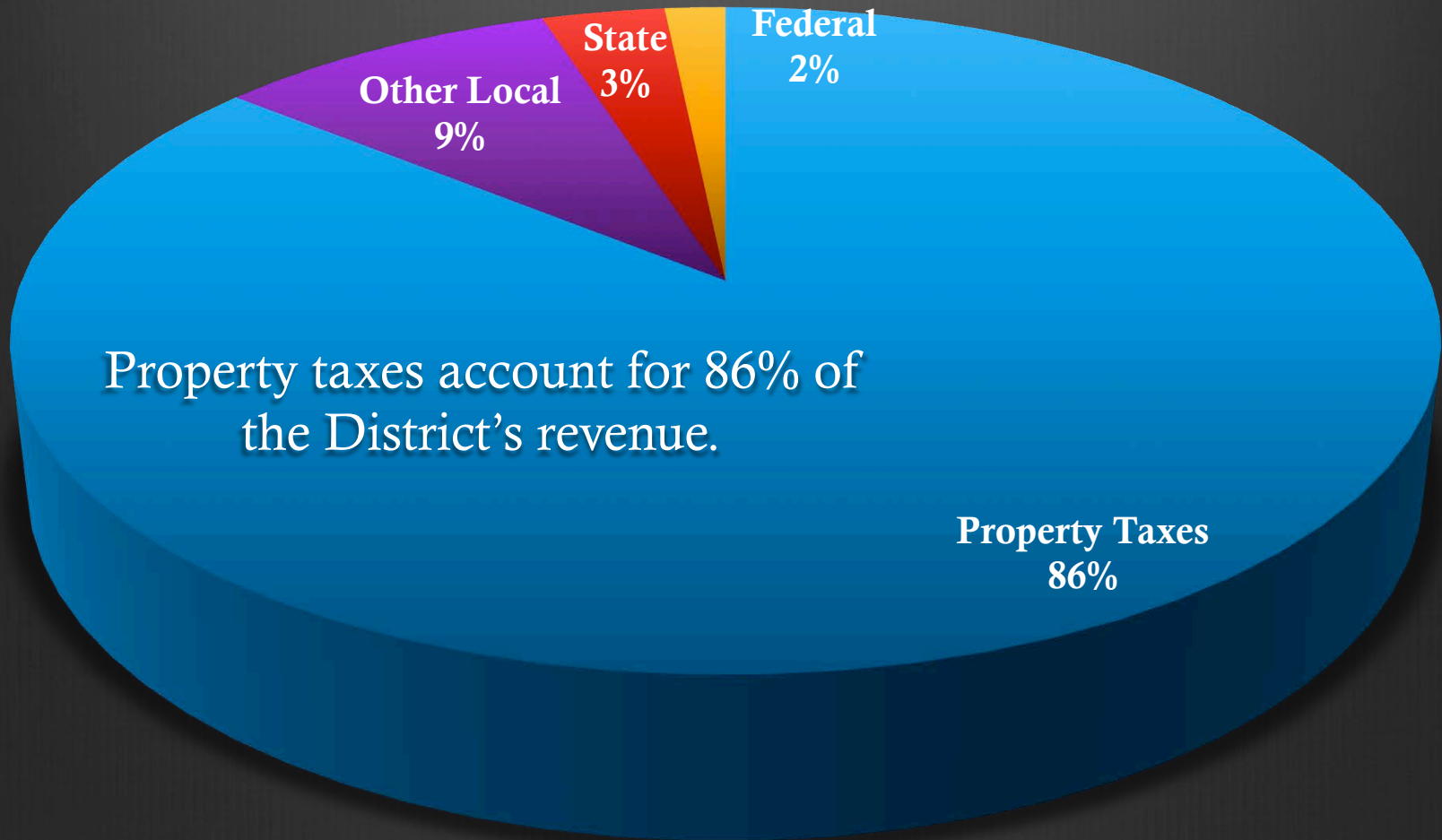


2019 Tax Levy



Public Hearing
December 17, 2019

Primary Source of Revenue



2019 Tax Levy Calculation

$$\begin{aligned} &\text{Extension} \\ &= \\ &\text{Limiting Rate} \times \text{EAV} \end{aligned}$$

$$\begin{aligned} &\text{Limiting Rate} \\ &= \\ &(\text{Prior Year Extension} \times (1 + \text{Lessor of 5\% or CPI})) \\ &\div \\ &(\text{Total EAV} - \text{New Construction}) \end{aligned}$$

2019 Tax Levy Calculation

UNKNOWN

Extension

=

Limiting Rate × EAV

Limiting Rate

=

(Prior Year Extension × (1+Lessor of 5% or CPI))

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(Total EAV – New Construction)

2019 Tax Levy Calculation

2018 Extension

+ Increase due to CPI

+ Increase for New Growth

=

2019 Capped Levy

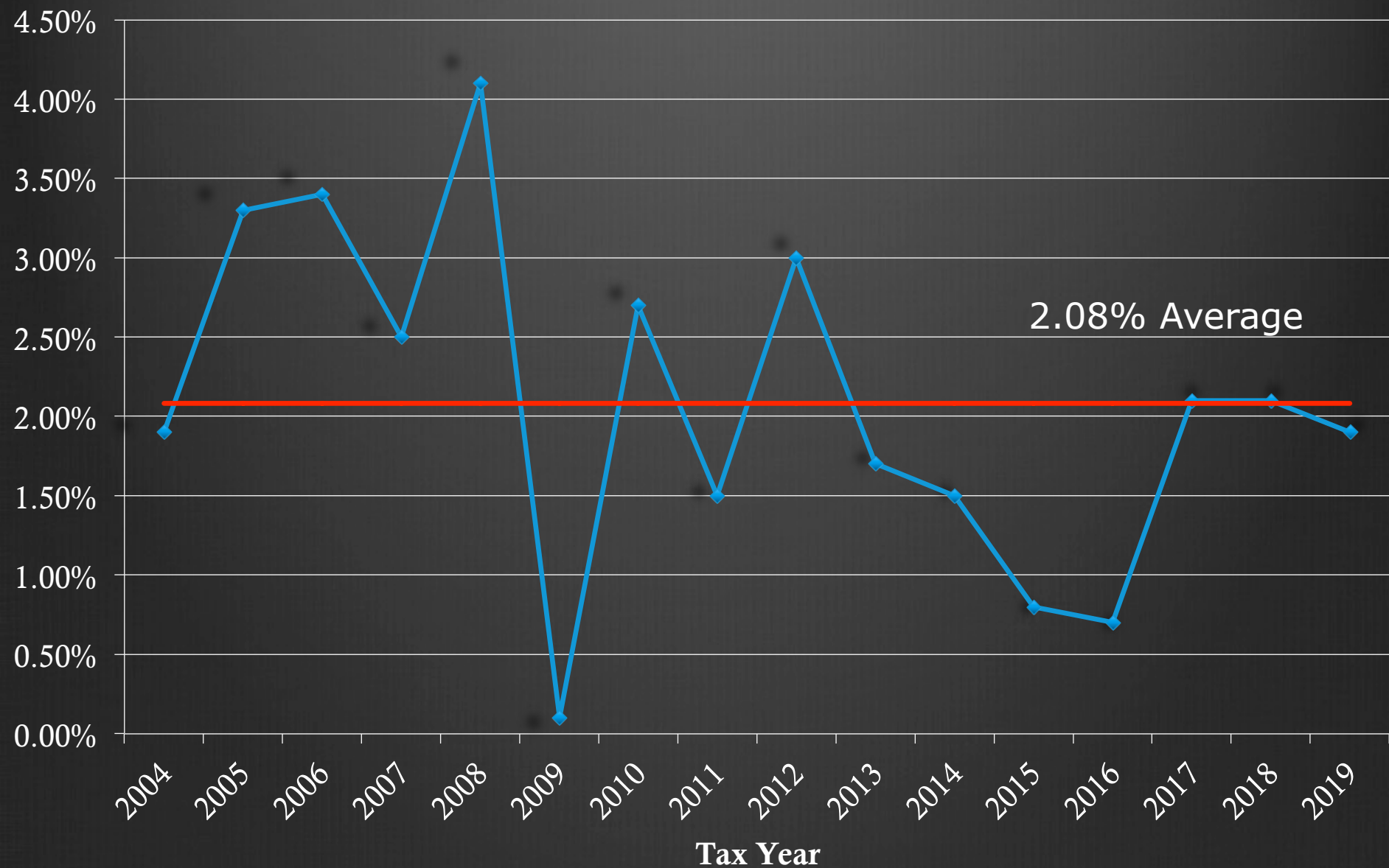
Property Tax Extension Limitation Law

- ✧ Also referred to as “Tax Caps”
- ✧ Limits the increase in the property tax extension to the lesser of:
 - ✧ Consumer Price Index (CPI), or
 - ✧ 5-percent
 - ✧ Plus New Growth

Consumer Price Index

CPI	CPI Year	Levy Year	School Year
1.9%	2018	2019	2020-21
2.1%	2017	2018	2019-20
2.1%	2016	2017	2018-19
0.7%	2015	2016	2017-18
0.8%	2014	2015	2016-17
1.5%	2013	2014	2015-16
1.7%	2012	2013	2014-15
3.0%	2011	2012	2013-14
1.5%	2010	2011	2012-13
2.7%	2009	2010	2011-12
0.1%	2008	2009	2010-11
4.1%	2007	2008	2009-10
2.5%	2006	2007	2008-09
3.4%	2005	2006	2007-08
3.3%	2004	2005	2006-07

Consumer Price Index



Determining the 2019 Levy

✧ CPI Factor:

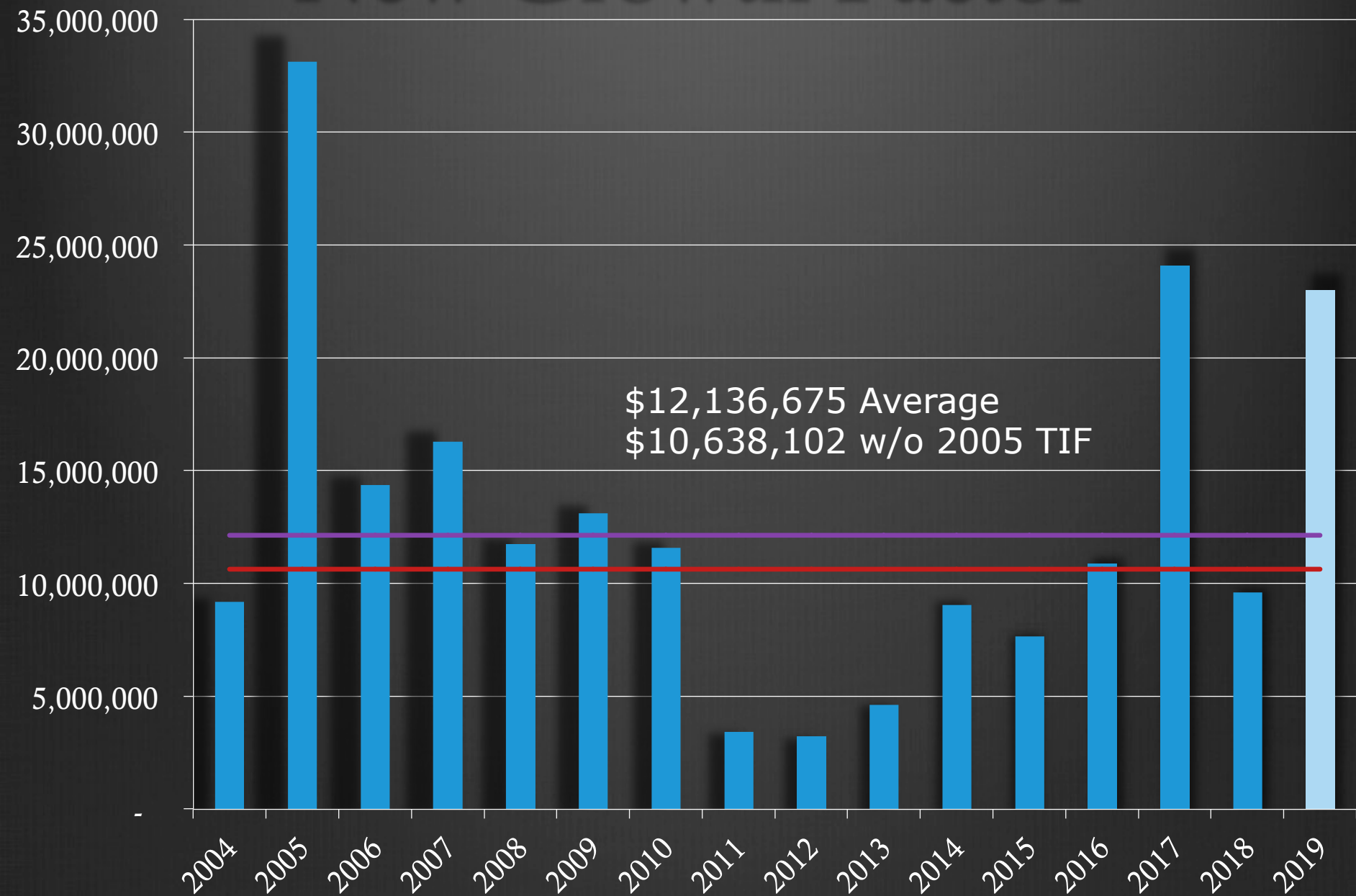
CPI for 2019 Levy is 1.9%

2018 Capped Extension was \$35,620,546

✧ Increase due to the CPI:

$$\text{\$35,620,546} \times 1.9\% = \text{\$679,790}$$

New Growth Factor



Determining the 2019 Levy

✧ New Growth:

- ✧ Historical Ranges: 0.3 – 3.0%
- ✧ Actual amount unknown at this time
- ✧ Projecting 1.46% based on historical average
- ✧ Levy for 1.63% more to ensure capturing all
- ✧ Will not receive more than actual

Projected Increase over the 2018 Extension

✧ New Funding Attributable to:

✧ CPI Factor (1.90% actual):

➤ \$676,790

✧ New Growth Factor (1.46% projected):

➤ \$520,141

2018 Tax Levy & Extension

Fund	2018 Extension	2018 Rate	2018 Levy
Education	30,815,546	2.56891	31,525,000
Operations & Maintenance	2,750,000	0.2292	2,750,000
Transportation	770,000	0.0642	770,000
IMRF	600,000	0.0500	600,000
Social Security	685,000	0.0571	685,000
Total	\$ 35,620,546	2.9694	\$ 36,330,000

2019 Tax Levy & Extension

Fund	2019 Extension	2019 Rate	2019 Levy
Education			32,225,000
Operations & Maintenance			2,850,000
Transportation			1,000,800
IMRF			618,000
Social Security			705,000
Total			\$ 37,398,800

2019 Tax Levy

✧ Total Levy (Our Request)

- \$37,398,800
- 4.99% Increase

✧ Anticipated Extension

- \$36,817,478
- 3.36% (1.90% CPI + 1.46% New Growth)
- \$1,196,932 More than the 2018 Extension

Why Levy More?

Recommendation to levy more than is allowable by law for the following reasons:

- ✧ New growth is UNKNOWN at the time of the levy.
- ✧ If we do not capture all new growth the 1st year it comes on the tax rolls, it can never be captured.

Why Levy More Than What is Allowable by Law?

✧ Future Costs Are Unknown

- ✧ Insurance (Health, Dental, Vision, Property, Liability, School Board Legal, Workers Comp)?
- ✧ Impact of Health Care Reform?
- ✧ Enrollment?
- ✧ Unfunded Mandates?
- ✧ Utilities?
- ✧ Special Education?
- ✧ Facility Maintenance & Repair?
- ✧ State Fiscal Issues?
- ✧ Etc.

✧ Future CPI is Unknown

2019 Levy Hearing

Questions?