

## MEMORANDUM

**TO:** Dr. Albert G. Roberts, Superintendent of Schools

**FROM:** Therese M. O'Neill, Asst. Supt. for Finance & Operations

**SUBJECT:** Estimated 2010 Levy

**DATE:** October 26, 2010

Annually, the Board of Education must first adopt an estimate of levy (attachment) and then, at a subsequent meeting, adopt this estimate (November 16, 2010). If a proposed levy is in excess of 5%, a Truth-In Taxation notice must be published and a Public Hearing must be conducted.

For 2010, the proposed levy increase is in concert with the CPI (Consumer Price Index) or 2.7%, and thus does not require such publication nor public hearing. However, the Board of Education has historically chosen to continue the publication as well as conduct a public hearing, even when the proposed level was less than 5%. It is recommended that this practice continue for the 2010 levy.

This estimated levy does not bind the Board of Education in any way in formally approving a different amount, if necessary, at a subsequent meeting. It merely is adhering to a precondition in adopting its formal levy. The Board of Education will have a formal levy presentation made at its November 30, 2010 meeting (am including here for review) and then final adoption anticipated at its December 14, 2010 meeting. Once the levy is adopted, it will be filed with the Cook County Clerk.

Specific to the proposed levy itself, the second attachment (page 4) delineates what the preliminary draft 2009 extension was and, utilizing the 2.7% CPI, what the 2010 proposed levy would be, by fund. To ensure that this levy assumes anticipated new EAV growth and capturing those potential revenues, calculations have been done, reviewed, and verified by Steve Miller of PMA, and provide sufficient new growth (approximately a range of \$49 and \$92 million dollars) to ensure maximum receipt of property taxes. Given that the County provides a loss factor (3% for "capped" funds and 5% for "non-capped" funds), utilizing a formula allows us to determine that amount of potential new growth to insure no potential revenues are lost with the levy adoption.

Should you have any questions regarding either the estimated Certificate of Levy or the construction of the 2010 proposed levy, please let me know. I am sharing the proposed power point presentation but do not intend to formally present until the November 30, 2010 meeting.

tmo

Attachments (2)