

2016 Levy Adoption

December 12, 2016



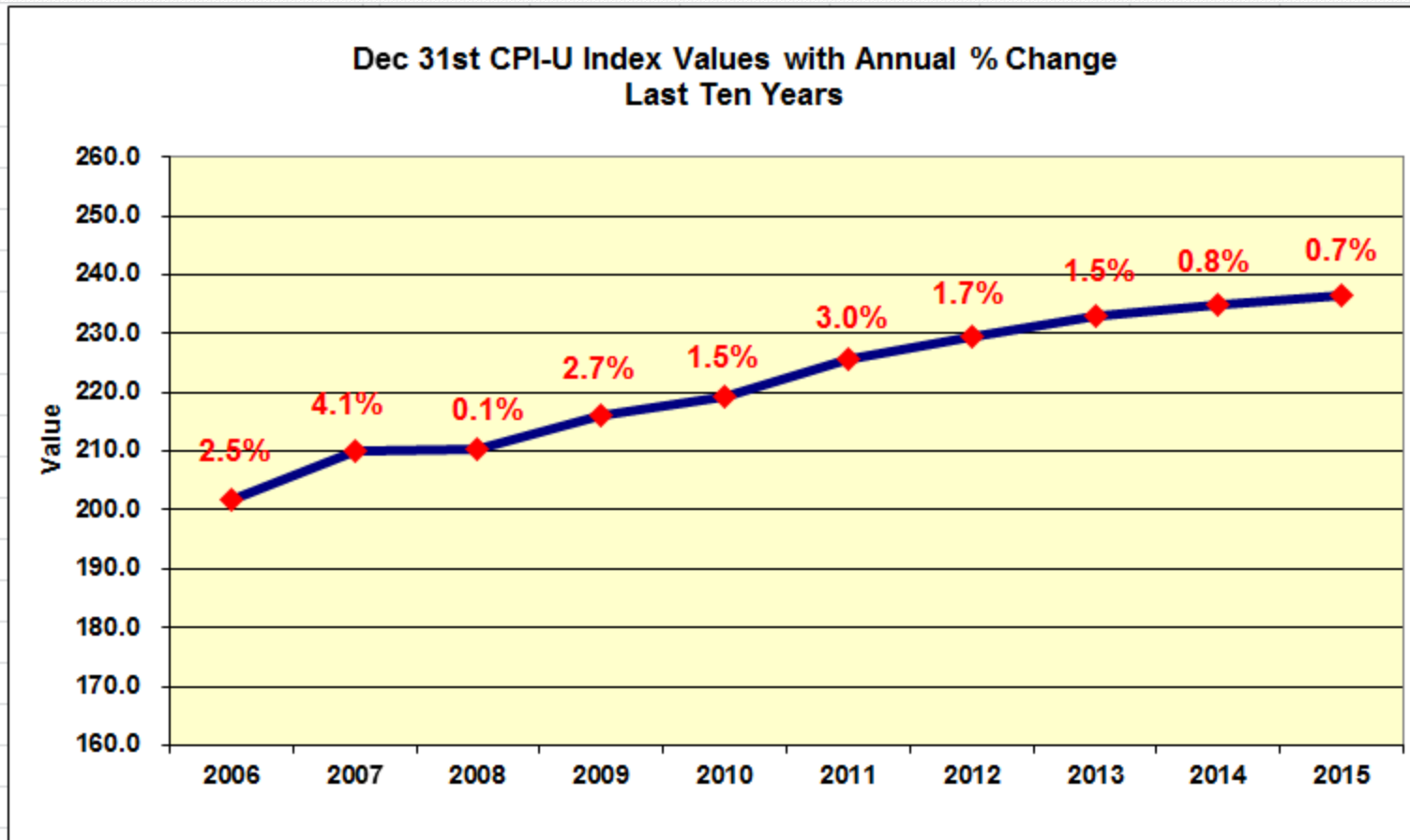
Key Terms

- Aggregate Levy—annual corporate levy other than debt service
- Debt Service Levy—made to retire the principal or pay interest on bonds
- Property Tax Extension Limitation Law—PTELL or Tax Caps, Public Act 87-17 (October 1991)—enacted to control property tax growth
- Consumer Price Index (CPI)
- Limiting Rate—Tax Cap Rate (Total allowable: CPI + New Construction, excluding bond & interest)

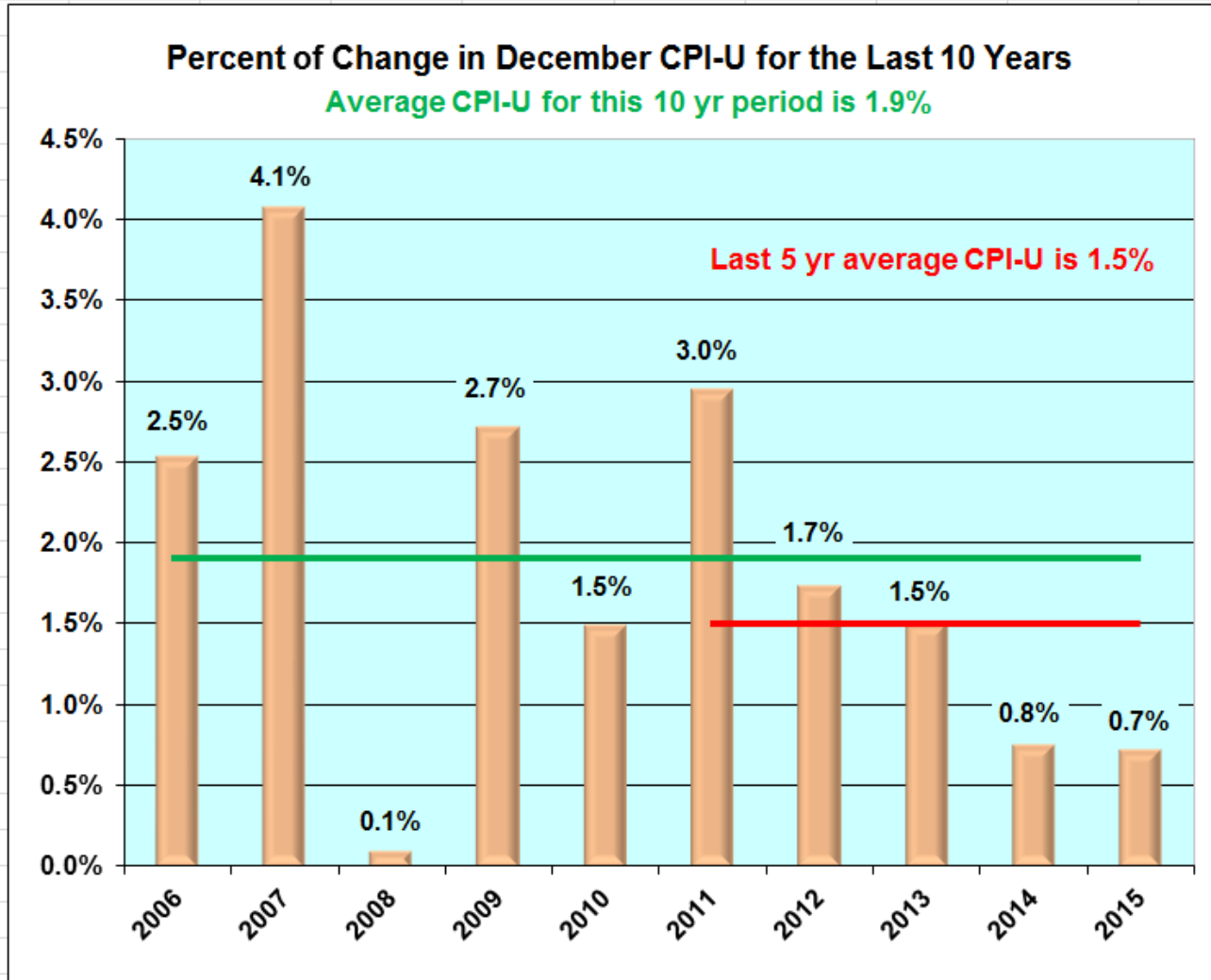
Consumer Price Index

- Computed on a monthly basis by Federal Bureau of Labor Statistics
- Measures changes in prices over time for goods and services
- Not always a good measure of the cost to run a school district

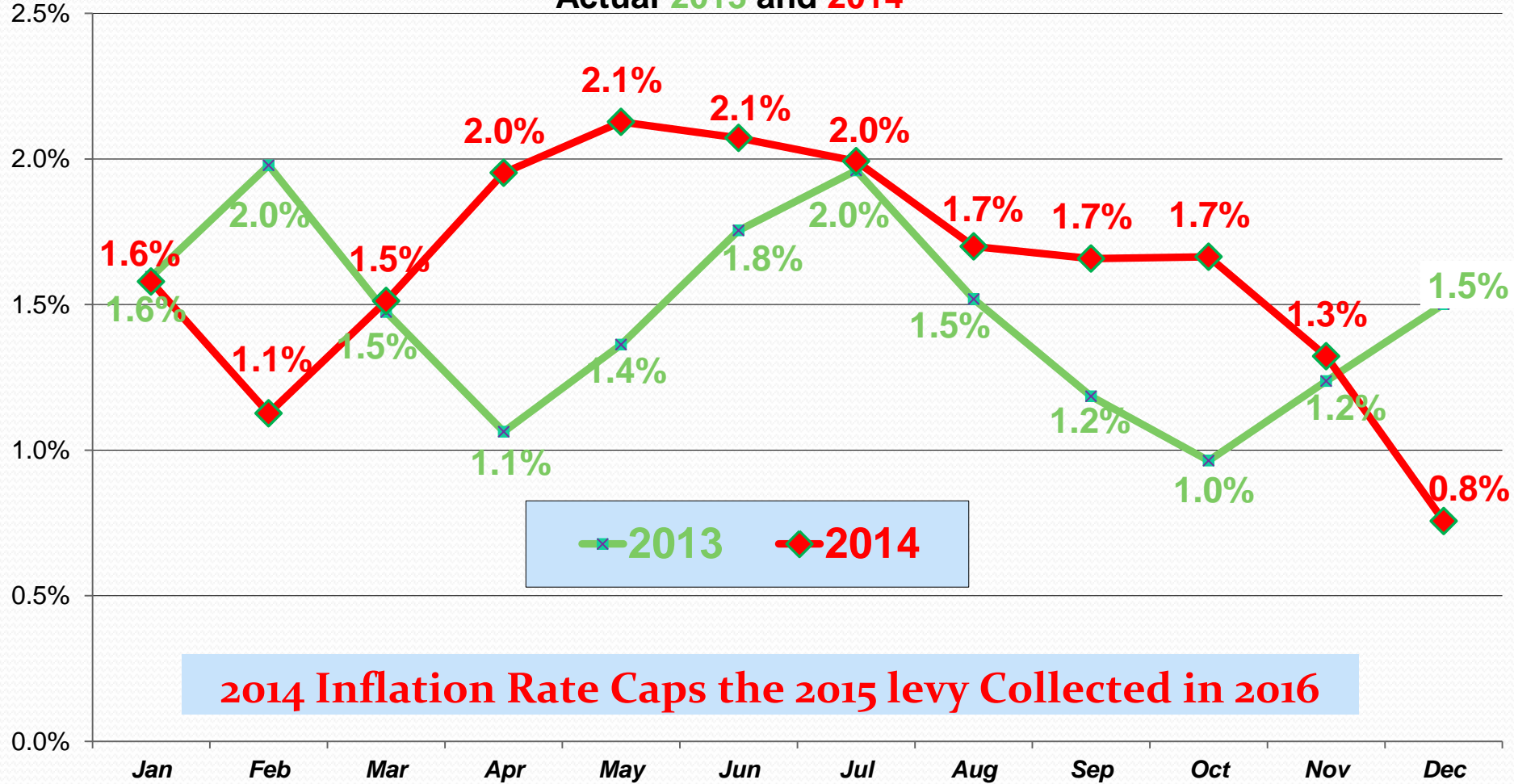
Ten Year CPI History



CPI History

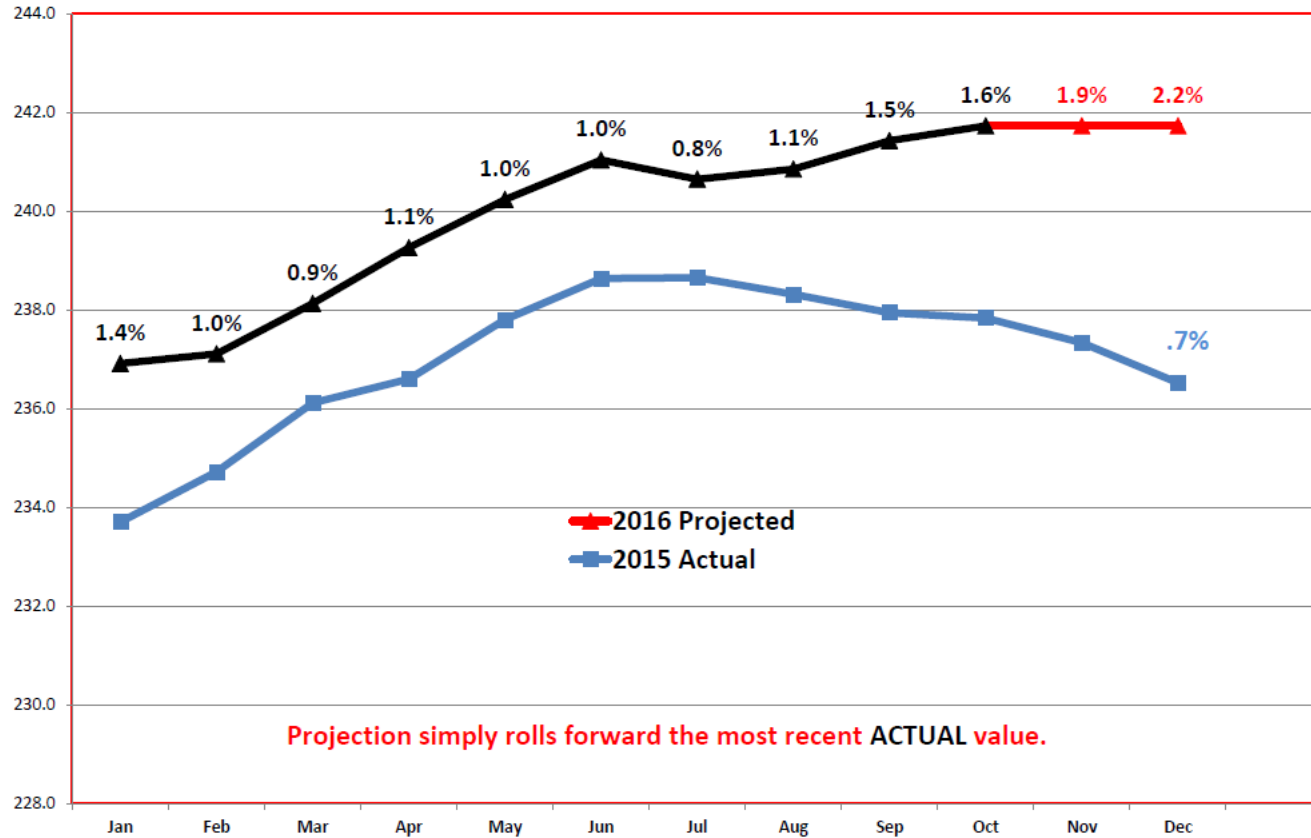


Comparison of Annual CPI-U % Change for 2013 & 2014 Actual 2013 and 2014

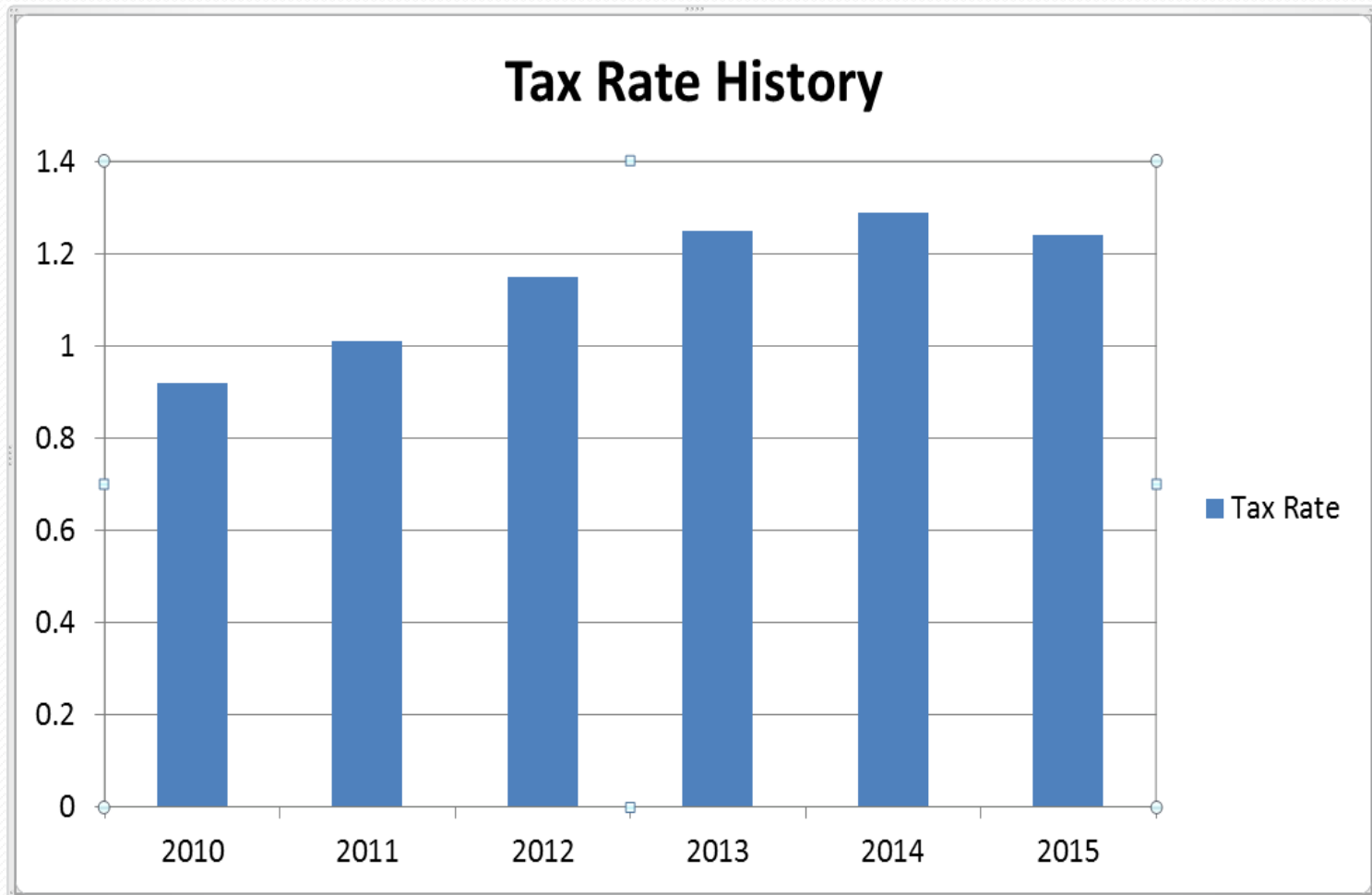


2014 Inflation Rate Caps the 2015 levy Collected in 2016

**Actual Monthly CPI-U Index Values for 2015 and 2016 thru OCT
with NOV & DEC 2016 Projected**



Tax Rate History



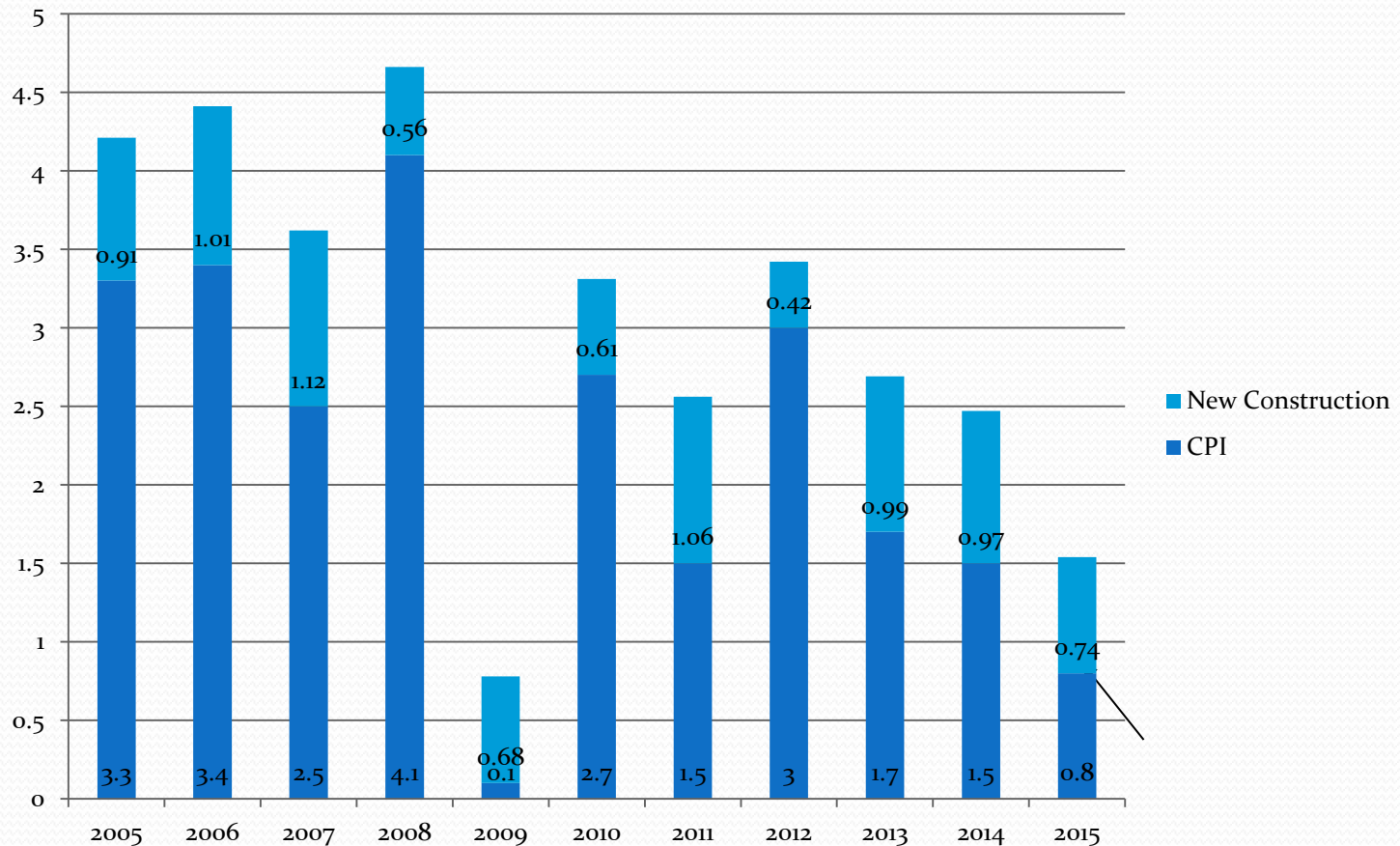
New Construction History & Projections

Year	Total EAV	New Construction	%
2020	\$733,490,384	\$8,025,275	1.09%
2019	\$735,847,659	\$8,064,141	1.10%
2018	\$737,685,539	\$7,515,483	1.02%
2017	\$746,288,336	\$8,496,202	1.14%
2016	\$765,425,841	\$8,180,737	1.07%
2015	\$791,397,204	\$5,869,510	0.74%
2014	\$749,456,015	\$11,438,360	1.53%
2013	\$751,763,356	\$7,234,340	0.96%
2012	\$797,953,824	\$3,209,390	0.40%
2011	\$876,386,856	\$9,008,710	1.03%
2010	\$942,107,702	\$5,558,120	0.59%

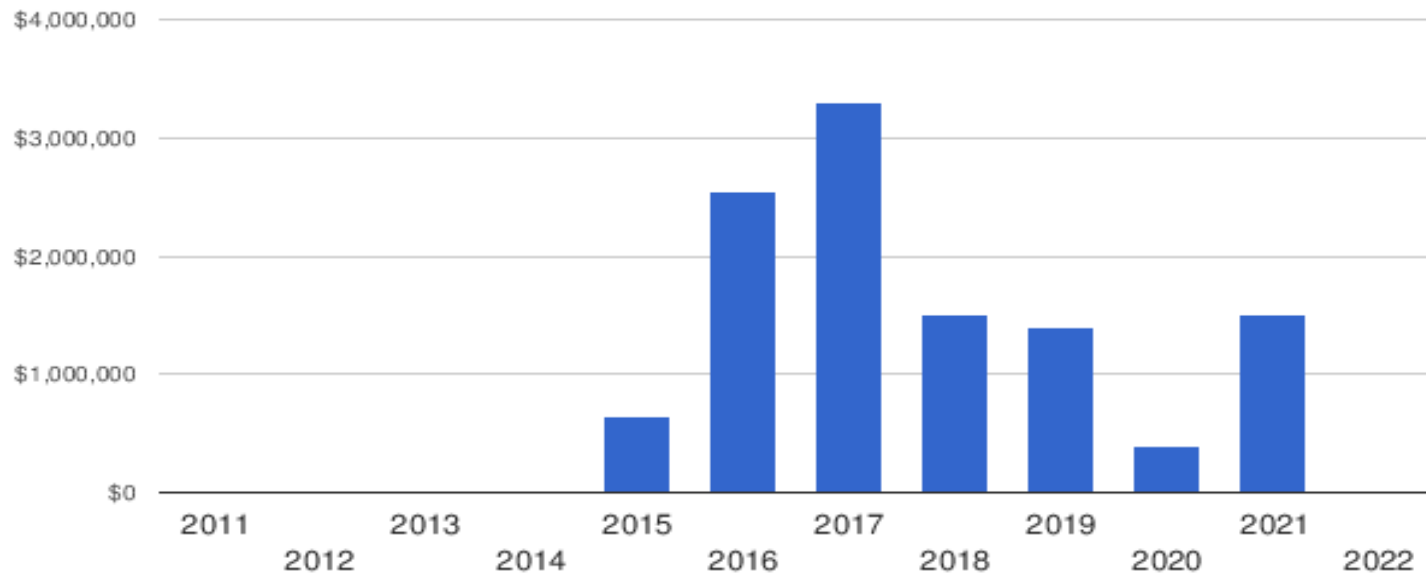
*2014 includes Annexation Property

CPI + New Property

CPI + New Property

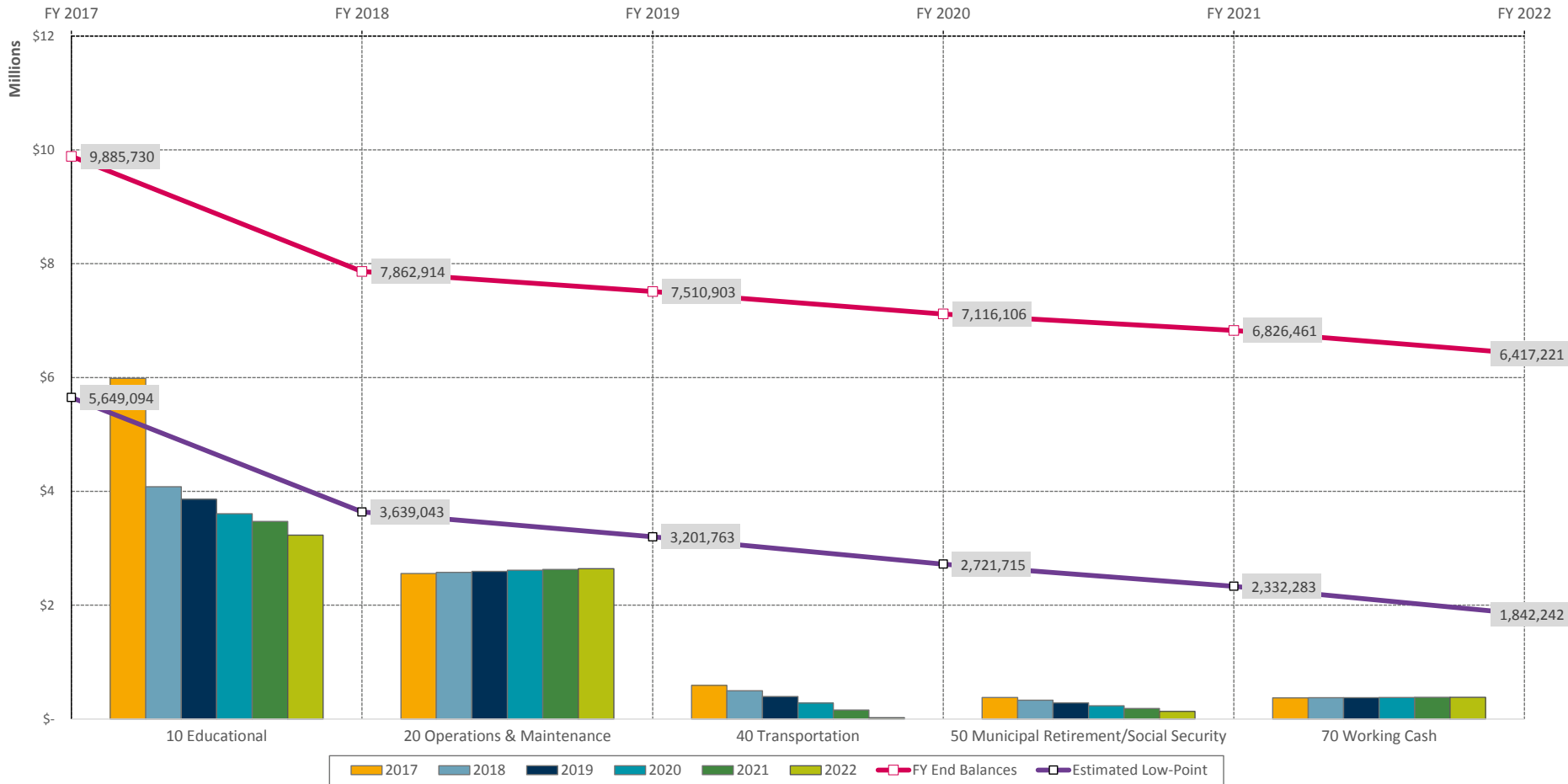


Projected Needs Capital



Aggregate – Projection Summary 2017-2022

Aggregate View - Projection Summary



How much will we receive?

2015 Extension Base	\$9,665,334
X 2015 CPI 0.7%	67,657
Plus Estimated New Property	<u>70,402</u>

Tax Cap Total Levy \$9,803,393
1.43%

Total Estimated New Revenue: \$138,059

How much will we request?

Ed Fund	\$8,865,500
O & M Fund	76,500
Transp. Fund	4,500
IMRF	96,500
Social Sec./Medicare	<u>96,500</u>
Total Request:	\$10,139,500
4.91%	

Why are we asking for more than we expect?

- % Growth in Existing EAV
 - *The higher the growth, the lower our rate...*
- EAV of New Construction in District 53
 - *The higher the EAV of new construction, the higher our tax total revenue...*
- Limiting Tax Rate for 2016 Levy
 - *The higher the tax rate, the greater access to EAV...*

The unknown...

- In order to gain access to the tax revenue generated by new construction, we must levy (request) it.
- Our problem? Our inability to know the value of new construction on all property throughout the district. Therefore, we ask for more than we expect to receive (inflated levy) so that we can access every possible dollar generated by new construction.



Please remember...

No matter how much we levy, we will only receive what the caps will allow us to receive.

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