



NEWS

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FOR IMMEDIATE RELEASE

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School District 64 Tentative 2008 Levy to Rise 2.18%; Total Tax Rate to Decline

The Park Ridge-Niles School District 64 at its November 10, 2008 meeting adopted a tentative levy for 2008 that calls for a proposed overall increase of 2.18% over the 2007 total levy, which is about half last year's rate of inflation measured by the Consumer Price Index (CPI).

According to Business Manager Bruce Martin, the District's total proposed 2008 levy is estimated to be \$57.3 million; the actual 2007 total tax levy was \$56.1 million. The Board will conduct a public hearing on Monday, December 8 at 7:20 p.m. at Washington School, 1500 Stewart Ave., prior to adopting a final levy that evening.

Mr. Martin reported that the lower levy growth for 2008 is a combination of two factors.

First, the District's Operating Funds levy this year will again be subject to the Property Tax Extension Limitation Law (PTELL) for the first time since the 2005 levy extension. The 2006 and 2007 levies were filed according to the higher limiting rate that was approved by the community in the April 2007 referendum. The Consumer Price Index (CPI) factor for the calendar year ending December 31, 2007 was 4.1%. This 4.1% factor will be used to calculate the tax extension for the District's 2008 levy plus an allowance for new property. "The Operating Funds levy is expected to rise 6.21% from \$51.5 million in 2007 to \$54.7 million in 2008," Mr. Martin reported.

The second factor contributing to the lower growth is that the District's debt service is anticipated to drop by 40% from a year ago. "The 2007 levy was the last needed to repay the Working Cash Bonds issued in fall 2005," Mr. Martin noted. "As these bonds will not be reissued, the levy for debt service will drop from \$4.5 million last year to only an expected \$2.5 million this year," he added.

The combination of a modest increase in the Operating Funds levy, again under the tax cap, plus lower debt service due to the repaid bonds means District 64's total tax rate actually is expected to drop from 2.850 in 2007 to an estimated rate of 2.789 for the 2008 levy.

In addition, District 64's total levy last year actually was about \$2.6 million less than its legal maximum, Mr. Martin reported recently. The Board of Education intentionally levied a flat dollar amount in the 2007 levy, rather than specifying the full legal rate of 2.751 that had been approved by the April 2007 referendum. "The Board exercised fiscal restraint to adhere to the spirit of the commitment made to the community at the time of the referendum," Mr. Martin noted. The 2007 Operating Funds rate was 2.618 rather than the higher 2.751 rate that would have been allowed by the referendum, Mr. Martin confirmed.

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