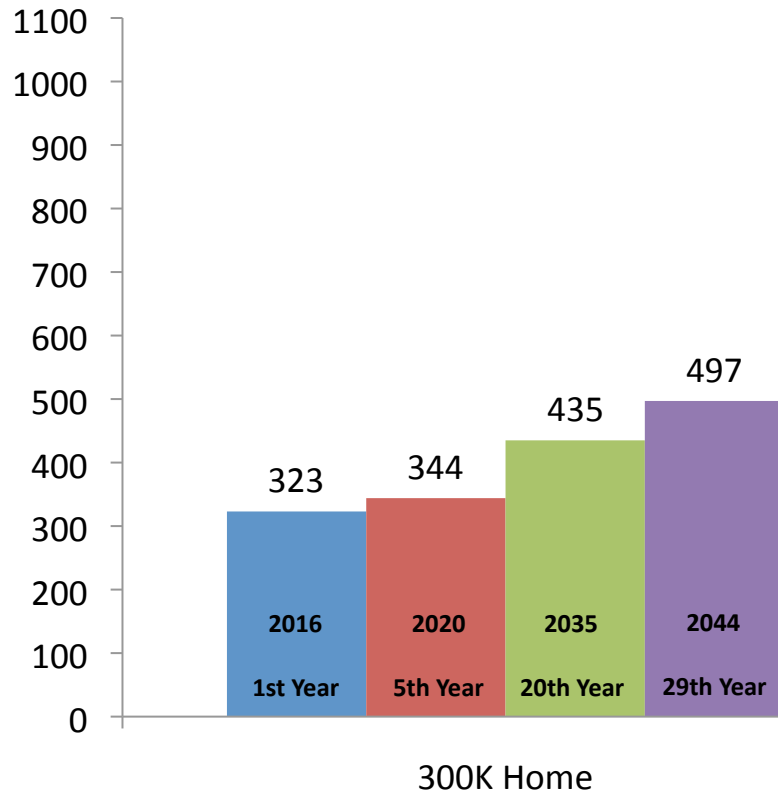


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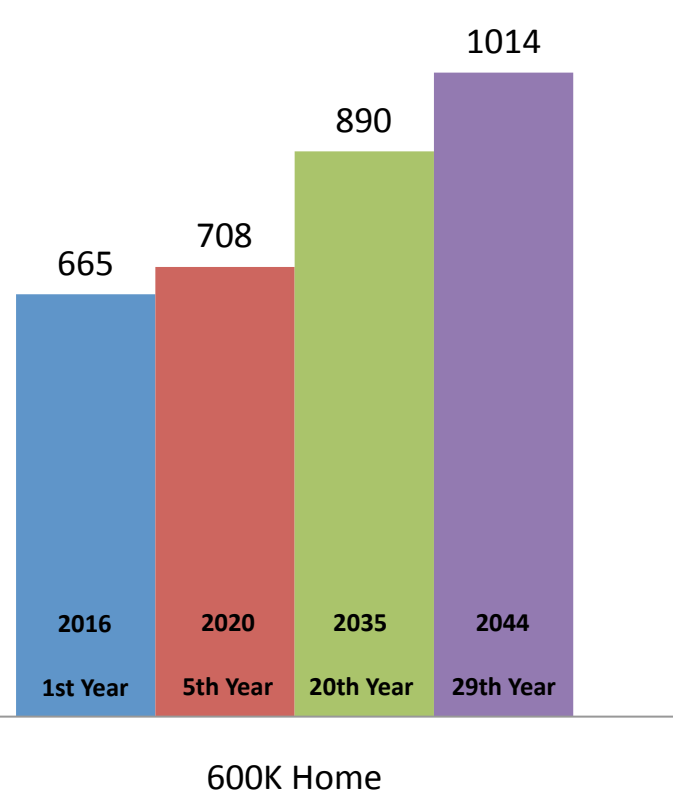
# \$175 Million Referendum

## 30 Year Payment Schedule – Level Tax Rate

**Rate Comparison \$300,000 Home\***



**Rate Comparison \$600,000 Home\***

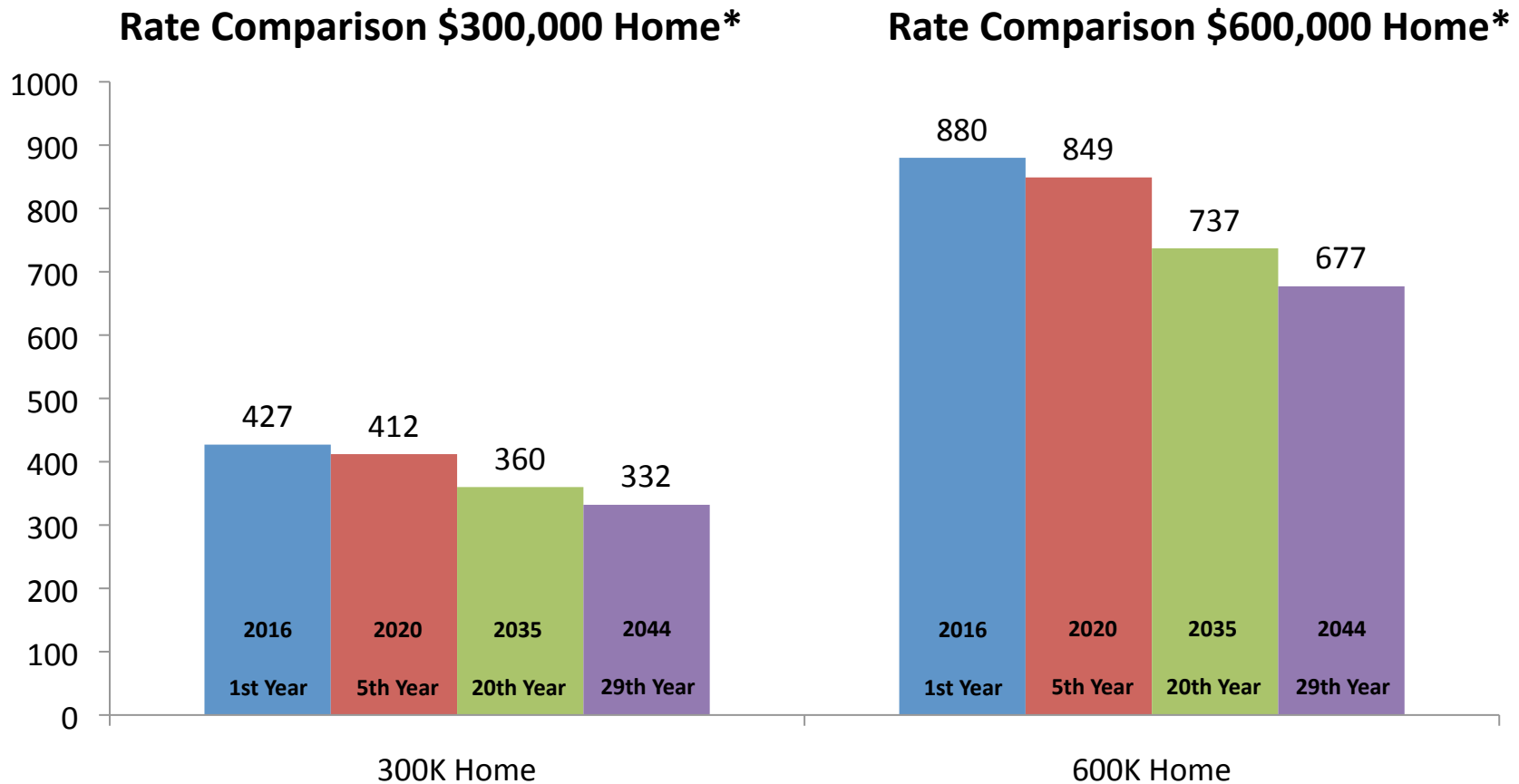


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# \$175 Million Referendum

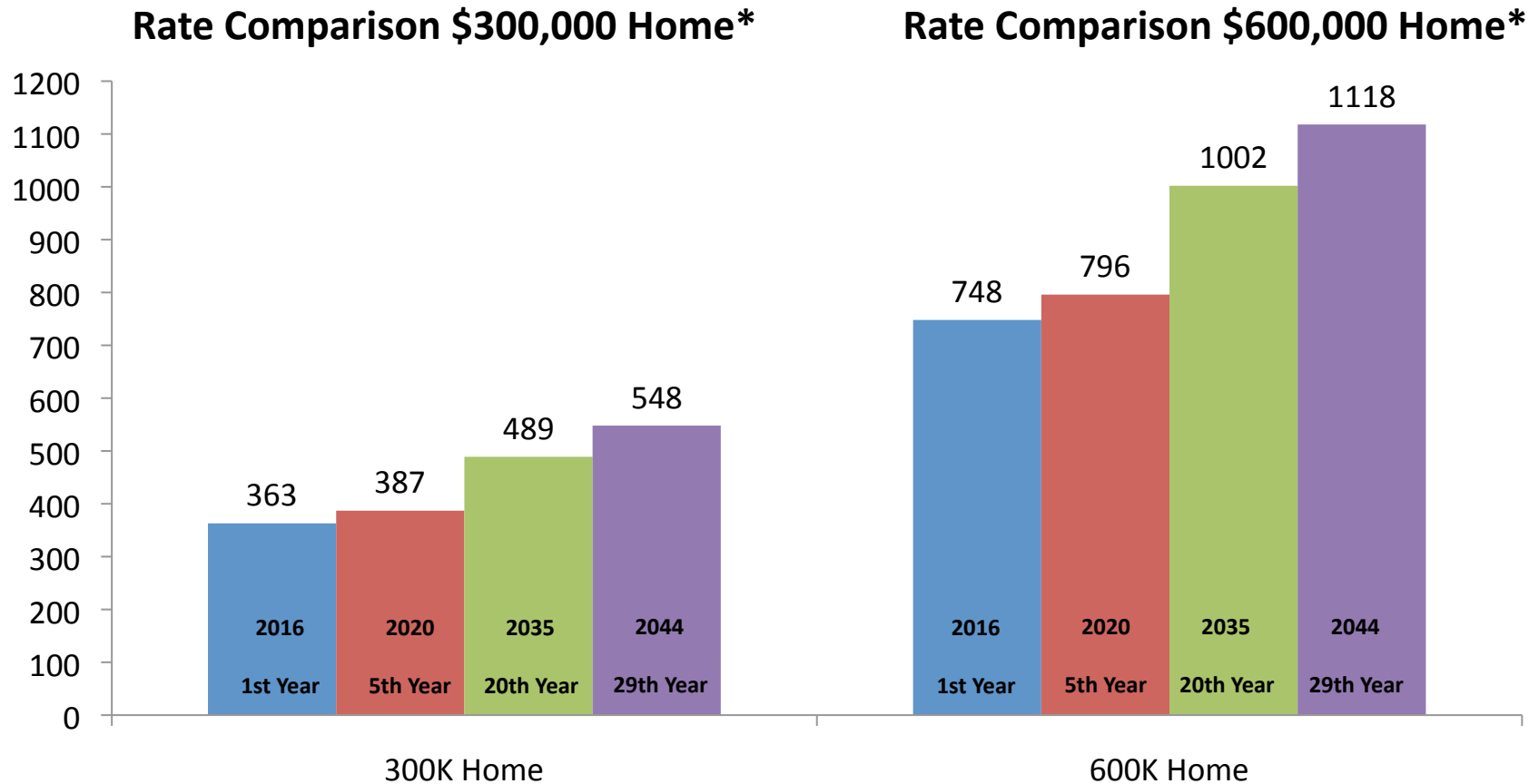
## 30 Year Payment Schedule - Level Debt Service



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# \$198 Million Referendum

## 30 Year Payment Schedule – Level Tax Rate

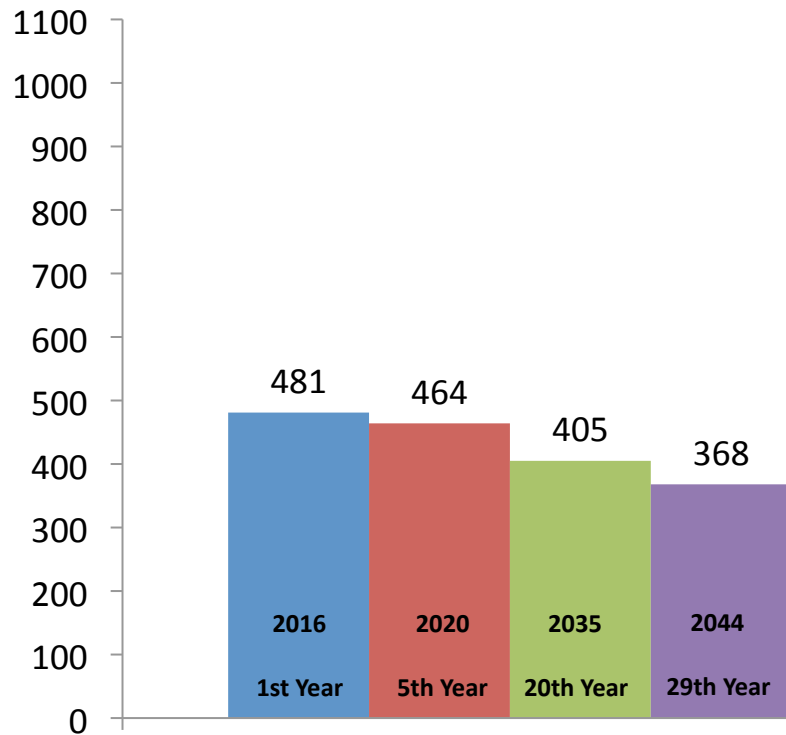


\*Assumes normal home valuation appreciation impact. Actual reassessment rates for most homeowners will be above or below these annual estimates, and includes a \$6,000 homeowner exemption.

# \$198 Million Referendum

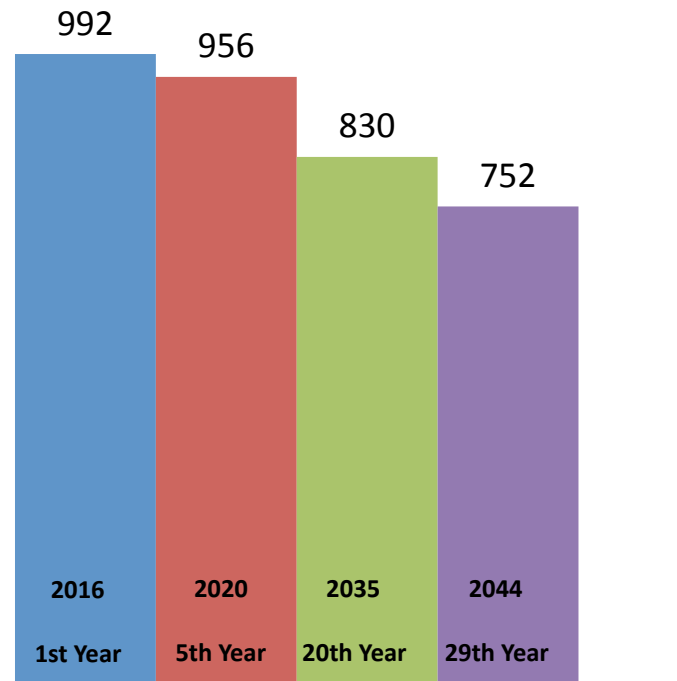
## 30 Year Payment Schedule - Level Debt Service

Rate Comparison \$300,000 Home\*



300K Home

Rate Comparison \$600,000 Home\*



600K Home

\*Assumes normal home valuation appreciation impact. Actual reassessment rates for most homeowners will be above or below these annual estimates, and includes a \$6,000 homeowner exemption.