THE WINNETKA PUBLIC SCHOOLS DISTRICT 36

Public Hearing
2014 Property Tax Levy

December 16, 2014

Essential Considerations: 2014 Tax Levy

The District will…

- ask taxpayers for only what is necessary to continue the strong educational program and maintain facilities.
- continue to address the annual accrual (~$4 Million) of surplus by adjusting the levy.
- provide immediate and long-term taxpayer relief.

Public Hearing Goals

- Provide the public an opportunity to comment on the taxpayer resources the community provides.
- Share historical information regarding the factors that impact the Tax Levy.
- Present the data needed to approve the 2014 Tax Levy following the Public Hearing.

Glossary of Terms

Tax Levy – Annual request to Cook County for property tax revenue.

Consumer Price Index (CPI) – Inflation measure used by the County to limit property tax increases.

Assessed Valuation – Value of real property used by government as a basis for levying taxes.

Equalized Assessed Value (EAV) – The assessed value of property multiplied by the equalization factor.

Equalization Factor – Assigned to the County by the Illinois Department of Revenue to bring assessment levels to 1/3 of fair market value.

Glossary of Terms - Continued

Tax Extension – The dollar amount billed to property taxpayers.

Property Tax Extension Limitation Law (PTELL) – Law that limits the increase in the tax extension (excluding bond and interest).

Tax Rate – The amount of taxes per $100 of equalized assessed value of property.

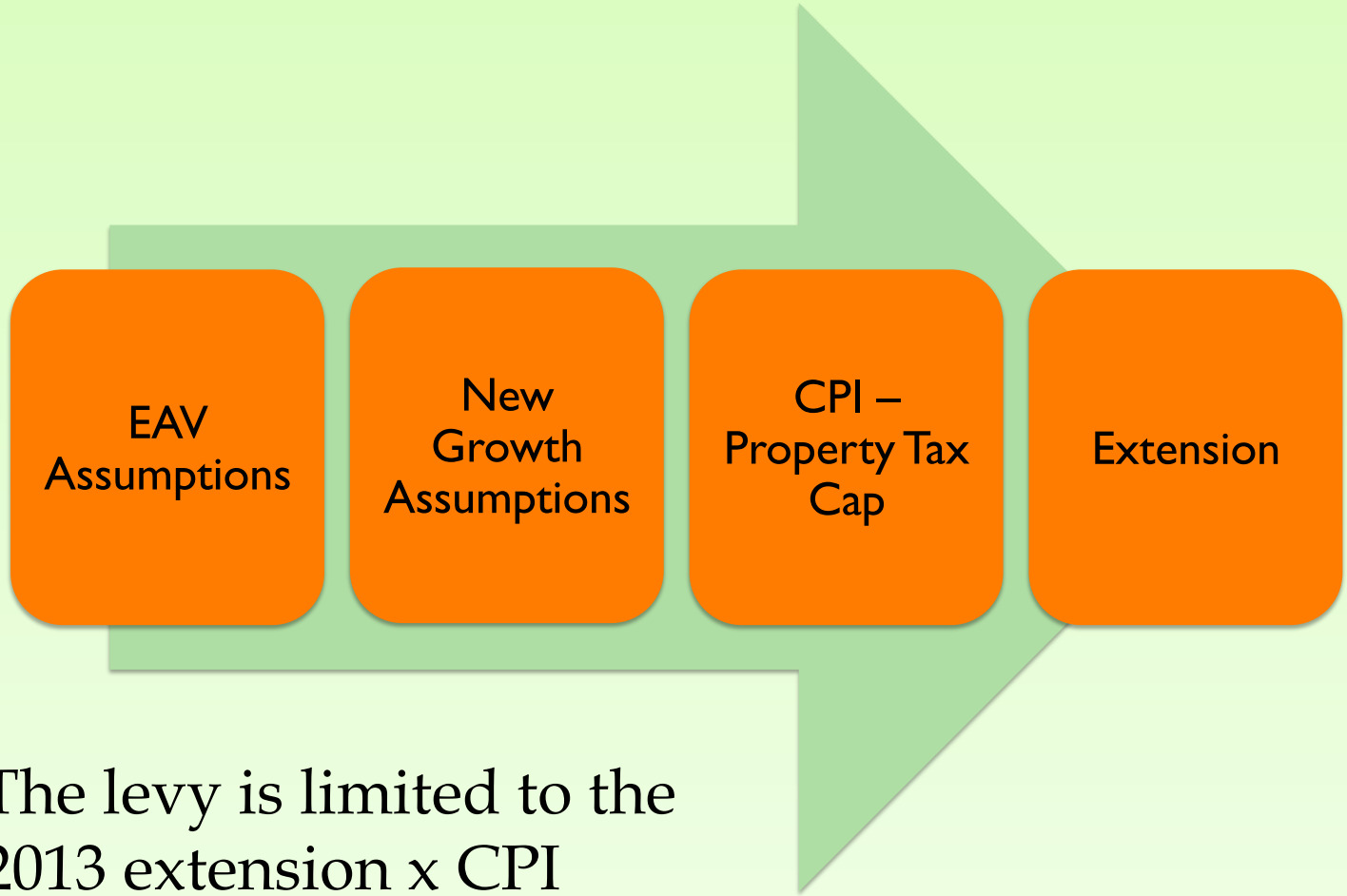
Tax Base – The total value of all taxable property within a taxing district's boundaries.

Timeline for Levy Adoption

October 21	Preliminary Levy Discussion
November 4	Financial Subcommittee Met
November 18	Adoption of Tentative Tax Levy Establish Public Hearing
December 16	Conduct Public Hearing Adopt 2014 Tax Levy

Stages in Creating a Property Tax Bill

Determining the Levy



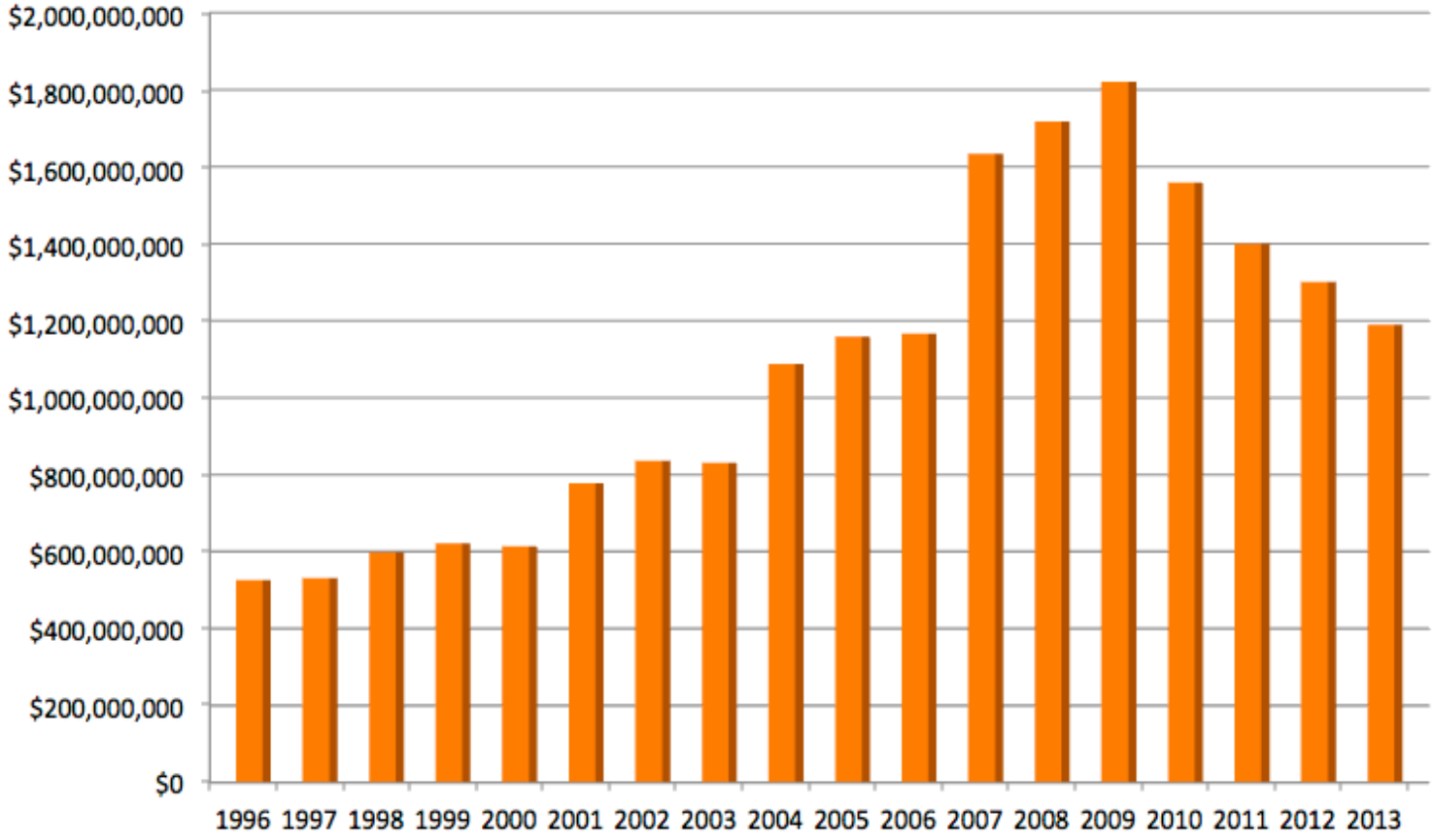
The levy is limited to the 2013 extension x CPI (1.5%) + estimated value of new property.

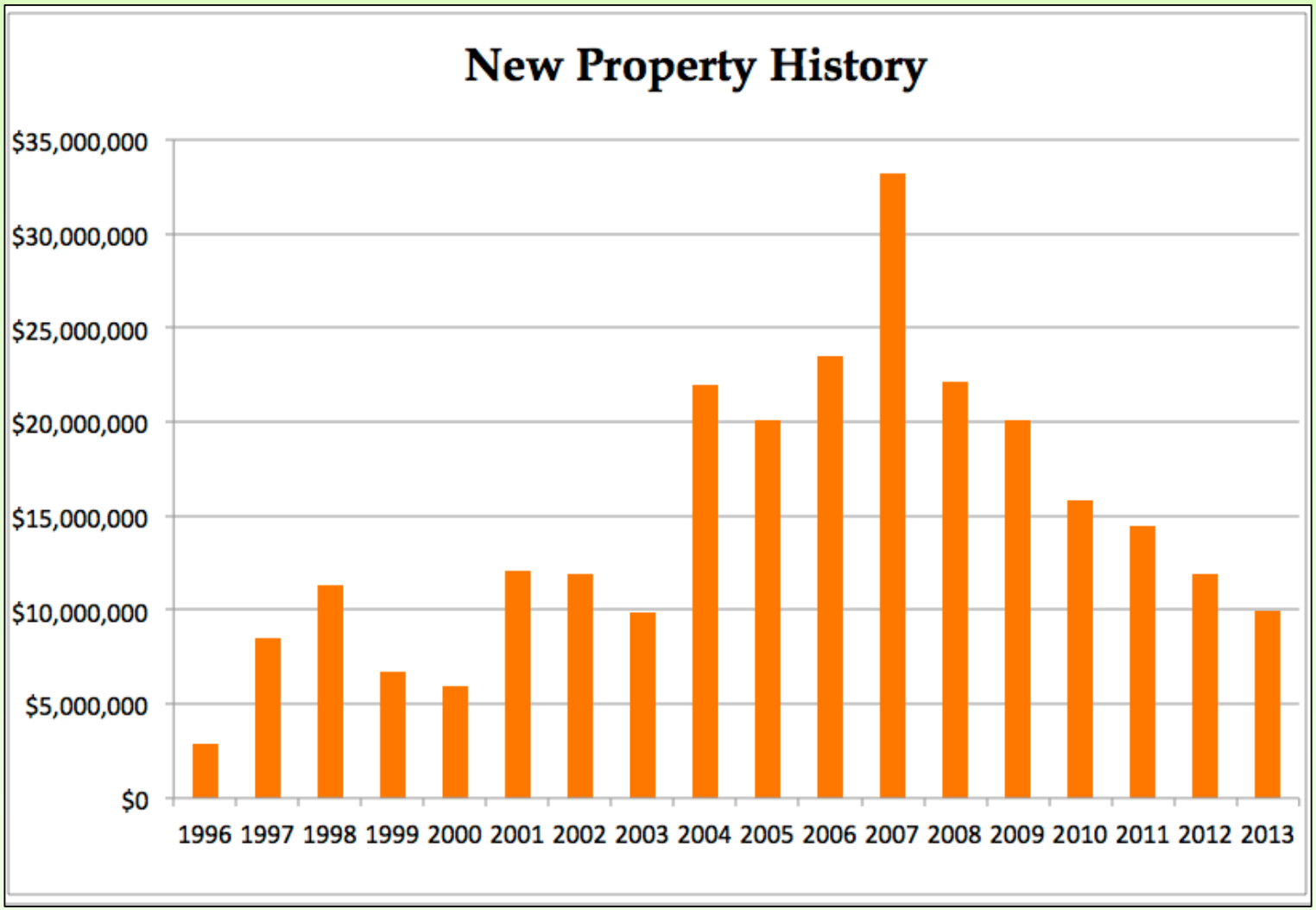
Continuing Tax Relief Efforts

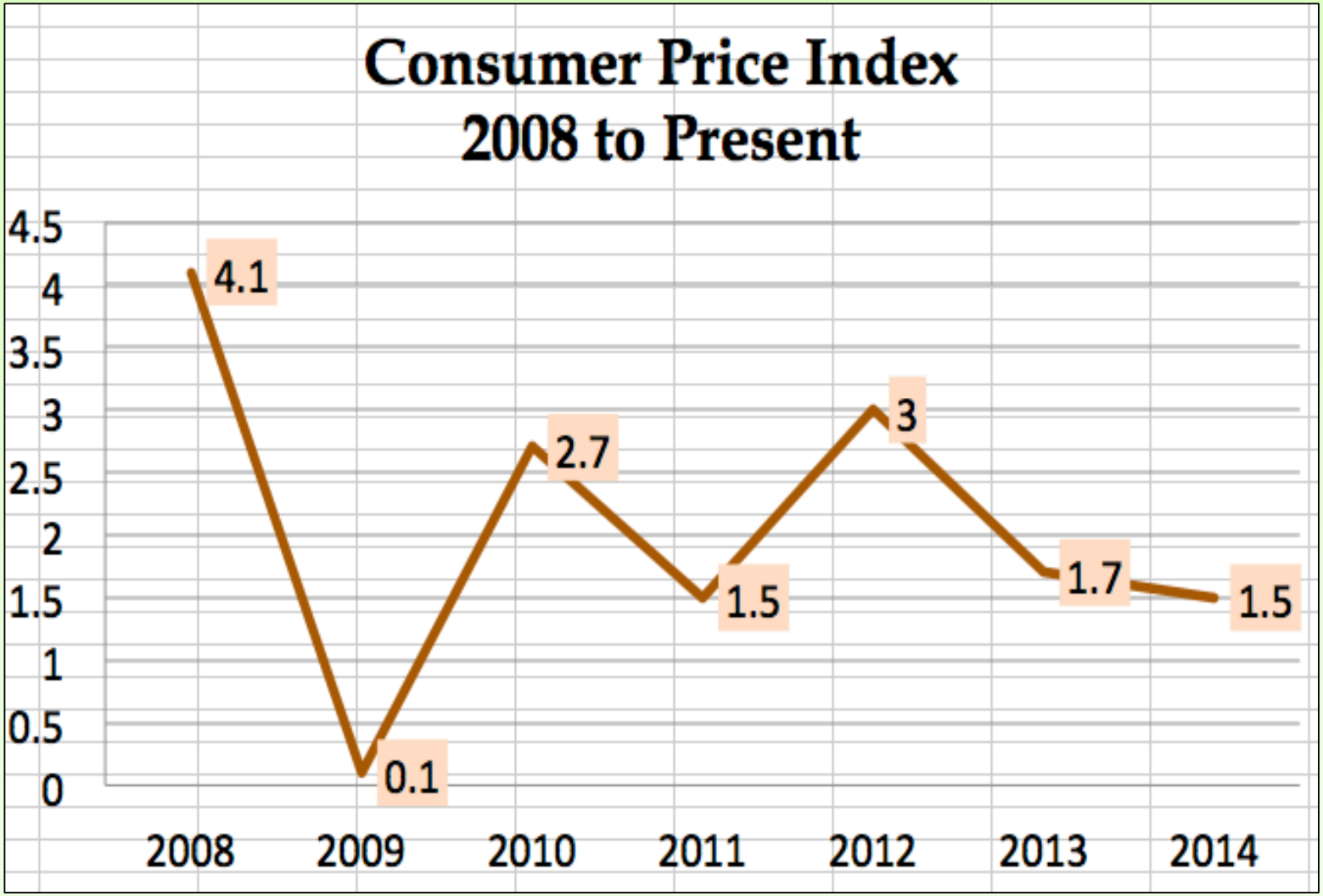
The School Board reduced taxes last year by 1.58% via abatement. This represented a distribution of $2 million back to the community.

The recommended 2014 levy will reduce the levy by $4 million (Option A) or $3 million (Option B). Both options provide immediate and long-term tax relief.

History of Equalized Assessed Valuation
1996 to Present




New Property History
$35,000,000
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$0
1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013


Consumer Price Index
2008 to Present
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
4.1
0.1
2.7
1.5
3
1.7
1.5
2008
2009
2010
2011
2012
2013
2014

Blue = w/Bond Levy
Orange = w/o Bond Levy

Levy Option A – Rollback $4 Million

Fund	2013 Levy	2013 Extension Actual	$4 Mil Rollback	Estimated Extension
Education	30,050,000	29,448,357	30,725,800	31,647,574
Building	4,750,000	4,654,187	100	103
Transportation	350,000	342,727	349,100	359,573
Liability Ins (Tort)	115,000	113,052	160,000	164,800
IMRF	670,000	656,893	750,000	772,500
Social Security	600,000	587,872	650,000	669,500
Working Cash	700,000	566,451	600,000	602,062
Subtotal	37,235,000	36,369,539	33,235,000	34,216,112
Bonds	3,108,306	3,263,721	5,314,206	5,579,916
Total	40,343,306	39,633,260	38,549,206	39,796,028
New Growth	14,100,000	9,951,460	14,100,000	
			Estimated Tax Rates	
Limiting Rate		3.057	2.8416	
Rate With Bonds		0.274	0.4634	
Total/Estimated		3.331	3.305	

Option A – Projected Extension

Tax Year	Actual 2013 Levy	Option A Recommended 2014 Levy
School Year	2014-2015	2015-2016
New Property	$9,951,460	$14,100,000
Assessed Valuation	$1,190,024,957	$1,204,124,957
Education	2.4746	2.6283
Building	0.3911	0.0000
Transportation	0.0288	0.0299
IMRF	0.0552	0.0642
Social Security	0.0494	0.0556
Working Cash	0.0476	0.0500
Life Safety	0	0
Tort	0.0095	0.0137
Special Education	0	0
	3.0562	2.8417
Debt Service	0.2743	0.4634
	3.3305	3.3051

Levy Option B – Rollback $3 Million

Fund	2013 Levy	2013 Extension Actual	$3 Mil Rollback	Estimated Extension
Education	30,050,000	29,448,357	31,725,800	32,677,574
Building	4,750,000	4,654,187	100	103
Transportation	350,000	342,727	349,100	359,573
Liability Ins (Tort)	115,000	113,052	160,000	164,800
IMRF	670,000	656,893	750,000	772,500
Social Security	600,000	587,872	650,000	669,500
Working Cash	700,000	566,451	600,000	602,062
Subtotal	37,235,000	36,369,539	34,235,000	35,246,112
Bonds	3,108,306	3,263,721	5,314,206	5,579,916
Total	40,343,306	39,633,260	39,549,206	40,826,028
New Growth	14,100,000	9,951,460	14,100,000	
			Estimated Tax Rates	
Limiting Rate		3.057	3.1020	2.927
Rate With Bonds		0.274	0.4634	0.4634
Total/Estimated		3.331	3.565	3.390

Option B – Projected Extension

Tax Year	Actual 2013 Levy	Option B Recommended 2014 Levy
School Year	2014-2015	2015-2016
New Property	$9,951,460	$14,100,000
Assessed Valuation	$1,190,024,957	$1,204,124,957
Education	2.4746	2.7138
Building	0.3911	0.0000
Transportation	0.0288	0.0299
IMRF	0.0552	0.0642
Social Security	0.0494	0.0556
Working Cash	0.0476	0.0500
Life Safety	0	0
Tort	0.0095	0.0137
Special Education	0	0
	3.0562	2.9272
Debt Service	0.2743	0.4634
	3.3305	3.3906

Recommendation – Option B

- Addresses the potential reduction in State contributions due to school funding reform (SB 16) estimated at $840,000 and income tax reduction.
- Accomplishes goal of reducing fund balances & operating surpluses.
- Provides immediate and long-term relief in operating tax rate.

Comparison of Levy Options

	Option A	**Option B**
Levy Adjustment (permanent)	Rollback $4M	Rollback $3M
State Funding*	Does not account for any state funding adjustments.	Accounts for up to $1M in state funding adjustments.

*Estimated impact of SB 16 is reduction of ~$840,000

Next Step

- Adopt the 2014 Tax Levy
- File levy with the Cook County Clerk's Office

THE WINNETKA PUBLIC SCHOOLS DISTRICT 36

Questions?

THE WINNETKA PUBLIC SCHOOLS DISTRICT 36

A Community of Learners

2014 Tax Levy Public Hearing & Adoption

TO: School Board
FROM: Dr. Susan Pingitore, *Chief Financial Officer/CSBO*

December 16, 2014

Essential Question

- What is the best approach for the 2014 Tax Levy when considering our financial landscape and responsibility to taxpayers?

Goals

- Provide an opportunity for the public to comment on the taxpayer resources the community provides to support the District's academic program and maintain school facilities.
- Provide historical information regarding the factors that impact the Tax Levy.
- Provide the School Board with the data needed to approve the 2014 Tax Levy following the Public Hearing.

Background

Each year the School Board must adopt a tax levy for the coming school year that is compliant with the Property Tax Extension Limitation Law (PTELL) and adheres to the Truth in Taxation Act.

Under the Truth in Taxation Act, the School Board is asked to estimate the dollar amount of the proposed levy at least 20 days before the levy is to be adopted. If the levy increases by more than 105% from last year's levy, the District must establish a public hearing and publish a legal notice no more than 14 days nor less than seven days before the public hearing.

The estimated levy was presented at the November 18, 2014, meeting of the School Board. Although a public hearing was not legally required, the District completely

followed the Truth in Taxation process in the interest of full transparency. A copy of the legal notice was published in the December 4, 2014, edition of the *Winnetka Talk*.

Four levy options were discussed at the November 18 meeting. One levy option was adopted as a tentative levy (Option A levy). The Option A levy cut the levy by $4 million from last year's levy.

A second levy (Option B levy) was put forth as an administrative recommendation at the public hearing. The Option B levy cuts the levy by $3 million. The Option B levy is recommended due to the uncertainty of the State fully funding its obligations this year due to the reduction in the State income tax on January 1 and the potential loss of nearly $840,000 with passage of Senate Bill 16, school funding reform legislation.

The Option B levy represents a decrease of almost 6 percent from the 2013 levy of $37,235,000 to $34,235,000.

Recommendation

The Board is asked to approve the 2014 Tax Levy Option B as presented.

Click here to view the information to be presented at the Board Meeting