



# River Trails

SCHOOL DISTRICT 26

**2024 Levy Hearing**

# 2024 Levy

- **Illinois State Law requires a hearing if Levy is over 5%**
- **Property Tax Increase on Existing Property Limited to:**
  - CPI on existing property – 3.4%
  - Not required by law
  - Increase Transparency



# 2024 Levy

- **As part of our Strategic Plan:**
  - Programs are constantly evaluated for their effectiveness
  - Staffing plans are reviewed annually
  - Department budgets are carefully monitored and redeveloped from a “zero” base every year
  - Administration examines grant opportunities to help fund programs, equipment purchases and facility improvements



# 2024 Levy

**Over the years the District has implemented a variety of efficiencies:**

- Operational and staffing efficiencies
- New health insurance options
- Special education coop reduced expenditures for retirements, health insurance and more efficient operations
- More special education students served within the district
- Conservation of supplies, paper printing, energy, and food service



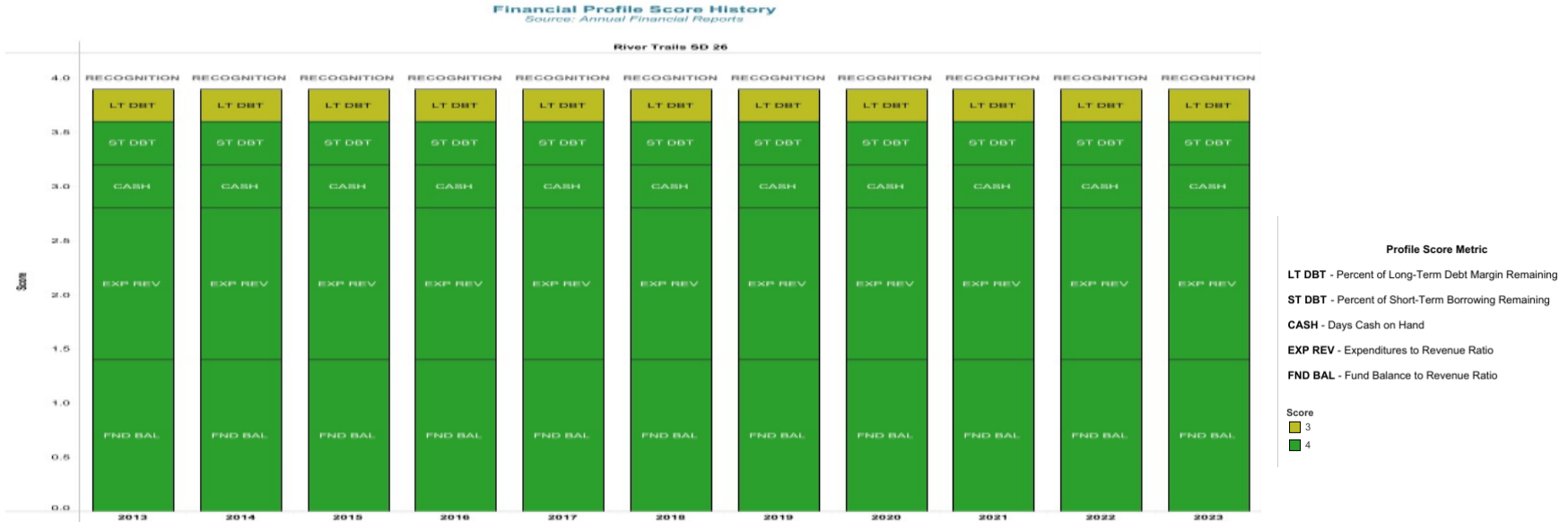
# 2024 Levy

- **Property Tax Increase Less than CPI:**
  - **Costs follow CPI**
    - 2022-2026 Negotiated Contract
    - Supplies
    - Utilities
    - Transportation
    - Food
  - Major Capital Projects planned to upgrade infrastructure



# Why a Fund Balance?

- State requires 180 days cash on hand for Financial Recognition
- Helps Maintain a Good Credit rating



# Why a Fund Balance?

- **Provides a cushion when:**
  - Taxes not paid until November or December
  - State payments
    - Reduced to as much as 89%
    - Often delayed by months
    - Proposals for Districts to pay State's share of pension contribution
  - Tax collections vary from 96% to 99%
  - Tax refunds as much as \$1,000,000
  - Taxes based on Consumer Price Index
    - CPI at 1.4% for 2021 Tax Levy
    - CPI at 5.0% for 2022 Tax Levy
  - Proposals to freeze taxes
  - Staff must be paid
  - Supplies must be bought
  - Facilities must be maintained



# Fund Balance Breakdowns

Annual Expenses				
Operational Funds	FY2022 Audit	FY2023 Audit	FY2024 Unaudited	3-Year Average
Education (10)	21,531,252	22,297,891	22,824,359	22,217,834
Operations and Maintenance (20)	1,901,464	2,037,035	2,171,500	2,036,666
Transportation (40)	978,398	1,420,363	1,081,221	1,159,994
Social Security & IMRF (50)	818,765	786,277	772,346	792,463
<b>Total</b>	<b>\$25,229,879</b>	<b>\$26,541,566</b>	<b>\$26,849,426</b>	<b>\$26,206,957</b>

Unaudited Fund Balances - June 30, 2024	
Operational Funds	Fund Balance
Education (10)	23,380,634
Operations and Maintenance (20)	434,611
Transportation (40)	1,447,780
Social Security & IMRF (50)	991,531
<b>Total</b>	<b>\$26,254,556</b>

Fund Balance / Average Expenses	
Operational Fund Balance (6/30/2024)	\$26,254,556
Three-Year Expense Average	\$26,206,957
<b>Fund Balance / Average Expenses</b>	<b>1.001816273</b>





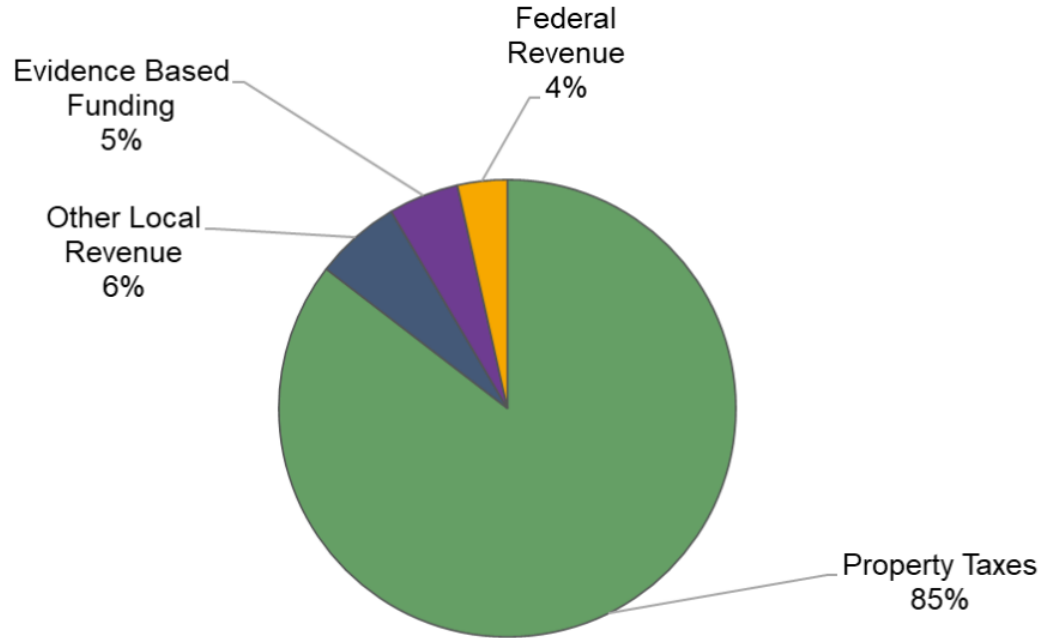
# 2024 Levy

- **The District makes every effort to responsibly use the dollars of the community taxpayer.**
  - State and federal funding for education is shrinking
  - Property tax appeals are on the rise
  - The District is aware of the extra burden individuals face



# Revenues

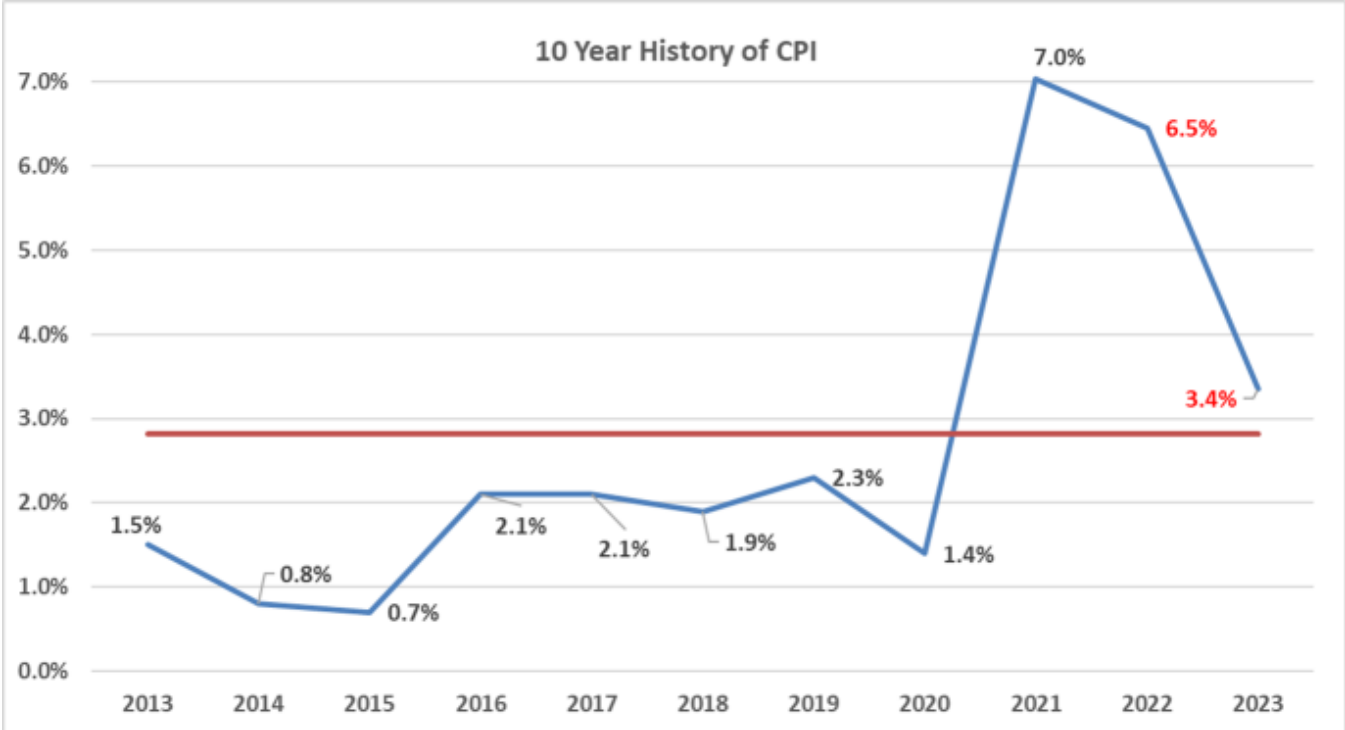
Property taxes = 85% of FY25 Budgeted Revenue



# 2024 Levy

- **Property Tax Increase Limited to CPI or 5%:**
  - **Plus Taxes on New Property**
    - **Equalized Assessed Valuation (EAV) is unknown until July 2025**
      - Levy high as it is hard to anticipate timing in Cook County
      - Only collect taxes on the new property that is assessed in 2024





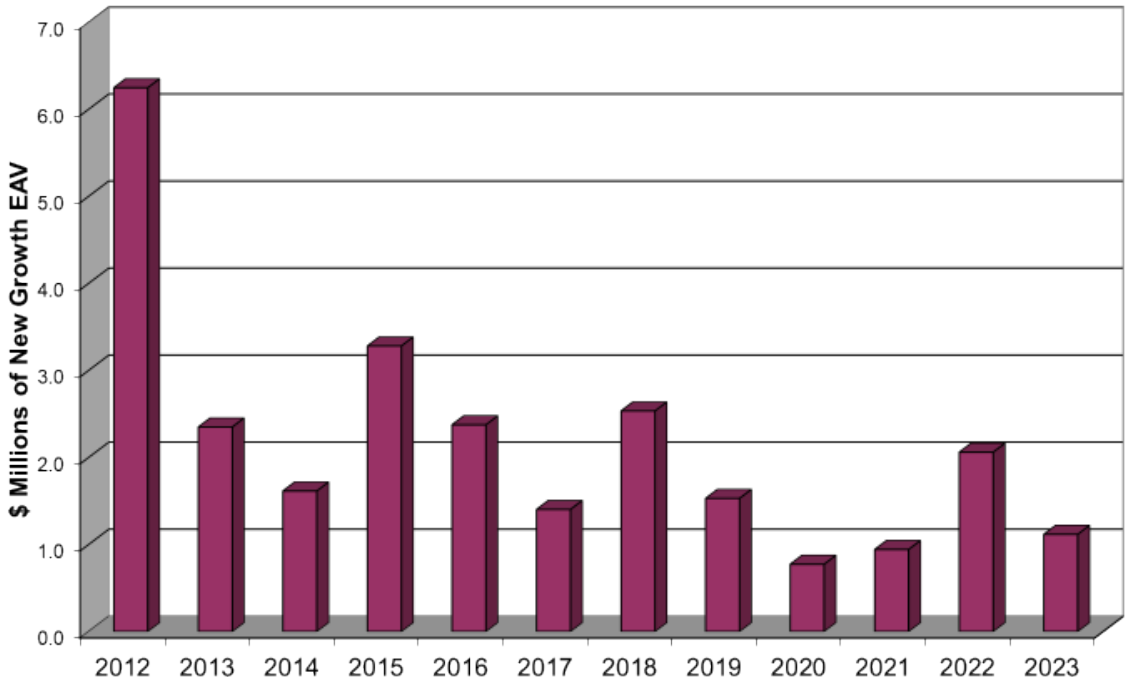
# New Property

- **New Property Levy large enough to capture all development – 1.9%**
  - Randhurst
    - Home Goods
    - 2nd retailer in negotiations
    - Possible self storage
  - Kensington
    - Comcast to an industrial building opening 1st Q 2024
- **Anticipating \$2.0 Million EAV in New Property**



# New Property

New Growth 2012 - 2023



# 2024 Levy

- **Total Levy**

- 3.4% (all funds)
- 4.0% (capped funds, excludes Debt Service)
- 3.4% cap on existing property for CPI (6.5%)
- 0.6% for New Property to capture all new property
- \$28,447,400

- **Best Guess Levy**

- \$28,431,175
- 3.4% cap on existing property for CPI (3.4%)
- Additional 0.3% for New Property
  - Estimating \$2 million in new properties for 2024
  - \$1.1 million new property in 2023
- 3.7% total increase



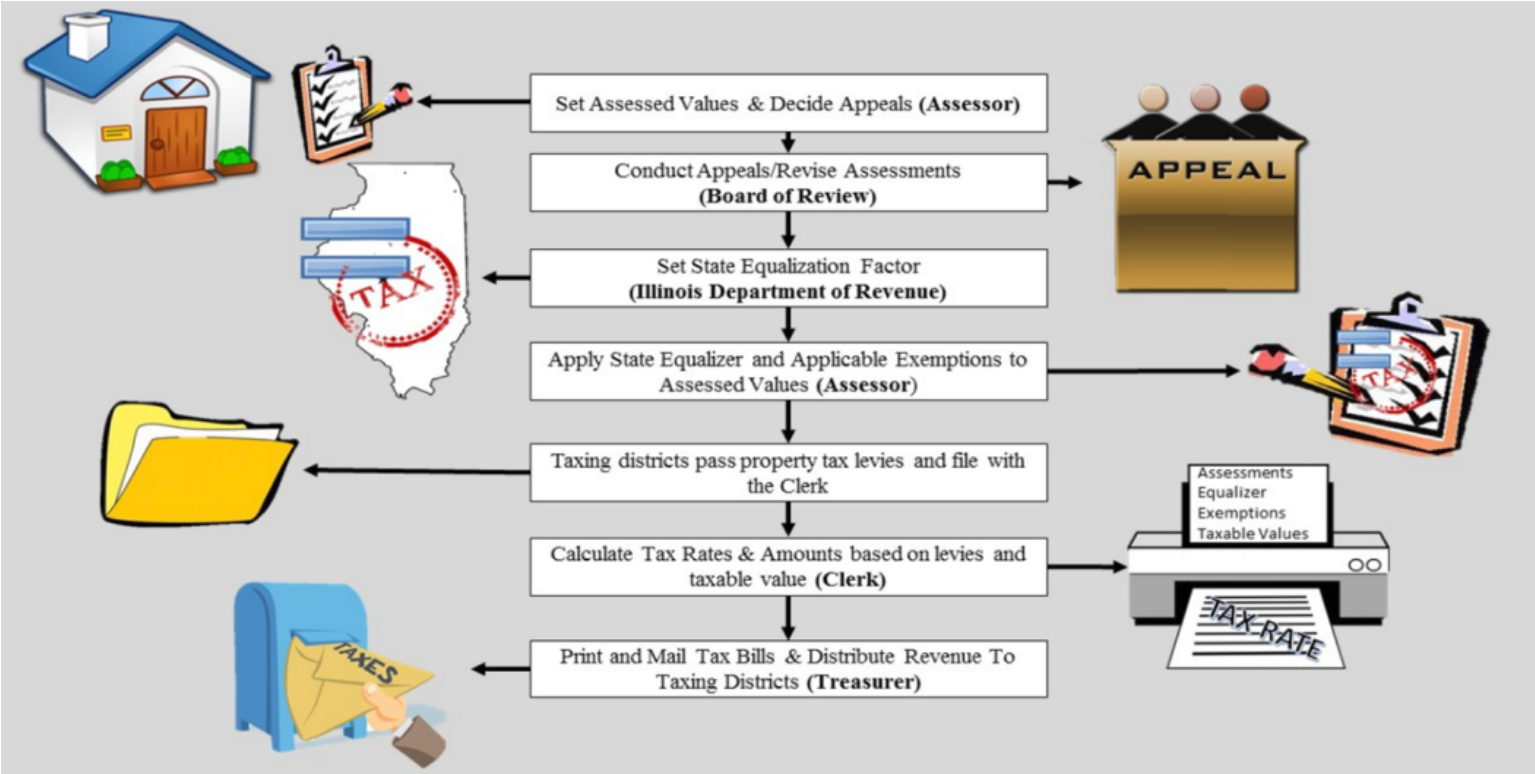
# 2024 Levy

Fund	2023 Levy Estimated Extension	2023 Tax Rate Est	Best Guess 2024 Levy*	Best Guess 2024 Tax Rate	Recommended 2024 Levy Based on 3.4% Increase	Recommended 2024 Tax Rate Based on 3.4% Increase
Education	\$19,681,287	2.9396	\$19,807,405	2.9496	\$20,100,000	2.9493
Operations	2,987,000	0.4461	3,605,000	0.5368	3,500,000	0.5136
Special Education	2,067,247	0.3088	2,163,000	0.3221	2,100,000	0.3081
Transportation	745,186	0.1113	875,500	0.1304	850,000	0.1247
Municipal Retirement	313,213	0.0468	309,000	0.0460	300,000	0.0440
Social Security	<u>313,213</u>	<u>0.0468</u>	<u>309,000</u>	<u>0.0460</u>	<u>300,000</u>	<u>0.0440</u>
Sub-Total	\$26,107,146	3.8994	\$27,068,905	4.0310	\$27,150,000	3.9838
Percentage Increase			3.7%		4.0%	
Debt Service	<u>1,342,740</u>	<u>0.2006</u>	<u>1,362,270</u>	<u>0.2029</u>	<u>1,297,400</u>	<u>0.1904</u>
Total Levy	\$27,449,886	4.1000	\$28,431,175	4.2339	\$28,447,400	4.1741

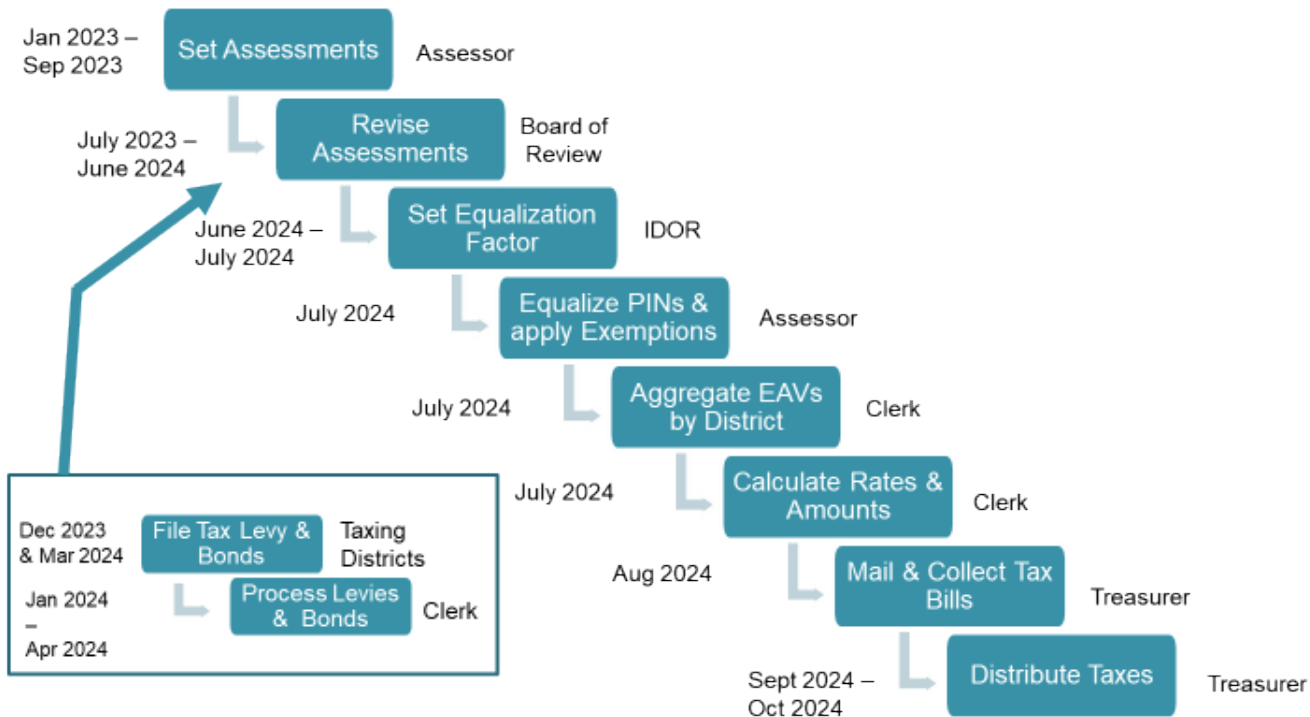




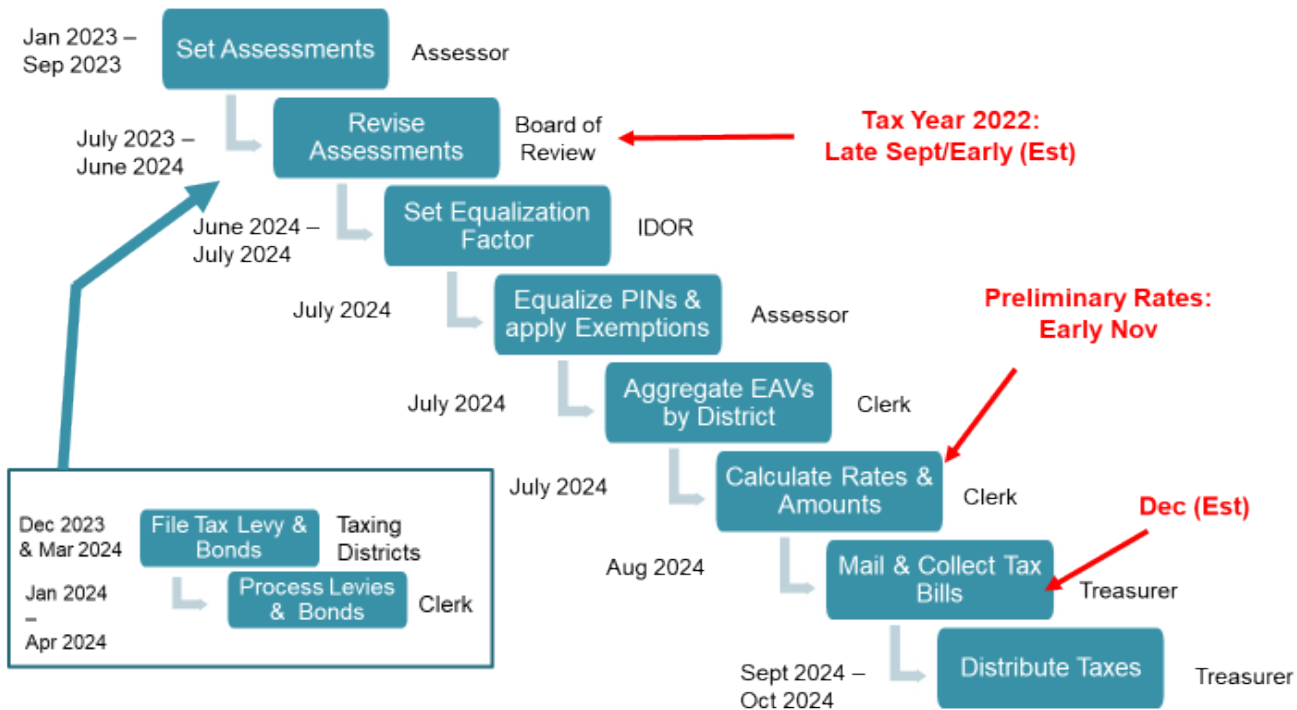
# Levy Process



# Levy Process



# Levy Process



# Equalized Assessed Value

- **Cook County Legal Tax Assessment Levels**
  - Homeowner 10%
  - Most Business 25%
  - Class 6b Business 10% for 12 years
- **Assessed Value x Equalizer (~3 = EAV)**
- **EAV x Tax Rate = Taxes Extended**



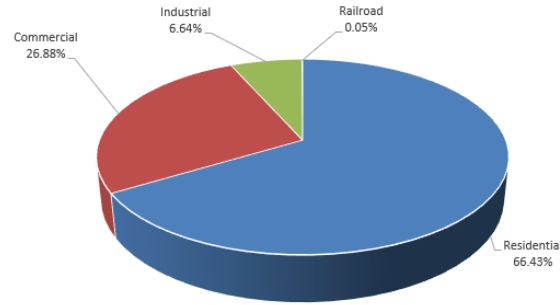
# Equalized Assessed Value

- **By law assessed values in aggregate must be 33 1/3% of fair cash value**
- **Cook County multiplier changes**
  - Assessed values for 3 prior years are compared to actual recorded sales prices
  - Equalized Assessed Value (EAV) = Assessed Value X Multiplier
  - 3 year average determines multiplier

	Multiplier
Last Year	
2.924	
Current Year	
3.016	
Increase/Decrease	3.157%

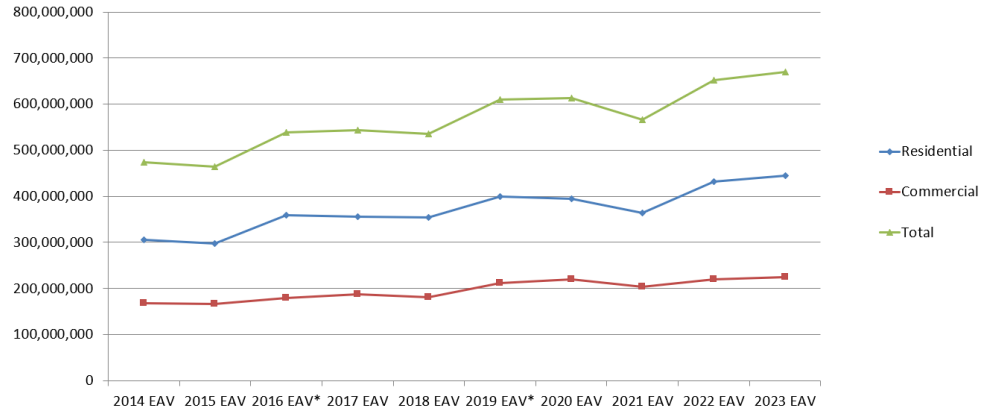


# 2024 Levy Residential Burden

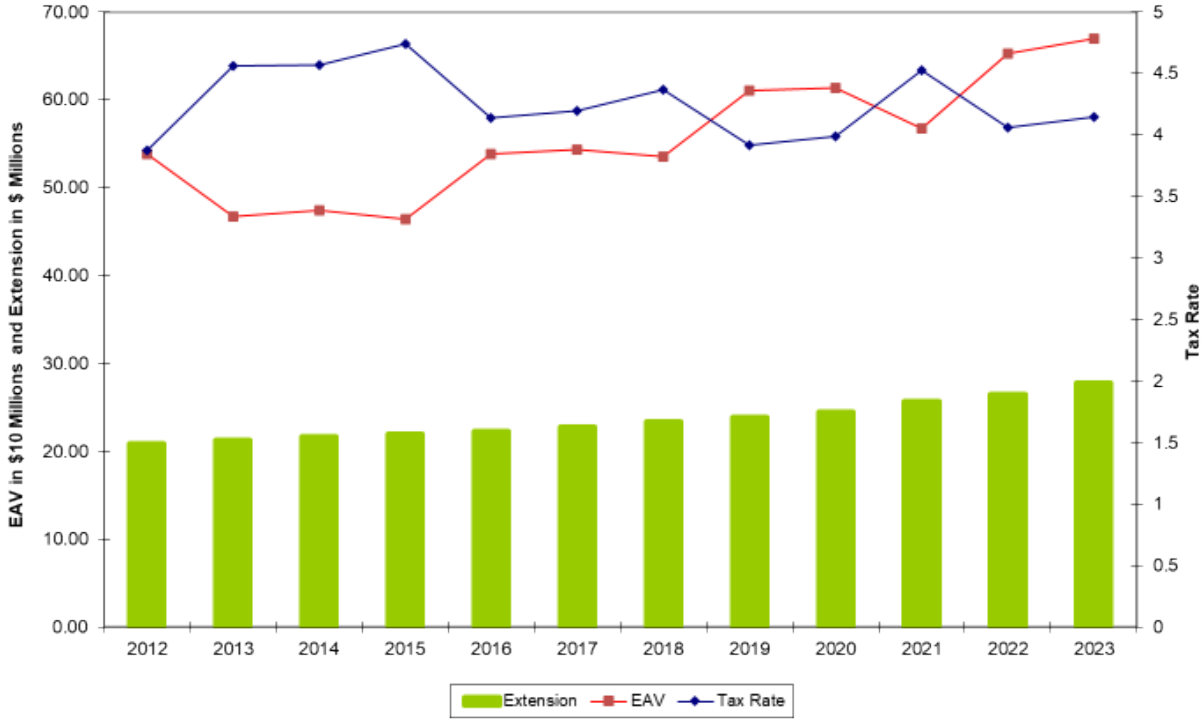


## Shift of Burden from Commercial/Industrial to Residential

- From 59% in 2007
- To 64% in 2015
- To 64% in 2020
- To 66% in 2023



# Change in EAV, Extensions and Tax Rates 2012-2023



# 2024 Levy

- Some reasons individual tax bills decrease or increase more than CPI:
  - New building is constructed
  - An addition is added to a home
  - Property was under assessed and was properly reassessed – 2022 Assessment Year for Northern Suburbs
  - Your property value declines relatively less than other properties in your taxing district or,
  - Your property value increases relatively more than other properties





# Levy Scenario

## YEAR 1

4 Homes worth \$100K each

School district levies for \$10,000



EAV = \$100K  
Rate = .0250  
School Taxes = \$2,500



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Rate = .0250  
School Taxes = \$2,500



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School Taxes = \$2,500



EAV = \$100K  
Rate = .0250  
School Taxes = \$2,500



# Levy Scenario

## YEAR 2 - Scenario 1



EAV = \$100K  
Rate = .02585  
School Taxes = \$2,585

Non-reassessment year

4 Homes worth \$100K each

CPI is 3.4%

School district levies for \$10,340

No New Growth



EAV = \$100K  
Rate = .02585  
School Taxes = \$2,585



EAV = \$100K  
Rate = .02585  
School Taxes = \$2,585



EAV = \$100K  
Rate = .02585  
School Taxes = \$2,585



# Levy Scenario

## YEAR 2 - Scenario 2



EAV = \$125K  
Rate = .02068  
School Taxes = \$2,585



EAV = \$140K  
Rate = .02068  
School Taxes = \$2,895

Reassessment Year

4 homes worth total EAV of \$500K

CPI is 3.4%

School district levies for \$10,340

No New Growth



EAV = \$125K  
Rate = .02068  
School Taxes = \$2,585



EAV = \$110K  
Rate = .02068  
School Taxes = \$2,275



# Levy Scenario

## YEAR 2 - Scenario 3



EAV = \$125K  
Rate = .02068  
School Taxes = \$2,585

Reassessment Year

4 homes worth total EAV of \$500K

CPI is 3.4%

School district levies for \$10,340

New Store Built worth \$100K



EAV = \$125K  
Rate = .02068  
School Taxes = \$2,585



EAV = \$140K  
Rate = .02068  
School Taxes = \$2,895



EAV = \$100K  
Rate = .02068  
School Taxes = \$2,068



EAV = \$110K  
Rate = .02068  
School Taxes = \$2,275

**District receives \$12,408 in tax revenue**



**RTSD26**