

***Oak Park and River Forest High School
District 200***

201 North Scoville Avenue • Oak Park, IL 60302-2296

TO: Board of Education

FROM: Cheryl L. Witham, Assistant Superintendent for Finance and Operations

DATE: November 6, 2012

RE: Presentation of Preliminary Levy

BACKGROUND

The Preliminary Levy must be placed on display no less than 20 days in advance of adoption. The Board of Education will adopt the 2012 Levy at its regularly scheduled Board meeting on December 20, 2012. A Truth in Taxation Hearing will be held at the regularly scheduled Board Meeting on December 20, 2012.

The Property Tax Extension Limitation Law (PTELL or “tax cap”) limits the growth in property taxes to the lesser of 5% or the previous year Consumer Price Index (CPI-U) plus new property. The total tax received will not exceed the “tax cap” limitation. The value of new property is unknown to the District at this time and is therefore an estimate. Regardless of how much the District requests, no more than the maximum allowable under the law will be received.

SUMMARY OF FINDINGS

The December 31, 2011 CPI-U was 3.0%. This is the CPI increase that is used for the 2012 Levy.

Calendar year 2011 was a triennial reassessment year for Oak Park and River Forest. The reassessments resulted in an overall EAV decrease of approximately 15%. Historically, the Equalized Assessed Value (EAV) of properties in the communities have increased in the triennial reassessment year and then decreased slightly the following year. Therefore, for the 2012 levy the EAV is projected to decline by 1.0%. The chart below provides historical data of this phenomenon.

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<i>Levy Year</i>	<i>CPI</i>	<i>EAV</i>	<i>% Increase</i>	
<i>1995</i>	2.20%	\$ 807,929,036	0.55%	Actual
<i>1996</i>	2.50%	\$ 882,475,609	9.23%	Actual
<i>1997</i>	3.30%	\$ 876,602,437	-0.67%	Actual
<i>1998</i>	1.70%	\$ 888,191,638	1.32%	Actual
<i>1999</i>	1.60%	\$ 1,014,461,583	14.22%	Actual
<i>2000</i>	2.70%	\$ 997,025,802	-1.72%	Actual
<i>2001</i>	3.00%	\$ 1,049,586,419	5.27%	Actual
<i>2002</i>	2.50%	\$ 1,513,988,694	44.25%	Actual
<i>2003</i>	2.40%	\$ 1,507,098,940	-0.46%	Actual
<i>2004</i>	1.90%	\$ 1,551,572,998	2.95%	Actual
<i>2005</i>	3.30%	\$ 1,970,385,120	26.99%	Actual
<i>2006</i>	3.40%	\$ 1,953,712,946	-0.85%	Actual
<i>2007</i>	2.50%	\$ 2,053,605,186	5.11%	Actual
<i>2008</i>	4.10%	\$ 2,337,528,355	13.83%	Actual
<i>2009</i>	0.10%	\$ 2,485,435,195	6.33%	Actual
<i>2010</i>	2.70%	\$ 2,554,919,343	2.80%	Actual
<i>2011</i>	1.50%	\$ 2,170,008,263	-15.07%	Actual
<i>2012</i>	3.00%	\$ 2,148,308,180	-1.00%	Projected
<i>2013</i>	2.00%	\$ 2,172,806,262	1.14%	Projected
<i>2014</i>	2.00%	\$ 2,369,858,826	9.07%	Projected
<i>2015</i>	2.00%	\$ 2,347,660,238	-0.94%	Projected
<i>2016</i>	2.00%	\$ 2,372,636,840	1.06%	Projected

Regardless of the increase or decrease in EAV, the District is still limited by the PTELL caps mentioned above. The District levies a dollar amount. As an example, if the District levied \$10,000 in 2011 (excluding bond and interest), then the levy would be \$10,300 in FY 2012, because the CPI-U of 3.0% is less than the PTELL cap of 5%. The tax rate is then calculated by taking the dollar amount of \$10,300 and dividing it by the total EAV. Then that rate is applied to the EAV of new property added to the tax base.

When the total EAV in the District increases, the tax rate decreases to ensure the District only receives the dollars it is entitled to under the PTELL law. The opposite is true when EAV decreases. In the past, the District's tax rate has declined in response to the EAV increase.

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<i>Levy Year</i>	<i>Limiting Rate</i>
2005	2.821
2006	2.751
2007	2.701
2008	2.488
2009	2.347
2010	2.409
2011	2.905
2012	3.022

The limiting tax rate increased in 2011 due to the decline in EAV. The limiting tax rate is anticipated to increase slightly with the 2012 levy due to the anticipated 1.0% decline in EAV. However, the increase in taxes collected by the school district will be capped by the increase in CPI-U of 3.0%, plus the taxes on new property. The above chart reflects the total limiting tax rate for all funds. The 2002 referendum was a tax rate increase to 2.95 in the Education Fund alone. The current tax rate in the Education Fund is well below that referendum approval and is presently 2.1777%

For the 2012 Levy, the District will request the CPI-U increase of 3.0% plus the estimated value of new property added to the tax base during 2012 of \$10,000,000.

Fund	Actual 2011 Levy	Preliminary 2012 Levy
Education	\$ 47,256,832	\$ 48,966,886
Liability Insurance	1,186,308	1,221,885
Special Education	678,714	678,707
O&M	7,181,169	7,781,097
Transportation	891,096	891,087
IMRF	1,397,214	1,210,000
Social Security	1,197,212	1,250,000
Working Cash	1,085,004	1,079,154
Life Safety	2,170,008	2,158,308
Total	<u>\$ 63,043,557</u>	<u>\$ 65,237,124</u>
Bond & Interest	\$ 3,092,439	\$ 2,570,655
TOTAL LEVY	<u>\$ 66,135,996</u>	<u>\$ 67,807,779</u>

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The total levy request is a 2.5% increase, which is 0.5% less than the December 31, 2011 CPI-U of 3.0%. The reduction is due to a reduced Bond and Interest Levy of \$521,784. The final payment for the 2003B issue is December 1, 2012. The 2003A and the 2004 debt are callable on December 31, 2013. As discussed previously, the District can invest \$5,025,000 of its fund balances to pay off the debt on the call date and save the community \$1,255,168 in interest payments. After paying of the debt in December of 2013, the levy would be reduced another \$500,000 per year.

The following is the Timeline for the Levy

November 6	Board Meeting	Preliminary Levy
November 15	Board Meeting	Adopt Preliminary Levy
December 20	Board Meeting	Public Hearing
December 20	Board Meeting	Final Adoption of Levy

The Truth in Taxation Act (35ILCS 200/18-60) requires a public hearing if the estimate of the aggregate tax Levy exceeds 105 percent of the amount extended the previous year. The 2012 Levy is expected to be 2.5% higher than the 2011 Levy. On December 20th, the District will provide an opportunity for public comment concerning the Levy.

RECOMMENDATIONS (OR FUTURE DIRECTIONS)

To adopt the Preliminary Levy as presented and to approve for display at the November 15th regular scheduled Board of Education meeting.

**Notice of Proposed Property Tax Increase
For Oak Park and River Forest High School District 200.**

I. A public hearing to approve a proposed property tax levy increase for Oak Park and River Forest High School District 200 for 2012 will be held on December 20, 2012 at 7:30 p.m. in the Board Room of the high school. Any person desiring to appear at the public hearing and present testimony to the taxing district may contact Cheryl L. Witham, Assistant Superintendent for Finance and Operations, at 201 N. Scoville Ave. (708) 434-3264.

II. The corporate and special purpose property taxes extended or abated for 2011 were \$63,043,557.

The proposed corporate and special purpose property taxes to be levied for 2012 are \$65,237,124.

This represents a 3.5% increase over the previous year.

III. The property taxes extended for debt service and public building commission leases for 2011 were \$3,092,439.

The estimated property taxes to be levied for debt service and public building commission leases for 2012 are \$2,570,665.

This represents a 16.87 % decrease from the previous year.

IV. The total property taxes extended or abated for 2011 were \$66,135,996.

The estimated total property taxes to be levied for 2012 are \$67,807,779. This represents a 2.53% increase over the previous year.

RESOLUTION REGARDING ESTIMATED AMOUNTS TO BE
EXTENDED UNDER THE PROPERTY TAX EXTENSION LIMITATION ACT

Be it resolved by the Board of Education of Common School District No. 200, County of Cook, State of Illinois
the following:

1. The Cook County Clerk is hereby directed to extend from the 2012 Levy no less than the amounts
indicated as follows:

Educational Purposes	\$ 48,966,866
Liability Insurance	\$ 1,221,885
Operations & Maintenance Purposes	\$ 7,781,097
Transportation Purposes	\$ 891,087
Illinois Municipal Retirement Fund	\$ 1,210,000
Social Security Purposes	\$ 1,250,000
Life Safety	\$ 2,158,308
Special Education	\$ 678,707
Working Cash	\$ 1,079,154

Should any further reductions be necessary under the Property Tax Extension Limitation, such reductions
should be taken from the Education Fund.

Board of Education
Oak Park and River Forest H. S. District No. 200
County of Cook
State of Illinois

By: _____
President of the Board of Education

ATTEST:

Secretary of the Board of Education

RESOLUTION AUTHORIZING REDUCTION OF
CERTAIN FUND LEVIES FOR THE 2012 LEVY YEAR

WHEREAS, On December 20, 2012, the Board of Education (“Board of Education”) of Oak Park and River Forest High School District No. 200, Cook County, Illinois (“School District”) did adopt the 2012 tax levy; and

WHEREAS, the Property Tax Extension Limitation Law (“PTELL”) limits the increases on tax extensions to 5% or the percentage increase in the C.P.I. during the 13 month calendar year preceding the levy year, whichever is less; and

WHEREAS, the County Clerk has notified each Cook County taxing district now subject to the PTELL that it may direct to the County Clerk’s Office, by proper resolution, to make specific and necessary reductions to its tax levy for the 2012 levy year in accordance with the requirement of Section 18-195 of the PTELL (35 ILFCS 200/18-a95).

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of School District No. 200, Cook County, Illinois as follows:

Section 1. That the Board of Education hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does hereby incorporate them into this Resolution by reference.

Section 2. That if the County Clerk is required to reduce the aggregate extension of the School District to meet the requirements of the PTELL, the Board of Education hereby authorizes and directs the County Clerk that if any reductions are required to be made to the School District’s tax levy for the 2012 levy year, that:

100% of such reduction shall be made from the Education Fund

Section 3. That the President and Secretary of the Board of Education be and are hereby authorized and directed to sign the Resolution on behalf of the Board of Education.

Section 4. That the Superintendent of Schools of the School District be and is hereby directed to file a certified copy of the Resolution with the County Clerk as soon as practicable following their adoptions and execution, on or before the last Tuesday in December.

Section 5. That all other resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed and this Resolution shall be in full force and effect immediately and forthwith upon its passage.

AYES:

NAYS:

ABSENT:

ADOPTED this 20th day of December, 2012

OAK PARK AND RIVER FOREST HIGH SCHOOL, DISTRICT 200
COUNTY OF COOK, STATE OF ILLINOIS

BY: _____
President of the Board of Education

ATTEST:

Secretary, Board of Education