



CROW ISLAND



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**Final Levy**  
December 19, 2023

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## **2023 Levy Calendar**

- November 14, 2023 - Tentative Levy Discussion and Approval for Publishing with Notice of Hearing Date
  - December 6, 2023 - Levy Request and Hearing Date Published
  - December 19, 2023 - Levy Hearing and Final Adoption
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# Terms and Definitions

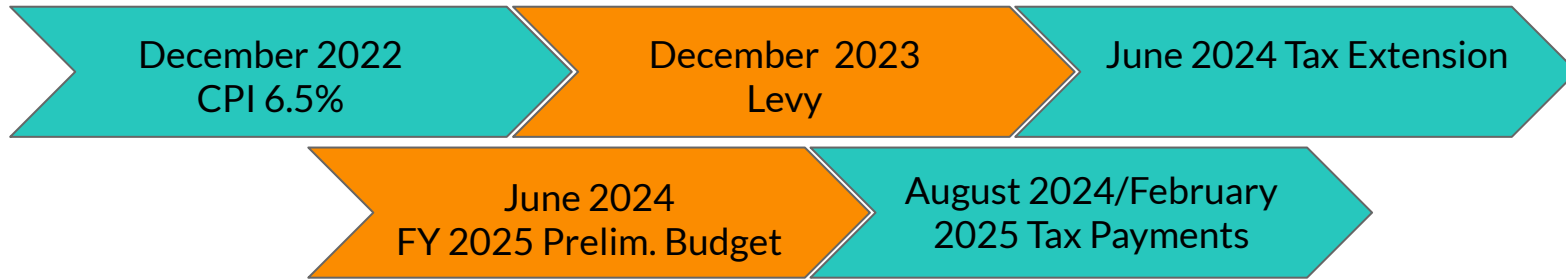
## What is a Tax Levy



- A tax levy is...
    - The amount of money a taxing body requests to be raised from property tax (over 90% of D36 Revenue)
    - Most importantly, the tax levy is an **ESTIMATE**
  - A tax levy extension is...
    - The actual dollar amount to be raised by property taxes
    - Calculated as follows: Levy extension = Prior year extension + CPI increase + any new property
    - Calculated by Cook County
  - School Districts receive...
    - No more than requested and
    - No more than CPI for existing properties (legal limit)
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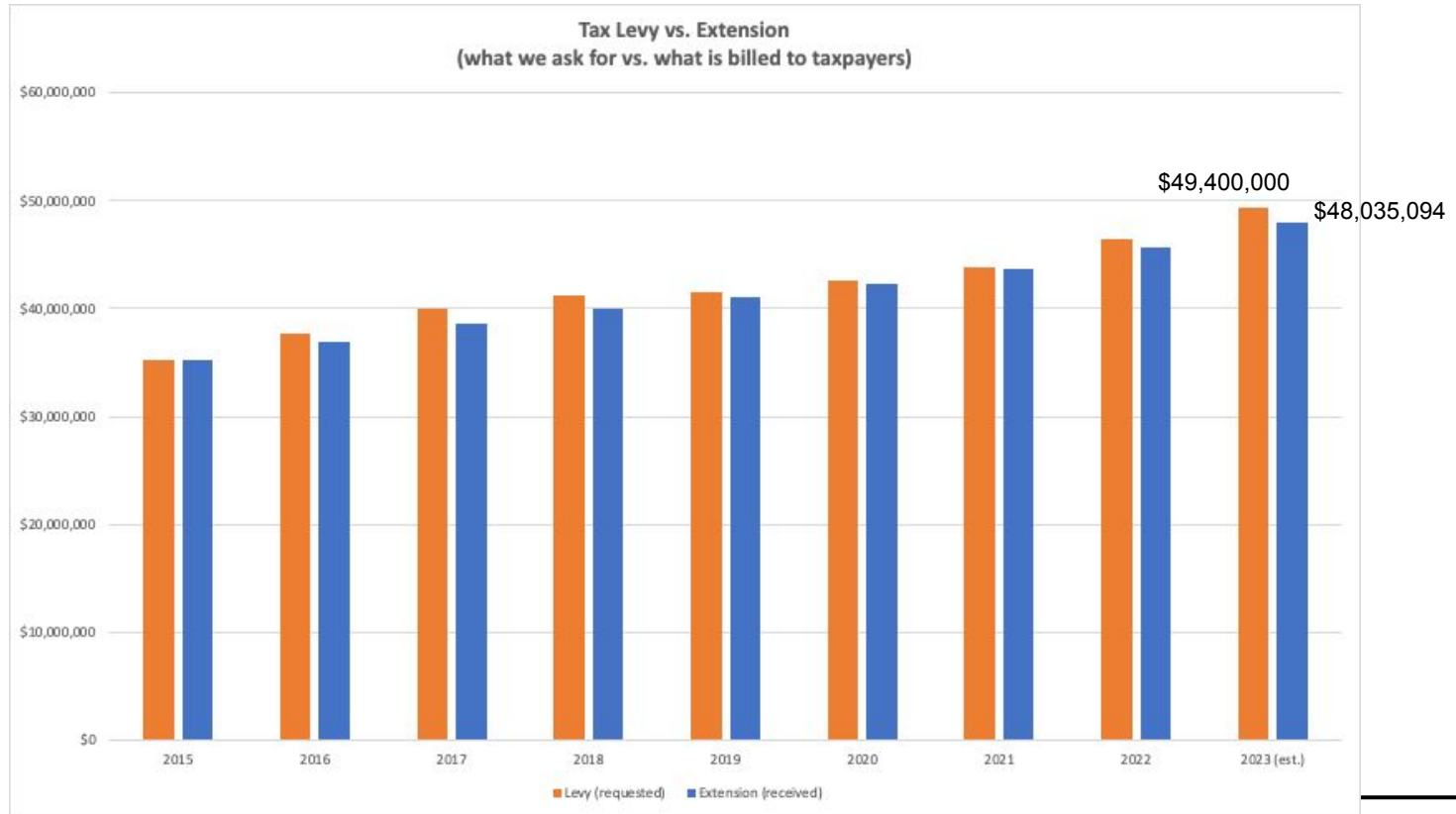
# Property Tax Levy Cycle



This graphic shows the timing of our property tax cycle:

- 2022 CPI impacts FY25 Revenue
- Continued higher inflation this year (December 2022-December 2023) will not have an impact until the FY2026 Budget

# Tax Levy vs. Extension in D36



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# Terms and Definitions

## What Factors are used to Calculate a Tax Levy?

### ➤ Known Factors

- 2022 tax extension (excluding bonds) = \$45,747,709
- Consumer Price Index (CPI) = 5.0%
- Maximum levy extension (existing property) for 2023 = \$48,035,094

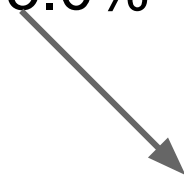
### ➤ Unknown Factors

- New Equalized Assessed Valuation (EAV)
  - New Tax Rate
  - New property growth (Preliminary estimate of new property ~\$30M)
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# District 36 Tax Levy

CPI + Estimated New Growth = 2023 Levy Request  
 $5.0\% + 2.98\% = 7.98\%$



Cook County Treasurer aligns the tax extension so that it does not exceed a 5.0% increase **for current property owners** (as required by law)

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# 2023 Levy Factors

CPI of 6.5% - but capped by law at 5.0% increase needs to address the following:

- Increasing Enrollment
    - Staffing accounts for ~80% of Expenditures
    - Staff costs ~3% annually (contractual agreements)
    - Budgeting process involves target of no more than 3% Cost Per Pupil growth
  - Capital Projects post-referendum included in Long-Term Maintenance Plan
    - Work to be done includes items not included in referendum  
~\$37.9MM to be done after referendum work is completed  
between 2026-2032
  - Fund balance policy sets level at 50% to 60% of Operating Expenditures- brought down to 40% for referendum as low threshold
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# 2023 Levy Factors

Why would we not lower the levy below 5%

- Compounding impact going forward ~\$16MM in lost revenue over 10 years if we reduced by 2% just over the next two years
  - Long-term maintenance needs post-referendum ~\$37.9MM; we have factored in two years of higher inflation to help offset costs related to these projects
  - Owner provided items outside the scope of referendum i.e.; furnishings, fixtures, equipment.
    - Including kiln, office and vestibule furniture, and blinds
  - Ability to abate taxes through debt service fund is an option going forward, and doesn't have a compounding impact
  - Warrants further discussion with the finance and facilities subcommittees over the coming year
  - **We lack other methods of revenue outside of a referendum and we don't want to have to have another referendum to address capital needs for many years to come**
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# 2023 Levy and 2025 Budget Timeline

December 2023 - Levy Hearing & Final Adoption

April 2024 - New EAV and New Property Growth data released

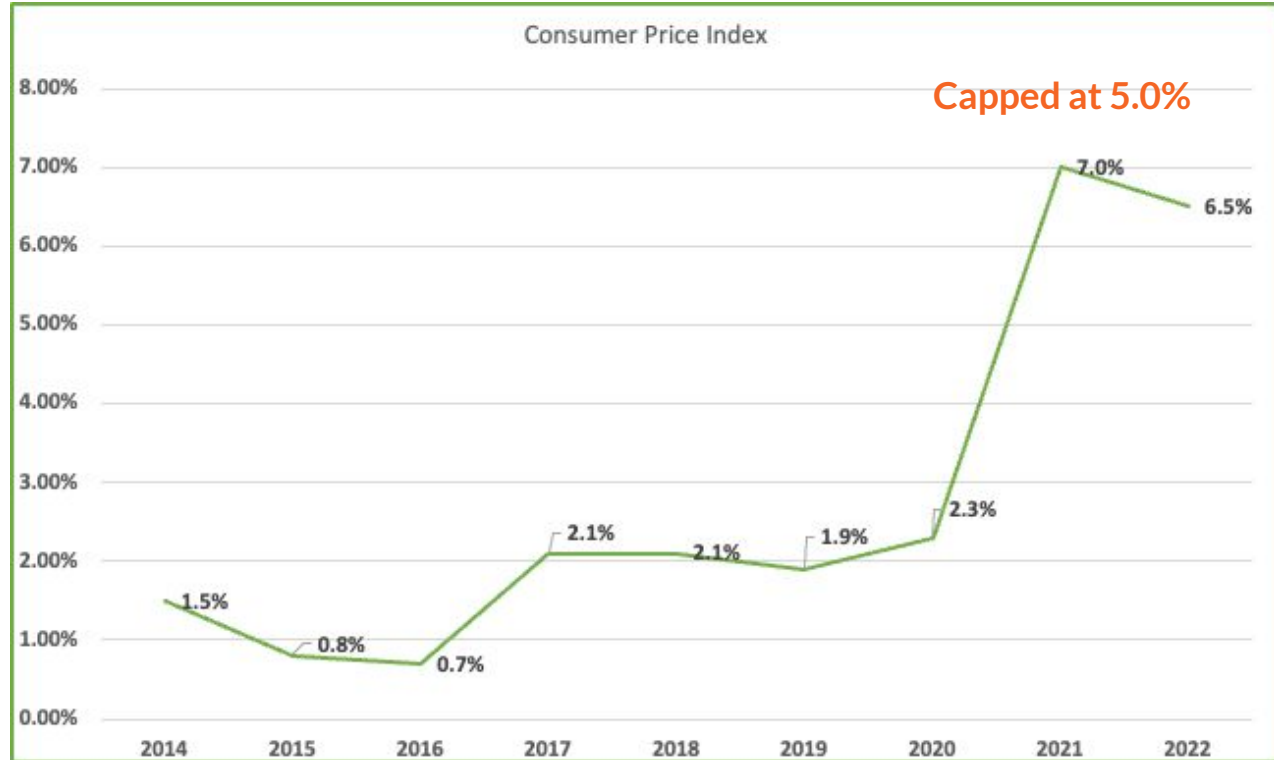
June 2024 - Cook County final tax extension released

June 2024 - Preliminary FY25 Budget

September 2024 - Final FY25 Budget

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# Consumer Price Index (known factor)



# EAV vs. Capped Fund Rates (Estimated)



# Cash Reserves Based on Audit Draft 6/30/2023

Fund	Cash Balance	% of Total
Education Fund	\$11,862,657	48.92%
Operations and Maintenance	\$2,175,200	8.97%
Transportation	\$657,852	2.71%
IMRF/Social Security	\$2,925,710	12.07%
Working Cash	\$6,484,483	26.74%
Tort	\$142,088	.59%
Totals	\$24,247,990	100%

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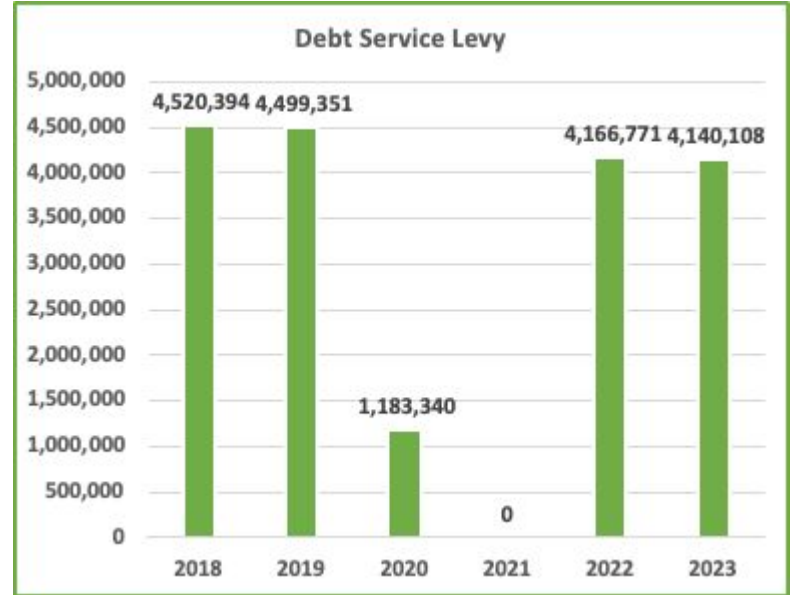
# Levy Request Fund Distribution

Fund	Requested Levy	% of Total
Education Fund	\$42,000,000	84.85%
Operations and Maintenance	\$5,000,000	10.10%
Transportation	\$700,000	1.41%
IMRF/Social Security	\$1,300,000	2.63%
Tort	\$400,000	.81%

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# Debt Service Levy

- Our current Bond & Interest levy a result of the successful November 2022 referendum.
- Bond payments dropped to zero in levy year 2021 due to the \$30 million refunding, and our Debt Service being fully paid.



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# Levy Request Fund Distribution

Levy	Requested Levy 2023	Extension 2022	% Variance
“Cap Funds”	\$49,400,000	\$45,747,709	7.98%
“Non-Cap Funds”	\$ 4,690,108	\$ 4,888,346	<4.1%>
Total Levy	\$54,090,108	\$50,636,055	6.82%

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# Recommendation

- Adopt the 2023 Levy as presented, and supporting certifications and resolutions

(Action enables receipt of over 90% of annual revenues)

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# 2023 Levy Calendar

- December 19, 2023 - Levy Hearing & Final Adoption
  - December 29, 2023 - Levy Filing Deadline with County
  - April 2024 -Extension finalized by County Determining our Revenues for 2024-2025
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# Discussion and Questions