



OAK PARK ELEMENTARY SCHOOL DISTRICT 97
PRESENTATION OF TAX LEVY
2019 LEVY YEAR

DECEMBER 2019



TIMETABLE FOR TAX LEVY ADOPTION

➤ NOVEMBER 9, 2019

PRESENTATION OF ESTIMATED AGGREGATE TAX LEVY AND DIRECTION TO PUBLISH NOTICE CALLING FOR A PUBLIC HEARING (TRUTH IN TAXATION HEARING)

➤ NOVEMBER 27, 2019

NOT MORE THAN 14 NOR LESS THAN 7 DAYS PRIOR TO THE DATE OF THE PUBLIC HEARING, NOTICE OF PUBLIC HEARING WAS PUBLISHED IN THE WEDNESDAY JOURNAL.

➤ DECEMBER 10, 2019

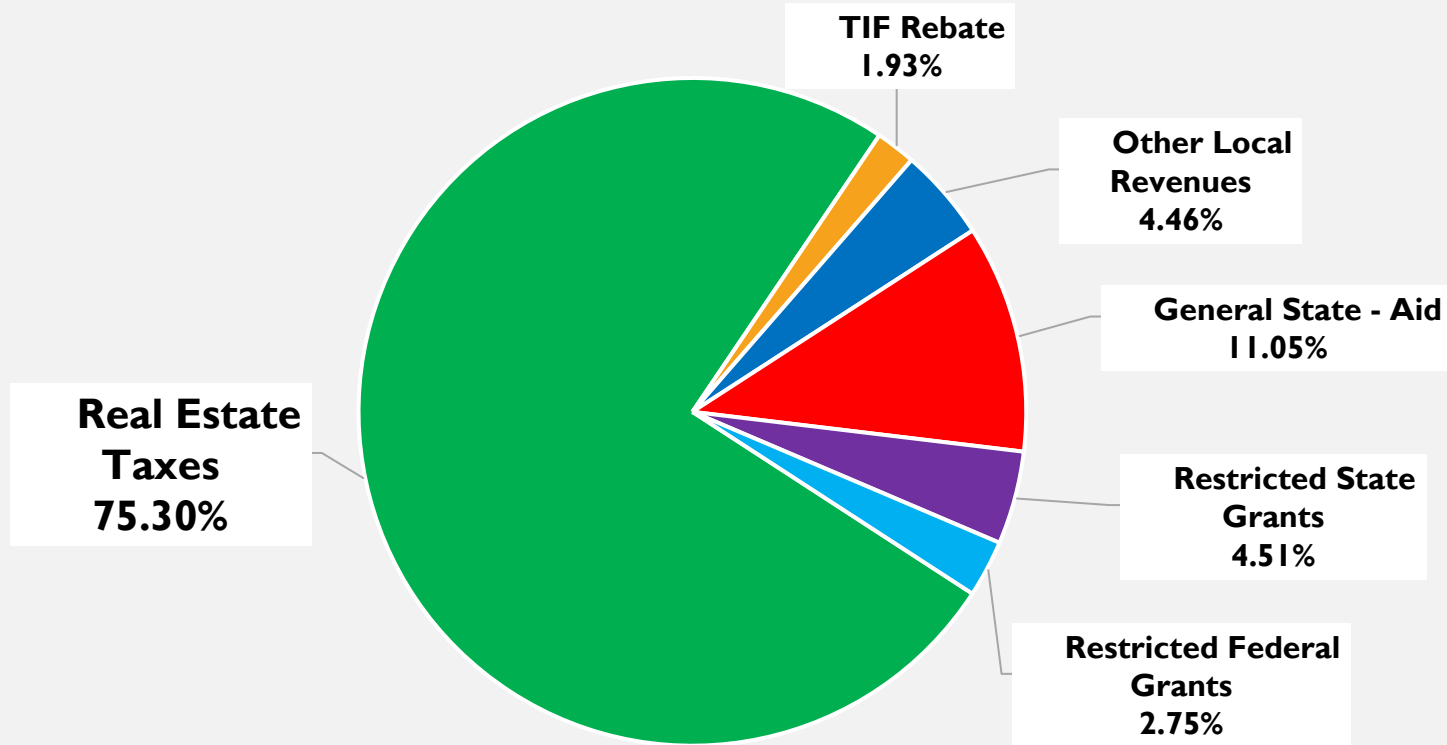
AT THE BEGINNING OF THE REGULAR BOARD MEETING, THE DISTRICT CONDUCTS A TRUTH IN TAXATION HEARING ON THE TAX LEVY. THE DISTRICT ALSO ADOPTS THE 2019 TAX LEVY, INCLUDING ALL APPROPRIATE RESOLUTIONS.

➤ DECEMBER 31, 2019

LAST DAY TO FILE NECESSARY DOCUMENTS WITH THE COOK COUNTY CLERK.

IMPORTANCE OF REAL ESTATE TAX REVENUES- D97

NEARLY ALL REVENUE GROWTH COMES FROM REAL ESTATE TAX REVENUES*



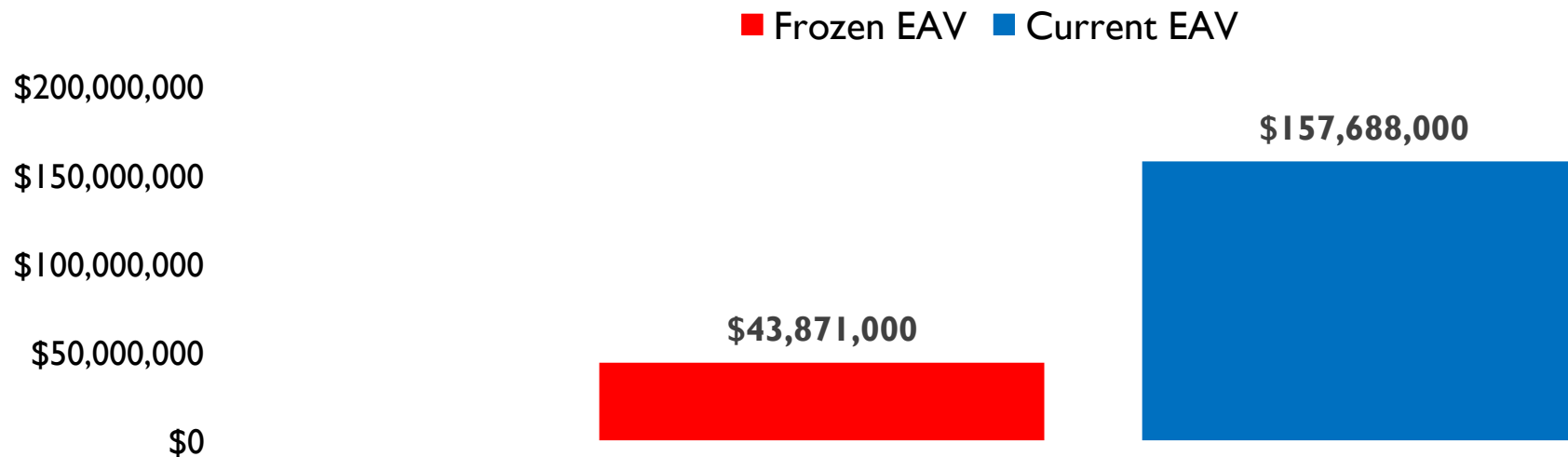
* SINCE 2013, REAL ESTATE TAXES HAVE INCREASE AT AN AVERAGE ANNUAL RATE OF 5.5% DUE PRIMARILY TO THE PASSAGE OF THE REFERENDUM. STATE AND FEDERAL REVENUES HAVE ACTUALLY DECLINED DURING THIS PERIOD.

MAJOR ISSUE TO CONSIDER IN DECIDING TAX LEVY

WHETHER TO ACCESS TAXES GENERATED FROM GROWTH IN EXPIRING TIF PROPERTY

OVER THE PAST 24-36 YEARS, TAXABLE PROPERTY VALUES IN THESE DISTRICTS INCREASED \$113 MILLION. TAX REVENUES GENERATED FROM THIS GROWTH NEVER WENT DIRECTLY TO OAK PARK ELEMENTARY SCHOOL DISTRICT 97, BUT RATHER TO A TIF FUND MANAGED BY THE VILLAGE.

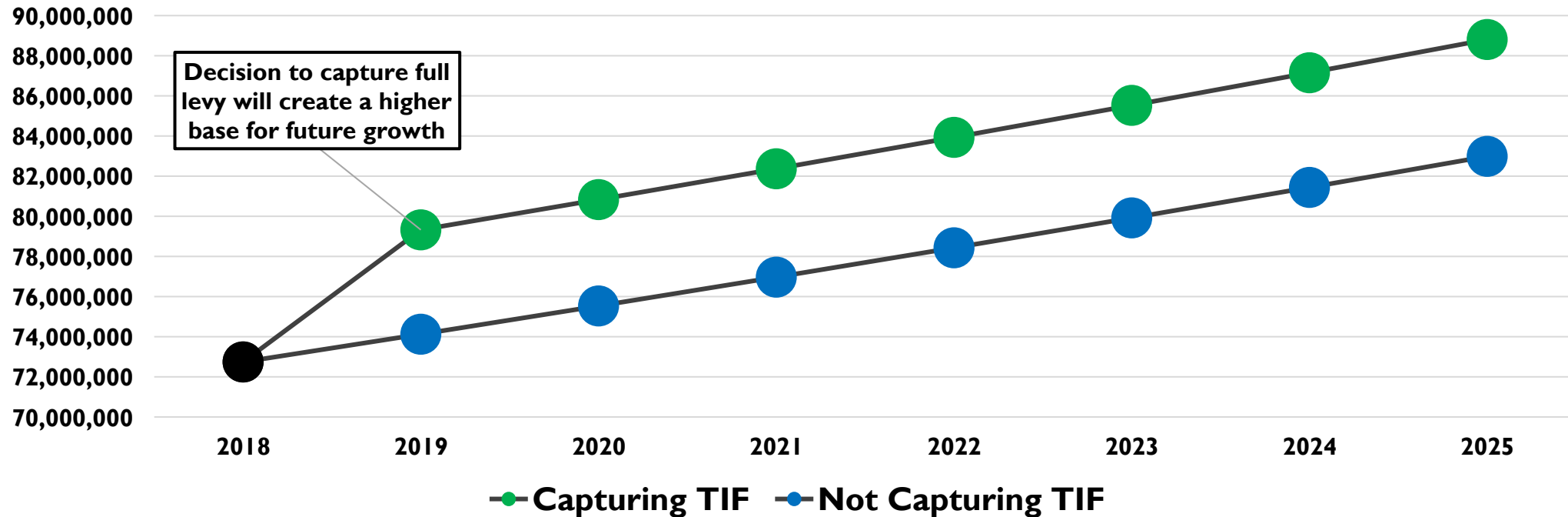
GROWTH IN EAV IN MADISON STREET AND DOWNTOWN TIF AREAS SINCE INCEPTION



THE LAW AFFORDS D97 ONE OPPORTUNITY (DECEMBER 2019) TO RE-ROUTE THE APPROXIMATELY \$5.3 MILLION IN D97 TAXES GENERATED FROM THE GROWTH DIRECTLY INTO THE DISTRICT'S FUND.

WHY IS THE DECISION TO CAPTURE THE NEW TIF
DOLLARS SO SIGNIFICANT?
 THIS DECISION WILL DETERMINE THE "BASE" FOR ALL FUTURE LEVIES

Projected Annual Tax Collections



BASED ON CPI GROWTH OF 2% AFTER THE DECISION ON THE 2019 LEVY, THE DIFFERENCE IN TOTAL DOLLARS TO THE DISTRICT OVER THE NEXT SIX YEARS UNDER THE TWO SCENARIOS IS IN EXCESS OF \$38 MILLION.

FACTORS TO CONSIDER IN MAKING LEVY DECISION

- **IMPACT OF THE DECISION ON THE LONG-TERM FINANCIAL CONDITION OF THE DISTRICT**
 - **HOW DOES THE DECISION IMPACT FUND BALANCE POLICY OF MAINTAINING 3-6 MONTHS OF FUND BALANCE RESERVES?**
- **IMPACT OF THE DECISION ON LONG-TERM QUALITY OF EDUCATIONAL SERVICES IN THE DISTRICT**
 - **WILL THE DISTRICT BE ABLE TO MAINTAIN FUND BALANCE RESERVE TARGETS WITHOUT ADVERSELY IMPACTING STAFFING AND PROGRAMMING?**
- **IMPACT OF THE DECISION ON THE CONDITION OF THE DISTRICT'S FACILITIES**
 - **WILL THE DISTRICT BE ABLE TO ADDRESS CRITICAL REPAIRS IN ITS BUILDINGS WHILE MAINTAINING FUND BALANCE RESERVE TARGETS AND MAINTAINING HIGH LEVEL OF EDUCATIONAL SERVICES DESIRED BY THE COMMUNITY?**

FINANCIAL PROJECTIONS BASED ON VARIOUS LEVY SCENARIOS

- SCENARIO#1** : CAPTURE ALL AVAILABLE NEW TAX DOLLARS FROM EXPIRING TIF
- SCENARIO#2** : CAPTURE \$3 MILLION FROM EXPIRING TIF TO OFFSET LOSS OF TIF SURPLUS
- SCENARIO#3** : DO NOT CAPTURE ANY NEW DOLLARS FROM EXPIRING TIF

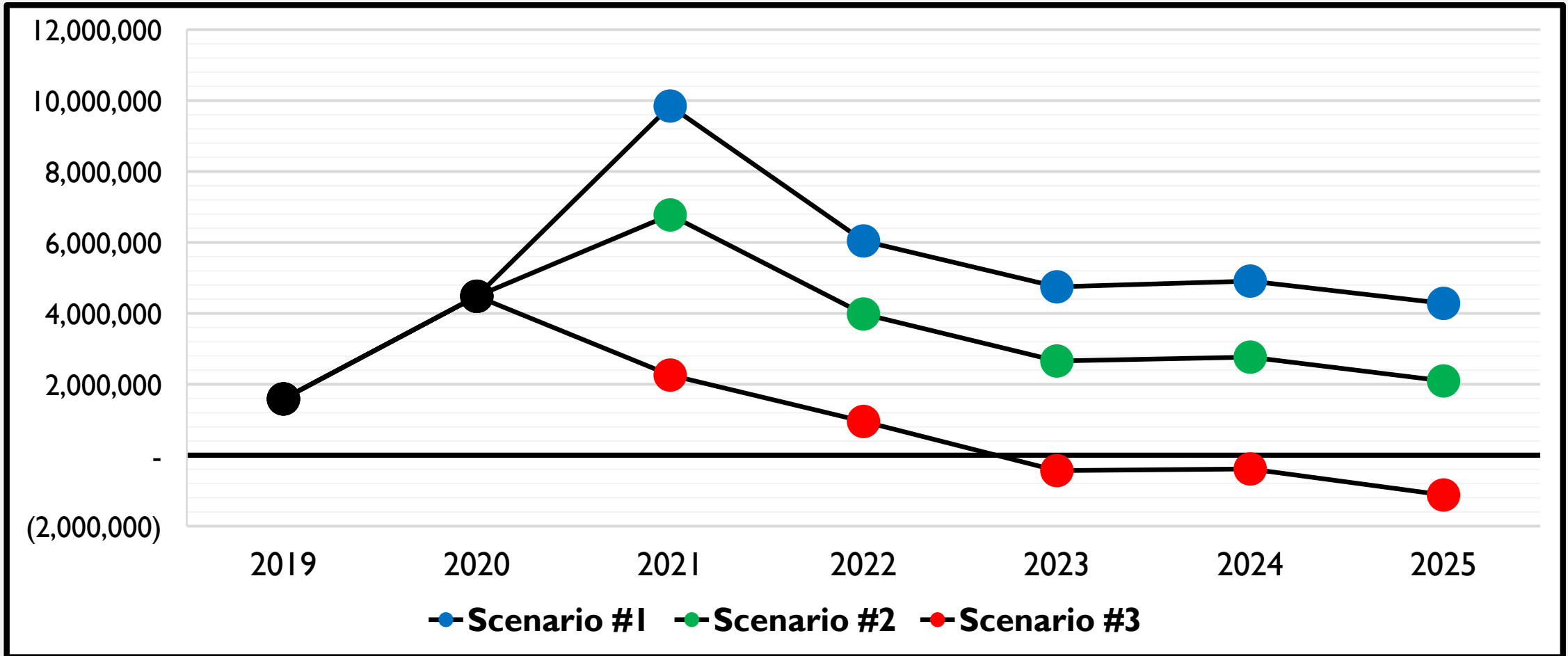
MAJOR ASSUMPTIONS

- MINIMAL NEW REVENUE GROWTH FROM STATE AND FEDERAL SOURCES
- EXPENSE GROWTH AT 2.1% ANNUAL RATE AFTER FY 2020 (VERSUS 4.2% HISTORICAL GROWTH RATE)
- NO PROPERTY TAX CAP LEGISLATION
- \$33.5 MILLION IN MAJOR NON-REFERENDUM CAPITAL EXPENSES PAID WITH FUND BALANCE RESERVE RATHER THAN NEW BOND PROCEEDS

PROJECTED REVENUES VS. EXPENSES

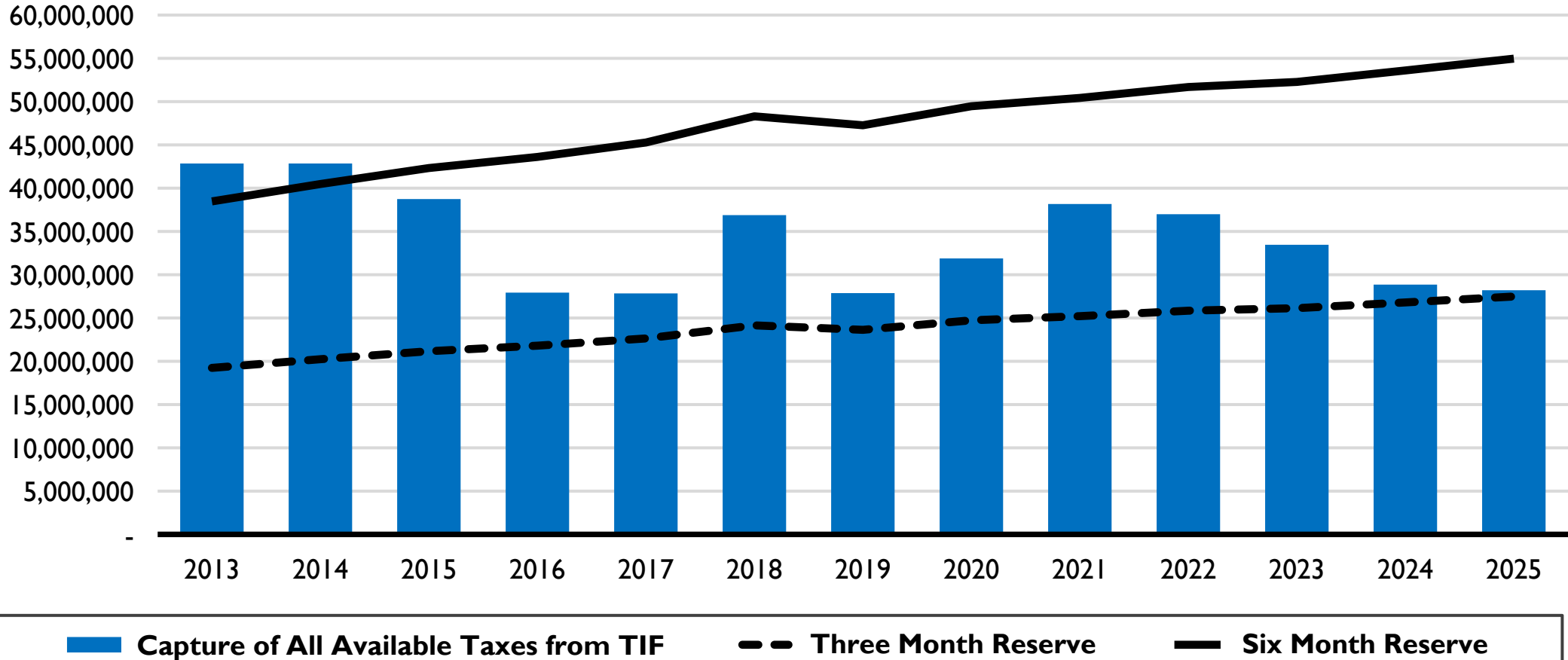
(SURPLUS DEFICIT)

ALL FUNDS— EXCLUDING BOND PROCEEDS AND MAJOR CAPITAL



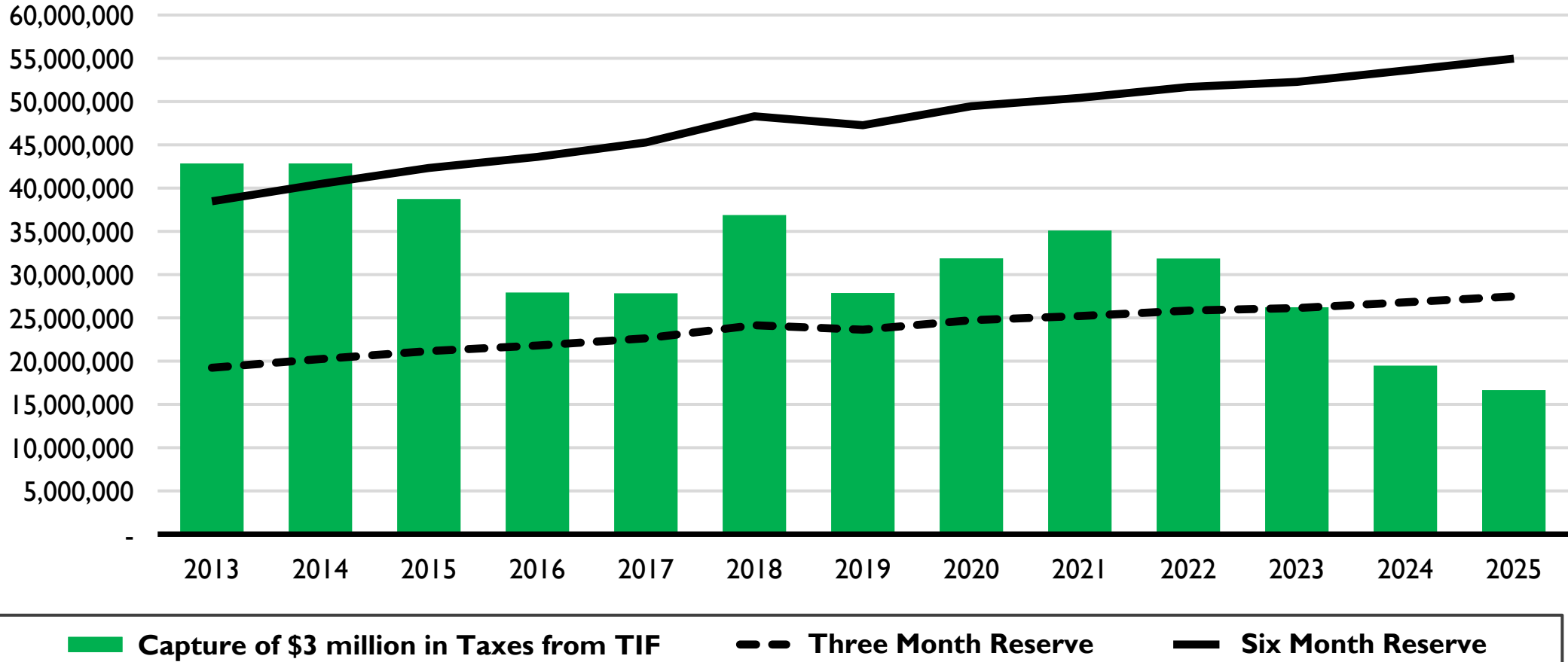
PROJECTED FUND BALANCES

ASSUMING ADOPTION OF LEVY CAPTURING ALL AVAILABLE TAXES FROM EXPIRING TIF



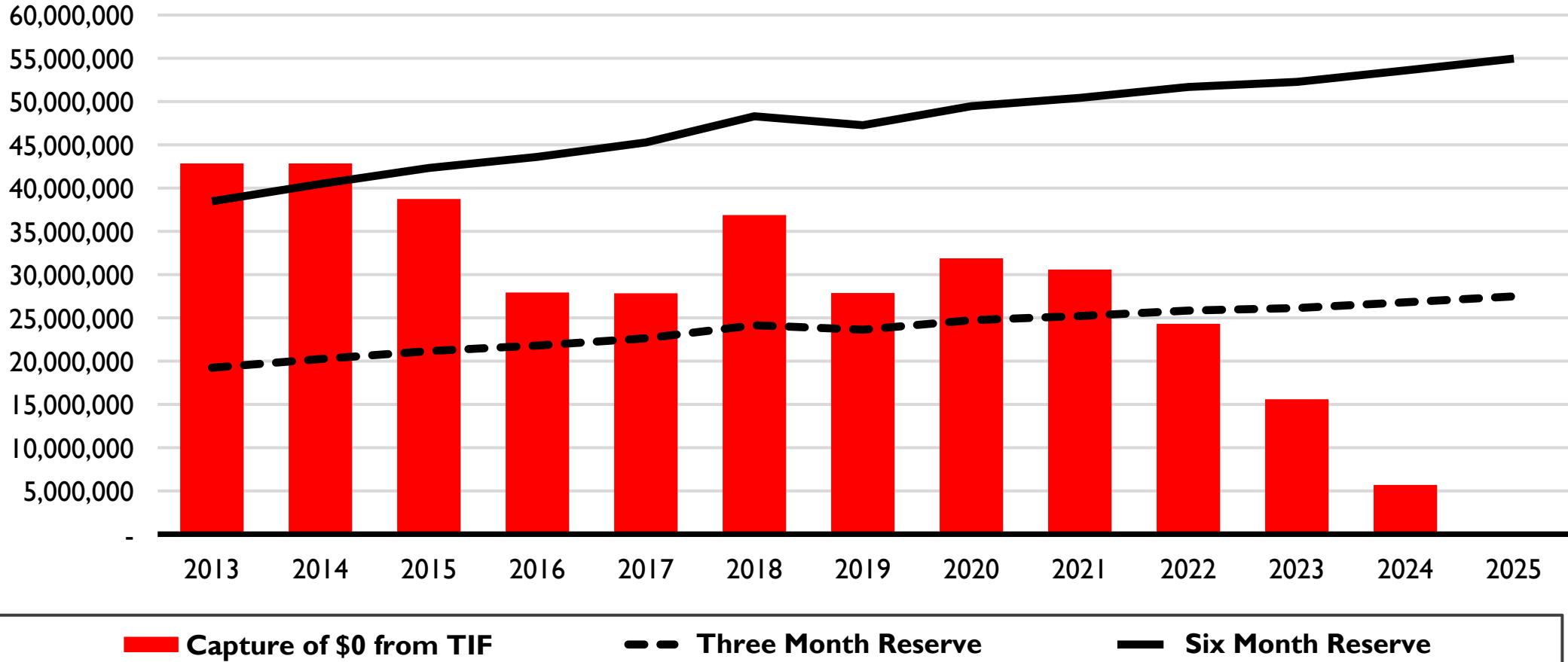
PROJECTED FUND BALANCES

ASSUMING ADOPTION OF LEVY CAPTURING \$3 MILLION NEW TAX DOLLARS FROM EXPIRING TIF



PROJECTED FUND BALANCES

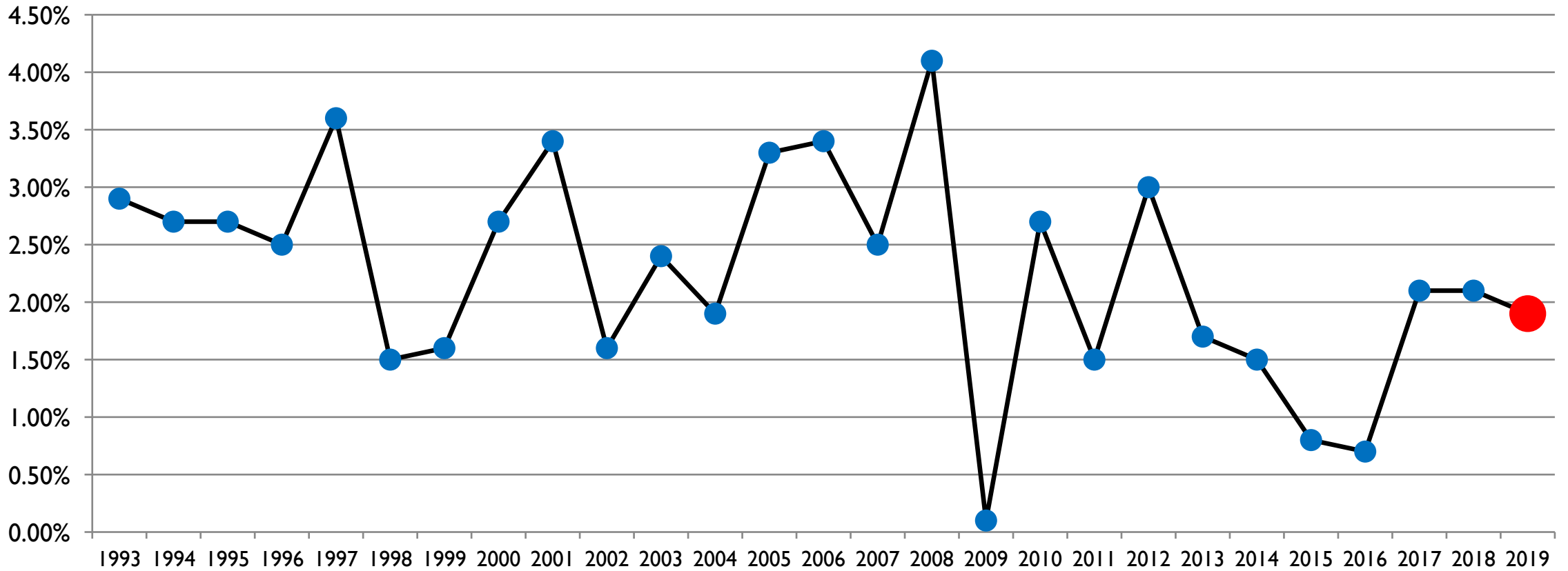
ASSUMING ADOPTION OF TAX LEVY THAT DOES NOT CAPTURE ANY NEW DOLLARS FROM EXPIRING TIF



RECOMMENDED TAX LEVY

HISTORICAL TAX CAP HISTORY

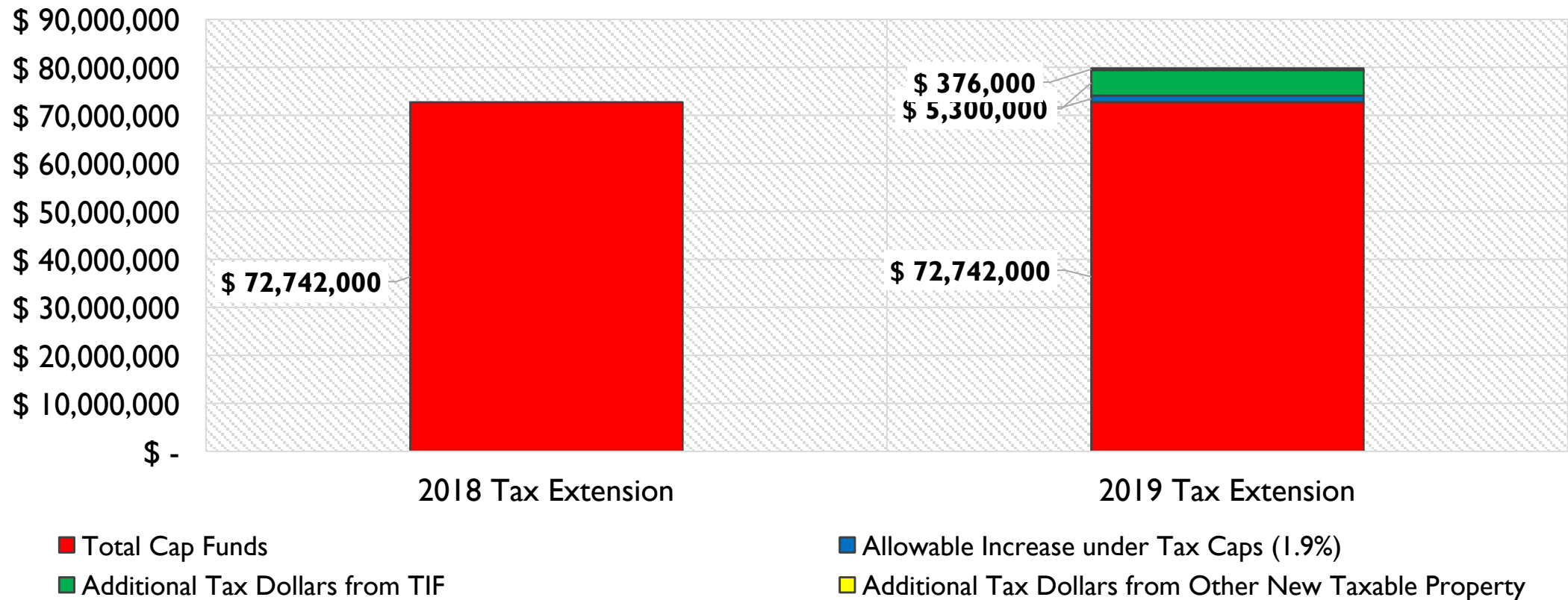
REAL ESTATE TAX GROWTH IN SCHOOL DISTRICTS IN TAX-CAPPED COUNTIES LIMITED BY
RATE OF INFLATION EXCEPT FOR NEW TAXABLE PROPERTY GROWTH



OTHER THAN ADDITIONAL REVENUES GENERATED FROM THE EXPIRING TIF'S AND NEW PROPERTY, THE DISTRICT IS LIMITED TO A 1.9% INCREASE VERSUS THE PRIOR YEAR.

RECOMMENDED TAX LEVY – ACCESS MAXIMUM ALLOWABLE DOLLARS

FINAL EXTENSION WOULD GENERATE AN INCREASE OF APPROXIMATELY 9.7% IN THE DISTRICT'S TAX EXTENSION VERSUS THE PREVIOUS YEAR

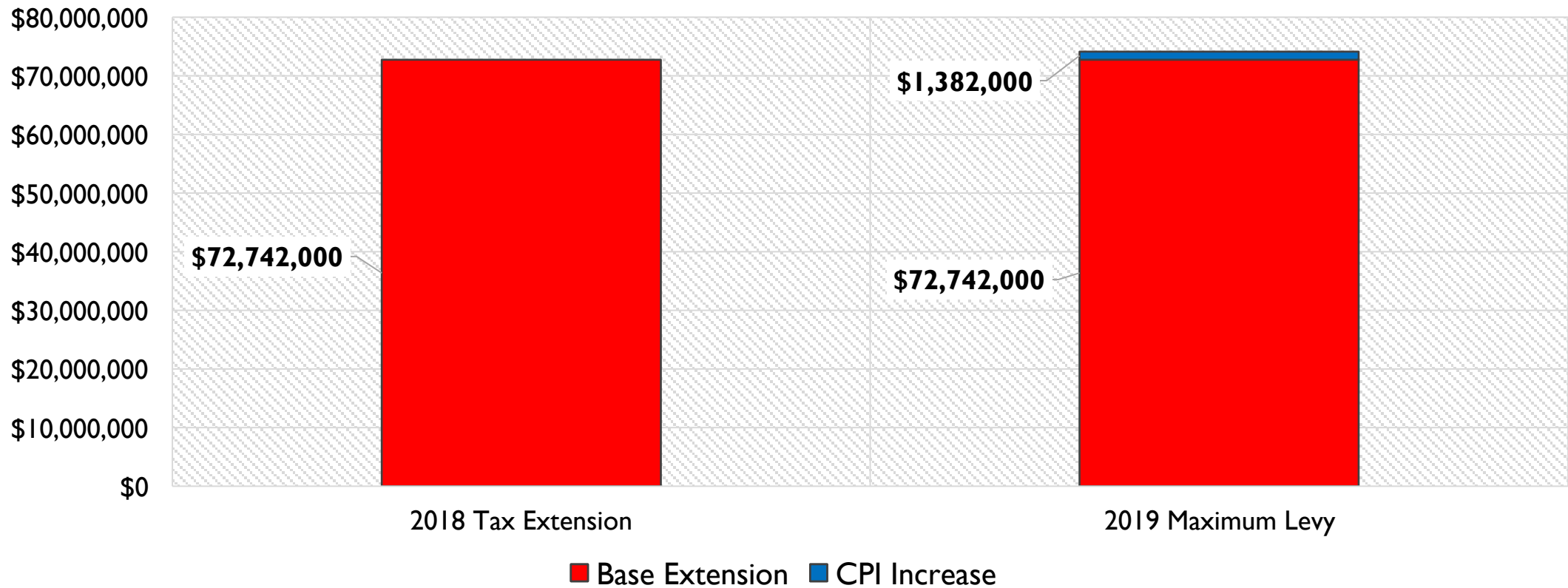


IMPORTANT: THE \$5.3 MILLION ADDITIONAL TAX REVENUES DOES NOT REPRESENT AN INCREASE IN REVENUES OF \$5.3 MILLION TO THE DISTRICT. WITH THE EXPIRATION OF THE TIF, THE DISTRICT WILL LOSE AN AVERAGE OF \$2 - \$3 MILLION TIF SURPLUS. THEREFORE, THE NET INCREASE IN REVENUES TO THE DISTRICT WILL BE AROUND \$2.3 - \$3.3 MILLION.

RECOMMENDED TAX LEVY

NET IMPACT TO TAXPAYERS OUTSIDE OF TIF/NEW PROPERTY AREA

FINAL EXTENSION (EXCLUDING NEW TAX DOLLARS FROM TIF AND NEW PROPERTY) WOULD GENERATE AN INCREASE OF APPROXIMATELY **1.9% TO TAXPAYERS OUTSIDE OF TIF AND NEW TAXABLE PROPERTY AREAS**



BREAKDOWN OF LEVY REQUEST

Fund Description	Levy Amount
IMRF Fund	800,000
Social Security Fund	800,000
Liability Insurance Fund	900,000
Transportation Fund	1,800,000
Education Fund	61,800,000
Building Fund	8,000,000
Working Cash Fund	700,000
Life Safety Fund	0
Special Education Fund	5,000,000
Leasing Fund	<u>0</u>
Total Levy	79,800,000

ESTIMATED IMPACT TO DISTRICT (VERSUS PRIOR YEAR)

- IT IS ESTIMATED THAT THE TAX EXTENSION FOR NON-BOND AND INTEREST FUNDS WILL INCREASE APPROXIMATELY \$7,103,000.
- THIS REPRESENTS AN INCREASE IN TAX REVENUES OF 9.7% VERSUS THE PRIOR YEAR.
- THE DISTRICT WILL LOSE APPROXIMATELY \$2 - \$3 MILLION TIF SURPLUS DOLLARS, WHICH WILL OFFSET A PORTION OF THE REAL ESTATE TAX REVENUE GROWTH.

ESTIMATED IMPACT TO TAXPAYER OUTSIDE OF TIF/NEW PROPERTY

(ASSUMING \$400,000 MARKET VALUE HOME)

- IT IS ESTIMATED THAT THE TAX EXTENSION FOR NON-BOND AND INTEREST FUNDS WILL INCREASE APPROXIMATELY 1.9% VERSUS THE PRIOR YEAR.
- THIS REPRESENTS AN INCREASE IN THE TAX BILL ON A \$400,000 HOME OF APPROXIMATELY \$90 FOR THE PORTION OF THE TAX BILL DUE TO OAK PARK ELEMENTARY SCHOOL DISTRICT 97 (TOTAL ANNUAL INCREASE).

OVERALL IMPACT OF THE RECOMMENDED LEVY

THE DECISION TO CAPTURE ALL OF THE AVAILABLE TAX LEVY WILL:

- ALLOW THE DISTRICT TO MAINTAIN FUND BALANCE RESERVE TARGETS THROUGH THE 2025 FISCAL YEAR (PROJECTED)
- SIGNIFICANTLY DELAY THE NEED TO HAVE TO GO TO REFERENDUM.
- ALLOW THE DISTRICT TO ADDRESS FACILITY NEEDS WITHOUT ISSUING ADDITIONAL DEBT
- BETTER POSITION THE DISTRICT TO ABSORB THE IMPACT OF ADVERSE LEGISLATION INCLUDING PROPERTY TAX FREEZE LEGISLATION AND PENSION SHIFT LEGISLATION.

END OF PRESENTATION