

## Board Considerations for the 2015 Tax Levy

The purpose or the “why” we have a property tax levy should be viewed through a lens that sees all the various needs of our students, and then subsequently our faculty and staff, and to generate revenues that help supports those needs. This district has celebrated a proud tradition of excellence, and those expectations need not be overturned by external economic pressures imposed by a flawed state government. Our parents, grandparents, business community and in fact, the entire school community desires 21st century educational opportunities for our children.

When the State of Illinois fails to commit to that vision, then it falls upon local governmental entities, such as our school board, to have the courage to bring those opportunities to life for our children. You demonstrated this commitment to excellence by resolving to approve both a sales tax for school facilities referendum in 2013 and then a capital project referendum in 2015. We believe you should look at this levy process, for this year and years forward, as a way to produce a budget that is designed to provide an education that our District 228 students deserve.

We ask that you examine this as not part of simply a dollars and cents issue, but as a means of funding educational opportunities that our community expects and deserves. The question must not always be “Can we afford this?” but sometimes the question is “Can we afford not to do this, because our children need it?” We thought the ride was rough from 2008 to today, but the road may get even more bumpy over the next couple of years. See these next few levies and budgets, combined with all the ProjectLEAF work, as a new chapter in the history of our school district.

### Financial Considerations for the 2015 Levy:

- The District will receive -\$627,000 less in State revenues for FY 16.
- The District has \$450,000 of surplus in the Bond and Interest Fund (Fund 30) that can be used to abate debt for this levy.
- **Property tax freeze legislation.** A Property tax freeze will likely make the 2015 levy the District “base” which means for the next 2-3 tax levy years the 2015 extension will become the “aggregate extension base.” We will be “frozen” to levy only to the 2015 extension. Also, taxes would be capped for non-referendum bonds (working cash) “debt service extension base” which means our ability to borrow will be limited to the total dollar amount of the taxes extended in 2015 for non-voted debt.

### 3 Year Projections

#### NO PROPERTY TAX FREEZE NO Working Cash Issue--Base Model

#### 3 YEAR OPERATING FUND REVENUE AND EXPENDITURE PROJECTIONS

	FUNDS 10, 20, 40, 70			
	FY 16 Budget	FY 17	FY 18	FY 19
BEGINNING BALANCE, JULY 1 2015	\$ 10,272,739.64	\$ 7,767,694.97	\$ 5,265,236.55	\$ 3,340,493.32
REVENUES	\$ 22,909,636.75	\$ 22,983,906.24	\$ 23,265,433.39	\$ 23,552,524.01
EXPENDITURES	\$ 25,414,681.43	\$ 25,486,364.65	\$ 25,190,176.62	\$ 24,956,798.38
SURPLUS (DEFICIT)	\$ (2,505,044.67)	\$ (2,502,458.42)	\$ (1,924,743.22)	\$ (1,404,274.38)
ENDING OPERATING FUND BALANCE	\$ 7,767,694.97	\$ 5,265,236.55	\$ 3,340,493.32	\$ 1,936,218.95
FUND BALANCE % OF EXPENDITURES	30.56%	20.66%	13.26%	7.76%

#### 3 YEAR FUND ENDING BALANCE PROJECTIONS

	FY16	FY 17	FY 18	FY 19
FUND 10 Education	\$ 2,304,566.63	\$ 410,407.04	\$ (928,370.13)	\$ (1,769,604.95)
FUND 20 O&M	\$ 2,080,365.40	\$ 1,521,202.38	\$ 950,856.10	\$ 369,102.90
FUND 30 Bond and Interest	\$ 1,184,220.00	\$ 1,059,618.00	\$ 935,016.00	\$ 810,414.00
FUND 40 Transportation	\$ 1,500,796.29	\$ 1,290,597.69	\$ 1,113,915.13	\$ 971,565.99
FUND 50 SS/IMRF	\$ 413,122.00	\$ 343,400.24	\$ 220,648.44	\$ 162,159.42
FUND 60 Capital Projects (sales tax)	\$ 33,788,505.00	\$ 14,709,065.00	\$ 8,870,846.00	\$ 7,570,846.00
FUND 70 Working Cash	\$ 1,881,966.64	\$ 2,043,029.43	\$ 2,204,092.22	\$ 2,365,155.01
FUND 80 Tort	\$ 324,720.00	\$ 201,900.00	\$ 98,003.60	\$ 14,907.27
FUND 90 Health Life Safety	\$ 8,724,839.00	\$ 5,490,839.00	\$ 3,856,839.00	\$ 2,722,839.00

#### Assumptions For Expenditures

3% reductions in purchased services

10% annual cut in building supplies.

2% salary annual increase cert and non-cert.

2% annual expense increase in repairs/maint.

TRS/SS/Medicare 2.5% annual increases.

3% Transportation annual increases.

1.5% annual increase all other objects.

8% increase insurance benefit FY17, 2% for FY 18-19.

2% increase in maintenance expenses annually.

3% increase in curriculum expenses.

2% increase in special ed tuition/room and board.

Salary expenses include certified staff retirements.

#### Assumptions for Revenues

Historical Local Revenue increases 2%

STATE REVENUE FLAT FY 17-19, \$-627,000 FY 16

1% Federal revenue increases annually.

### 3 Year Projections

#### PROPERTY TAX FREEZE/NO WORKING CASH

#### 3 YEAR OPERATING FUND REVENUE AND EXPENDITURE PROJECTIONS

	FUNDS 10, 20, 40, 70			
	FY 16 Budget	FY 17	FY 18	FY 19
BEGINNING BALANCE, JULY 1 2015	\$ 10,272,739.64	\$ 7,767,694.97	\$ 5,070,023.66	\$ 2,748,157.25
REVENUES	\$ 22,909,636.75	\$ 22,785,871.99	\$ 22,865,404.21	\$ 22,946,459.99
EXPENDITURES	\$ 25,414,681.43	\$ 25,483,543.30	\$ 25,187,270.62	\$ 24,953,805.21
SURPLUS (DEFICIT)	\$ (2,505,044.67)	\$ (2,697,671.31)	\$ (2,321,866.41)	\$ (2,007,345.21)
ENDING OPERATING FUND BALANCE	\$ 7,767,694.97	\$ 5,070,023.66	\$ 2,748,157.25	\$ 740,812.04
FUND BALANCE % OF EXPENDITURES	30.56%	19.90%	10.91%	2.97%

Below 25% will lower the District  
Financial Profile Designation Score.

#### 3 YEAR FUND ENDING BALANCE PROJECTIONS

	FY16	FY 17	FY 18	FY 19
FUND 10 Education	\$ 2,304,566.63	\$ 215,194.15	\$ (1,520,706.20)	\$ (2,965,011.86)
FUND 20 O&M	\$ 2,080,365.40	\$ 1,521,202.38	\$ 950,856.10	\$ 369,102.90
FUND 30 Bond and Interest	\$ 1,184,220.00	\$ 1,059,618.00	\$ 935,016.00	\$ 810,414.00
FUND 40 Transportation	\$ 1,500,796.29	\$ 1,290,597.69	\$ 1,113,915.13	\$ 971,565.99
FUND 50 SS/IMRF	\$ 413,122.00	\$ 343,400.24	\$ 220,648.44	\$ 162,159.42
FUND 60 Capital Projects (sales tax)	\$ 33,788,505.00	\$ 14,709,065.00	\$ 8,870,846.00	\$ 7,570,846.00
FUND 70 Working Cash	\$ 1,881,966.64	\$ 2,043,029.43	\$ 2,204,092.22	\$ 2,365,155.01
FUND 80 Tort	\$ 324,720.00	\$ 201,900.00	\$ 98,003.60	\$ 14,907.27
FUND 90 Health Life Safety	\$ 8,724,839.00	\$ 5,490,839.00	\$ 3,856,839.00	\$ 2,722,839.00

Surplus in working cash Fund  
70 will not be able to cover  
Fund 10 Deficit by Fiscal Year  
19.

#### Assumptions For Expenditures

3% reductions in purchased services

10% annual cut in building supplies.

2% salary annual increase cert and non-cert.

2% annual expense increase in repairs/maint.

TRS/SS/Medicare 2.5% annual increases.

3% Transportation annual increases.

1.5% annual increase all other objects.

8% increase insurance benefit FY17, 2% for FY 18-19.

2% increase in maintenance expenses annually.

3% increase in curriculum expenses.

2% increase in special ed tuition/room and board.

Salary expenses include certified staff retirements.

#### Assumptions for Revenues

PROPERTY TAX FREEZE DEC 15 LEVY

STATE REVENUE FLAT FY 17-19, \$-627,000 FY 16

1% Federal revenue increases annually.

NO WORKING CASH ISSUE IN FY 16



### 3 Year Projections

#### PROPERTY TAX FREEZE with WORKING CASH ISSUE

#### 3 YEAR OPERATING FUND REVENUE AND EXPENDITURE PROJECTIONS

	FUNDS 10, 20, 40, 70			
	FY 16 Budget	FY 17	FY 18	FY 19
BEGINNING BALANCE, JULY 1 2015	\$ 10,272,739.64	\$ 9,767,694.97	\$ 7,070,023.66	\$ 4,748,157.25
REVENUES	\$ 26,909,636.75	\$ 22,785,871.99	\$ 22,865,404.21	\$ 22,946,459.99
EXPENDITURES	\$ 27,414,681.43	\$ 25,483,543.30	\$ 25,187,270.62	\$ 24,953,805.21
SURPLUS (DEFICIT)	\$ (505,044.67)	\$ (2,697,671.31)	\$ (2,321,866.41)	\$ (2,007,345.21)
ENDING OPERATING FUND BALANCE	\$ 9,767,694.97	\$ 7,070,023.66	\$ 4,748,157.25	\$ 2,740,812.04
FUND BALANCE % OF EXPENDITURES	35.63%	27.74%	18.85%	10.98%

#### 3 YEAR FUND ENDING BALANCE PROJECTIONS

	FY16	FY 17	FY 18	FY 19
FUND 10 Education	\$ 4,304,566.63	\$ 2,215,194.15	\$ 479,293.80	\$ (965,011.86)
FUND 20 O&M	\$ 2,080,365.40	\$ 1,521,202.38	\$ 950,856.10	\$ 369,102.90
FUND 30 Bond and Interest	\$ 1,184,220.00	\$ 1,059,618.00	\$ 935,016.00	\$ 810,414.00
FUND 40 Transportation	\$ 1,500,796.29	\$ 1,290,597.69	\$ 1,113,915.13	\$ 971,565.99
FUND 50 SS/IMRF	\$ 413,122.00	\$ 343,400.24	\$ 220,648.44	\$ 162,159.42
FUND 60 Capital Projects (sales tax)	\$ 33,788,505.00	\$ 14,709,065.00	\$ 8,870,846.00	\$ 7,570,846.00
FUND 70 Working Cash	\$ 1,881,966.64	\$ 2,043,029.43	\$ 2,204,092.22	\$ 2,365,155.01
FUND 80 Tort	\$ 324,720.00	\$ 201,900.00	\$ 98,003.60	\$ 14,907.27
FUND 90 Health Life Safety	\$ 8,724,839.00	\$ 5,490,839.00	\$ 3,856,839.00	\$ 2,722,839.00

#### Assumptions For Expenditures

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3% reductions in purchased services  
 10% annual cut in building supplies.  
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 2% annual expense increase in repairs/maint.  
 TRS/SS/Medicare 2.5% annual increases.  
 3% Transportation annual increases.  
 1.5% annual increase all other objects.  
 8% increase insurance benefit FY17, 2% for FY 18-19.  
 2% increase in maintenance expenses annually.  
 3% increase in curriculum expenses.  
 2% increase in special ed tuition/room and board.  
 Salary expenses include certified staff retirements.

#### Assumptions for Revenues

PROPERTY TAX FREEZE DEC 15 Levy

STATE REVENUE FLAT FY 17-19, \$-627,000 FY 16

1% Federal revenue increases annually.

\$2,000,000 WORKING CASH ISSUED IN FY 16

# **Tentative Levy Option A**

## 2014 History

	Maximum Rate	2014 Levy	2014 Extended	Actual Rate
Education	<b>2.35000</b>	\$ 7,849,000.00	\$ 7,822,118.00	<b>2.3500</b>
OBM	<b>0.50000</b>	\$ 1,670,000.00	\$ 1,664,280.00	<b>0.5000</b>
Transportation	<b>0.20000</b>	\$ 668,000.00	\$ 665,712.00	<b>0.2000</b>
Working Cash	<b>0.05000</b>	\$ 167,000.00	\$ 166,428.00	<b>0.0500</b>
Special Education	<b>0.04000</b>	\$ 133,600.00	\$ 133,142.00	<b>0.0400</b>
Tort		\$ 440,000.00	\$ 440,035.00	<b>0.1322</b>
Social Security		\$ 430,000.00	\$ 430,050.00	<b>0.1292</b>
IMRF		\$ 410,000.00	\$ 410,078.00	<b>0.1232</b>
Lease	<b>0.05000</b>	\$ 10,000.00	\$ 10,318.00	<b>0.0031</b>
Health/Life Safety	<b>0.05000</b>	\$ 167,000.00	\$ 166,428.00	<b>0.0500</b>
Bond & Interest		\$ 1,866,601.00	\$ 1,876,309.00	<b>0.5637</b>
		\$ 13,811,201.00	\$ 13,784,898.00	<b>4.1414</b>
		Extension w/o Bonds	\$ 11,908,589.00	3.6029

2014 Rate Setting EAV	\$ 332,856,121	
2013 Rate Setting EAV	\$ 330,532,161	
Increase 2013 to 2014	\$2,323,960.00	0.70%

## **2015 Projected Levy**

	Maximum Rate	2015 Levy Request	Maxed at Legal Limit Projected Rate	15 Levy to 14 Extended Difference 15 to 14
Education	<b>2.35000</b>	\$ 7,990,000.00	<b>2.3500</b>	\$ 167,882.00
OBM	<b>0.50000</b>	\$ 1,700,000.00	<b>0.5000</b>	\$ 35,720.00
Transportation	<b>0.20000</b>	\$ 680,000.00	<b>0.2000</b>	\$ 14,288.00
Working Cash	<b>0.05000</b>	\$ 170,000.00	<b>0.0500</b>	\$ 3,572.00
Special Education	<b>0.04000</b>	\$ 136,000.00	<b>0.0400</b>	\$ 2,858.00
Tort		\$ 695,000.00	0.2044	\$ 254,965.00
Social Security		\$ 430,000.00	0.1265	\$ (50.00)
IMRF		\$ 350,000.00	0.1029	\$ (60,078.00)
Lease	<b>0.05000</b>	\$ -	0.0000	\$ (10,318.00)
Health/Life Safety	<b>0.05000</b>	\$ -	0.0000	\$ (166,428.00)
Bond & Interest		\$ 1,897,563.00	<b>0.5581</b>	\$ 21,254.00
		\$ 14,048,563.00	<b>4.1319</b>	\$ 263,665.00
<b>Levy w/o Bonds</b>		\$ 12,151,000.00		

Assumption 2015 EAV	\$ 340,000,000.00	Assumed EAV % Increase	2.15%
Change in EAV '14 to '15	\$ 7,143,879.00		

Increase 14 Levy to 15 Extended	\$ 263,665.00	
	<b>101.9127%</b>	No Truth In Taxation Hearing Required

Tax Rate 2012 Actual	<b>4.0609</b>	
Tax Rate 2013 Actual	<b>4.0411</b>	
Tax Rate 2014 ACTUAL	<b>4.1414</b>	Rate Change
Tax Rate 2015 Proposed	<b>4.1319</b>	-0.229%

Levy Year	Home Value	School taxes	Annual School Property Tax Increase from Last Year
2012	\$300,000	\$ 4,060.90	
2013	\$300,000	\$ 4,041.10	\$ (19.80)
2014	\$300,000	\$ 4,141.40	\$ 100.30
2015	\$300,000	\$ 4,131.93	\$ (9.47)



# Tentative Levy Option B

## 2014 History

	Maximum Rate	2014 Levy	2014 Extended	Actual Rate
Education	2.35000	\$ 7,849,000.00	\$ 7,822,118.00	2.3500
OBM	0.50000	\$ 1,670,000.00	\$ 1,664,280.00	0.5000
Transportation	0.20000	\$ 668,000.00	\$ 665,712.00	0.2000
Working Cash	0.05000	\$ 167,000.00	\$ 166,428.00	0.0500
Special Education	0.04000	\$ 133,600.00	\$ 133,142.00	0.0400
Tort		\$ 440,000.00	\$ 440,035.00	0.1322
Social Security		\$ 430,000.00	\$ 430,050.00	0.1292
IMRF		\$ 410,000.00	\$ 410,078.00	0.1232
Lease	0.05000	\$ 10,000.00	\$ 10,318.00	0.0031
Health/Life Safety	0.05000	\$ 167,000.00	\$ 166,428.00	0.0500
Bond & Interest		\$ 1,866,601.00	\$ 1,876,309.00	0.5637
		\$ 13,811,201.00	\$ 13,784,898.00	4.1414
		Extension w/o Bonds	\$ 11,908,589.00	3.6029

2014 Rate Setting EAV	\$ 332,856,121
2013 Rate Setting EAV	\$ 330,532,161
Increase 2013 to 2014	\$2,323,960.00

0.70%

## 2015 Projected Levy

Maxed at Legal Limit 15 Levy to 14 Extended

	Maximum Rate	2015 Levy Request	Projected Rate	Difference 15 to 14	Levy Notes:
Education	2.35000	\$ 7,990,000.00	2.3500	\$ 167,882.00	
OBM	0.50000	\$ 1,700,000.00	0.5000	\$ 35,720.00	
Transportation	0.20000	\$ 680,000.00	0.2000	\$ 14,288.00	
Working Cash	0.05000	\$ 5,000.00	0.0015	\$ (161,428.00)	
Special Education	0.04000	\$ 136,000.00	0.0400	\$ 2,858.00	
Tort		\$ 500,000.00	0.1471	\$ 59,965.00	
Social Security		\$ 400,000.00	0.1176	\$ (30,050.00)	
IMRF		\$ 350,000.00	0.1029	\$ (60,078.00)	
Lease	0.05000	\$ -	0.0000	\$ (10,318.00)	
Health/Life Safety	0.05000	\$ -	0.0000	\$ (166,428.00)	
					\$2,000,000 new working cash with \$450,000 abatement
Bond & Interest		\$ 2,446,089.00	0.7194	\$ 569,780.00	
		\$ 14,207,089.00	4.1786	\$ 422,191.00	
Levy w/o Bonds		\$ 11,761,000.00			

Assumed EAV % Increase  
2.15%

Assumption 2015 EAV \$ 340,000,000.00  
Change in EAV '14 to '15 \$ 7,143,879.00

Increase 14 Levy to 15 Extended \$ 422,191.00

103.0627% No Truth In Taxation Hearing Required

Tax Rate 2012 Actual 4.0609  
Tax Rate 2013 Actual 4.0411  
Tax Rate 2014 ACTUAL 4.1414  
Tax Rate 2015 Proposed 4.1786

Rate Change 0.897%

Levy Year	Home Value	School taxes	Annual School Property Tax Increase from Last Year
2012	\$300,000	\$ 4,060.90	
2013	\$300,000	\$ 4,041.10	\$ (19.80)
2014	\$300,000	\$ 4,141.40	\$ 100.30
2015	\$300,000	\$ 4,178.56	\$ 37.16

# Tentative Levy Option C

## 2014 History

	Maximum Rate	2014 Levy	2014 Extended	Actual Rate
Education	2.35000	\$ 7,849,000.00	\$ 7,822,118.00	2.3500
OBM	0.50000	\$ 1,670,000.00	\$ 1,664,280.00	0.5000
Transportation	0.20000	\$ 668,000.00	\$ 665,712.00	0.2000
Working Cash	0.05000	\$ 167,000.00	\$ 166,428.00	0.0500
Special Education	0.04000	\$ 133,600.00	\$ 133,142.00	0.0400
Tort		\$ 440,000.00	\$ 440,035.00	0.1322
Social Security		\$ 430,000.00	\$ 430,050.00	0.1292
IMRF		\$ 410,000.00	\$ 410,078.00	0.1232
Lease	0.05000	\$ 10,000.00	\$ 10,318.00	0.0031
Health/Life Safety	0.05000	\$ 167,000.00	\$ 166,428.00	0.0500
Bond & Interest		\$ 1,866,601.00	\$ 1,876,309.00	0.5637
		\$ 13,811,201.00	\$ 13,784,898.00	4.1414
		Extension w/o Bonds	\$ 11,908,589.00	3.6029

2014 Rate Setting EAV	\$ 332,856,121
2013 Rate Setting EAV	\$ 330,532,161
Increase 2013 to 2014	\$2,323,960.00

0.70%

## 2015 Projected Levy

Maxed at Legal Limit

15 Levy to 14 Extended

	Maximum Rate	2015 Levy Request	Projected Rate	Difference 15 to 14	Levy Notes:
Education	2.35000	\$ 7,990,000.00	2.3500	\$ 167,882.00	
OBM	0.50000	\$ 1,700,000.00	0.5000	\$ 35,720.00	
Transportation	0.20000	\$ 680,000.00	0.2000	\$ 14,288.00	
Working Cash	0.05000	\$ 170,000.00	0.0500	\$ 3,572.00	
Special Education	0.04000	\$ 136,000.00	0.0400	\$ 2,858.00	
Tort		\$ 650,000.00	0.1912	\$ 209,965.00	
Social Security		\$ 400,000.00	0.1176	\$ (30,050.00)	
IMRF		\$ 350,000.00	0.1029	\$ (60,078.00)	
Lease	0.05000	\$ -	0.0000	\$ (10,318.00)	
Health/Life Safety	0.05000	\$ -	0.0000	\$ (166,428.00)	
Bond & Interest		\$ 2,446,089.00	0.7194	\$ 569,780.00	\$2,000,000 new working cash with \$450,000 abatement
		\$ 14,522,089.00	4.2712	\$ 737,191.00	
Levy w/o Bonds		\$ 12,076,000.00			

Assumption 2015 EAV \$ 340,000,000.00  
Change in EAV '14 to '15 \$ 7,143,879.00

Assumed EAV % Increase  
2.15%

Increase 14 Levy to 15 Extended \$ 737,191.00

105.3478% Truth In Taxation Hearing Required

Tax Rate 2012 Actual 4.0609  
Tax Rate 2013 Actual 4.0411  
Tax Rate 2014 ACTUAL 4.1414  
Tax Rate 2015 Proposed 4.2712

Rate Change 3.134%

Levy Year	Home Value	School taxes	Annual School Property Tax Increase from Last Year
2012	\$300,000	\$ 4,060.90	
2013	\$300,000	\$ 4,041.10	\$ (19.80)
2014	\$300,000	\$ 4,141.40	\$ 100.30
2015	\$300,000	\$ 4,271.20	\$ 129.80