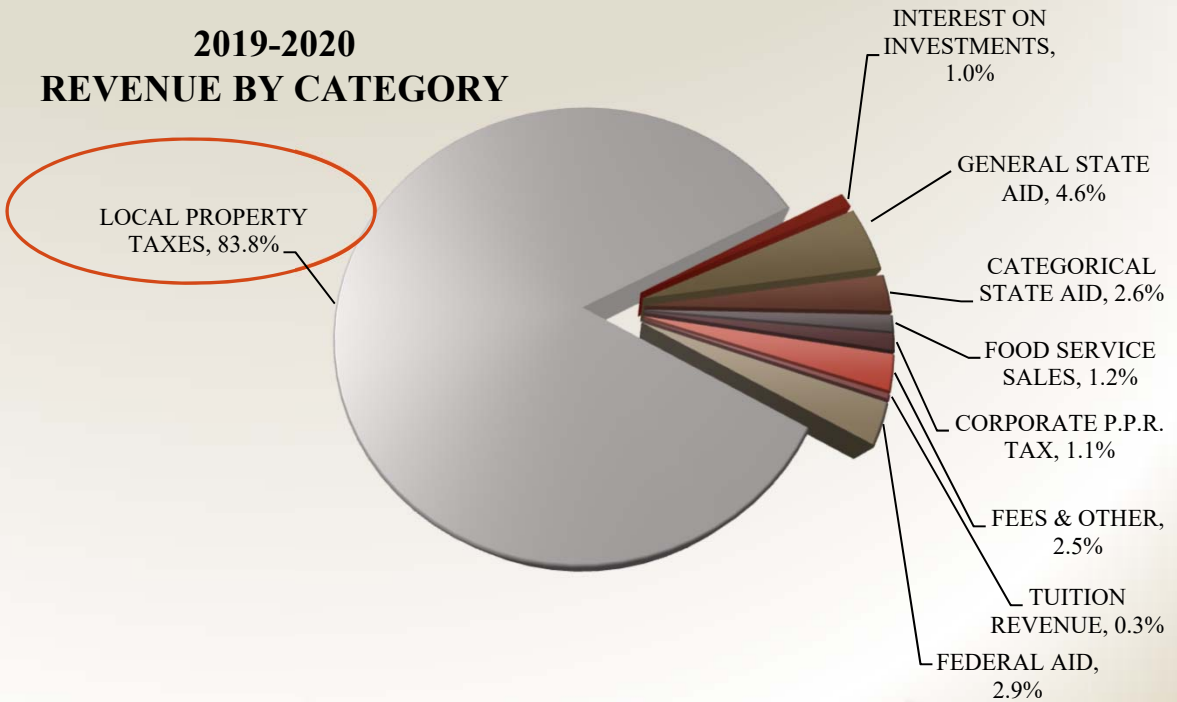




* 2019 Levy
Information

*Property Taxes are Primary Revenue Source

Approximately 84% of the District's total revenue comes from property taxes



* How Does the Levy Impact Individual Property Tax Bill Calculations?

Factors Used to Calculate Property Tax Bill:	Description:	Controlled By:
1. Property Value	Value of property compared to properties of similar size and location	Cook County Assessor
2. Property Assessment Level (by Property Type)	Factor applied to property value to calculate assessed value	Cook County Assessor
3. Equalization Factor	Factor applied to bring Cook County properties in line with all of Illinois	IL Dept. of Revenue
4. Tax Rate	Sum of all tax rates-determined by levy amounts	Local taxing body (including D211)
5. Exemptions	Lessen the amount owed and apply to individuals meeting certain criteria	Cook County Treasurer

Local taxing bodies control only 1 of 5 components used to determine individual property tax bill amounts

*Cook County Tax Bill

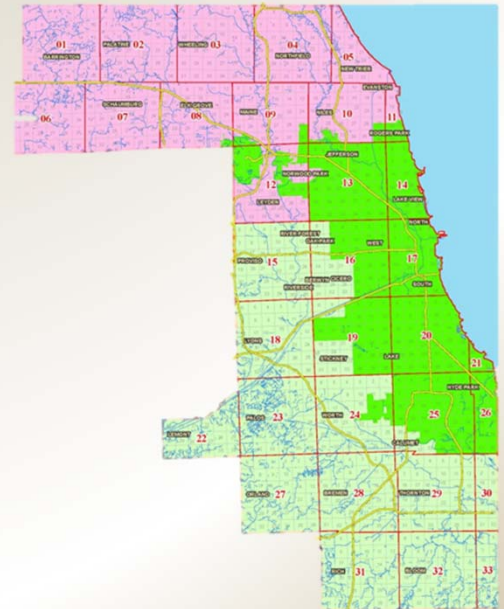
TAX CALCULATOR

	2017 Assessed Value	49,213	2018 Total Tax Before Exemptions	15,293.80
Factor 1. Property Value	2018 Property Value	492,130	Homeowner's Exemption	-1,067.60
Factor 2. Assessment Level	2018 Assessment Level	X 10%	Senior Citizen Exemption	.00
	2018 Assessed Value	49,213	Senior Freeze Exemption	.00
Factor 3. Equalization Factor	2018 State Equalizer	X 2.9109		
	2018 Equalized Assessed Value (EAV)	143,254	2018 Total Tax After Exemptions	14,226.20
Factor 4. Tax Rate	2018 Local Tax Rate	X 10.676%	First Installment	7,686.52
	2018 Total Tax Before Exemptions	15,293.80	Second Installment +	6,539.68
			Total 2018 Tax (Payable in 2019)	14,226.20

Factor 5. Exemptions

* Factor 1. Property Value

- * Cook County Assessor's office reassesses parcels by mass appraisal system reviewing size and location of similar properties.
- * The estimated value of a home is determined by the County Assessor
- * Property values are reassessed every 3 years in Cook County (Triennial Reassessment)
- * Properties within D211 boundaries were last assessed in 2019

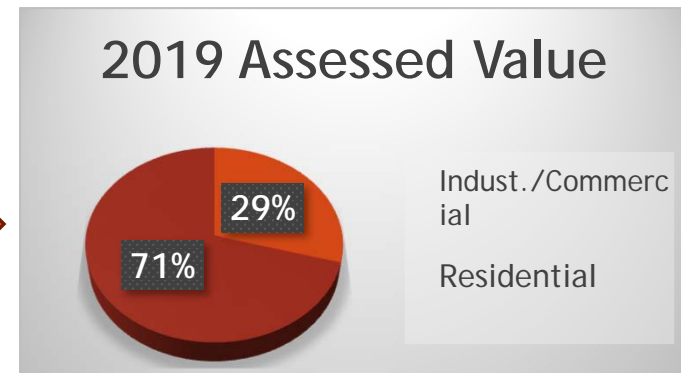
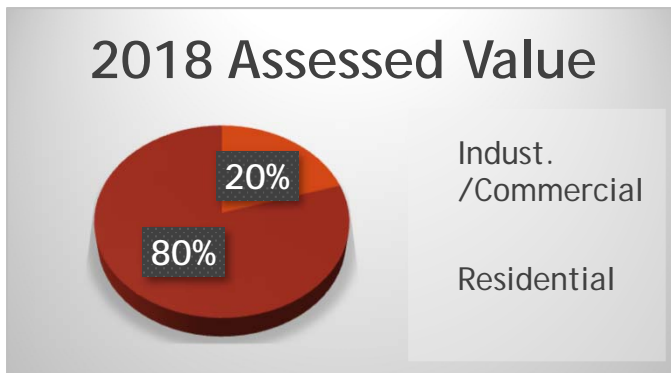


* 2019 Reassessment Data

Schaumburg Assessed Values	Previous 2018 Assessed Value	2019 Assessed Value	% Increase
Industrial/ Commercial	\$ 779,065,850	\$ 1,301,584,750	67%
Residential	\$ 929,053,235	\$ 1,089,597,304	17%

Palatine Assessed Values	Previous 2018 Assessed Value	2019 Assessed Value	% Increase
Industrial/ Commercial	\$ 266,395,720	\$ 478,767,195	80%
Residential	\$ 1,046,441,299	\$ 1,150,774,996	10%

Source: Cook County Assessor



While residential values increased collectively for all property types under the most recent triennial reassessment, they increased far less for residential than that of commercial or industrial properties.

Under the above scenario for Palatine Twnshp., it is possible that residential property owners could see a decrease in their tax bill related to their valuation as burden shifts to commercial/industrial.

*Factor 2. Property Assessment Level

*Once a property value is determined, the assessment level factor is applied based upon the property type.

*Assessed valuation is the value used in calculating each tax bill

*Commercial/Industrial Properties: 25% of property value

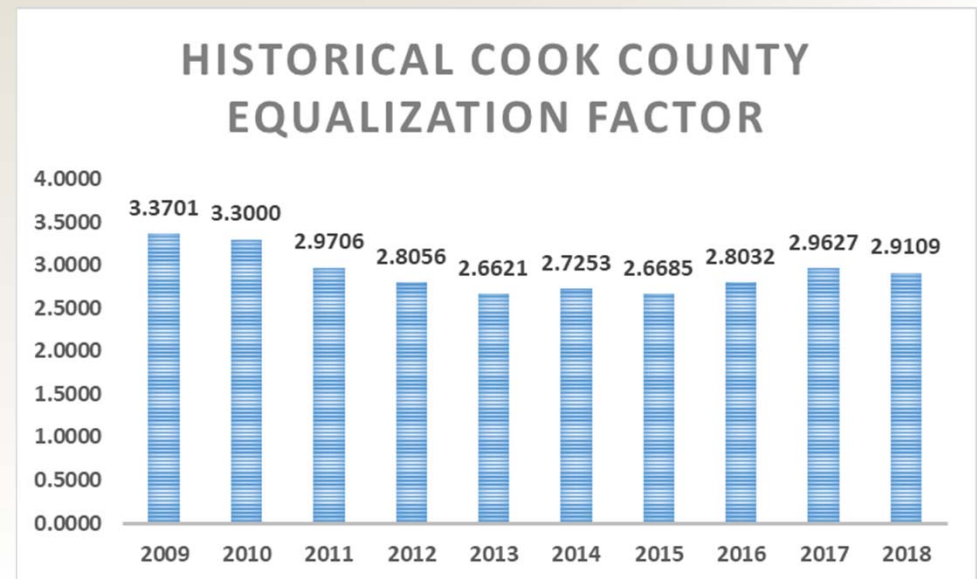
*Residential Properties: 10% of property value

\$300,000 home
X 10% assessment level
\$30,000 assessed valuation

*Factor 3. Equalization Factor

- *The Illinois Department of Revenue determines the equalization factor (also referred to as the Multiplier)
- *The value is used to bring all property values in line with those across the state

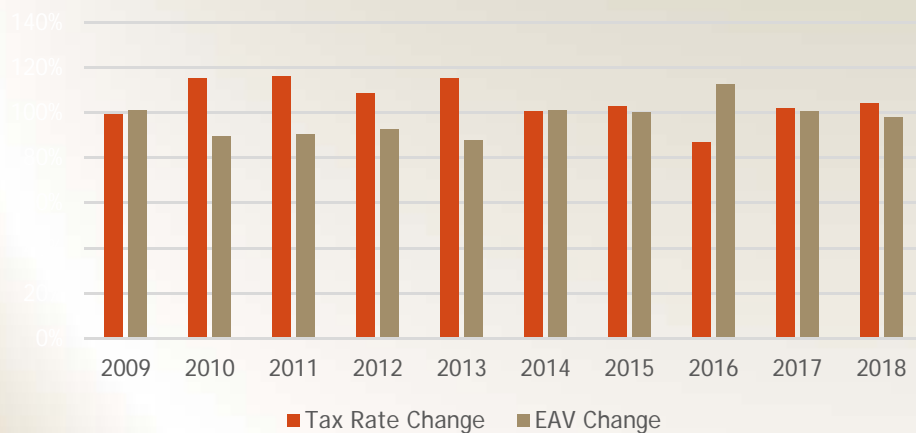
All other factors equal, the change in Equalization Factor from 2017 to 2018 would cause a decrease in taxes



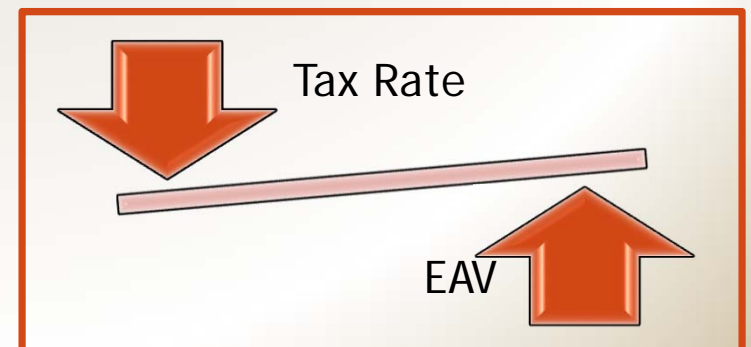
*Factor 4. Tax Rate

*Each individual taxing body's tax rate is determined by the levy amount relative to total EAV

% Change in EAV Compared to % Change in Tax Rate



As EAV increases, tax rates typically decrease



* Factor 5. Exemptions

- * Exemptions are reductions applied to a property owners assessed valuation for meeting specific qualifications
- * Examples include homeowner, senior citizen, and home improvement exemptions

Example: Eligible Exemption – \$2,000

Assessed Value: \$30,000

Exemptions: (\$2,000)

New Assessed Value: \$28,000

*Tax Bill Examples of Changes to Factors of a Tax Bill

What if....? *(Assumptions for home valued at \$350k in Palatine)*

The equalization factor was higher

Variables	Actual	What if?
2018 District 211 Total EAV	7,463,311,883	7,463,311,883
2018 State Equalization Factor	2.9109	2.95
2018 Property Value	350,000	350,000
2018 District 211 Levy	227,183,214	227,183,214
Change in 2018 taxes paid for District 211:		\$ 41.66
Change in 2018 total taxes paid:		\$ 146.10



Property owner would pay \$146 more in taxes under the same levy amount

The property value increased 10%

Variables	Actual	What if?
2018 District 211 Total EAV	7,463,311,883	7,463,311,883
2018 State Equalization Factor	2.9109	2.9109
2018 Property Value	350,000	385,000
2018 District 211 Levy	227,183,214	227,183,214
Change in 2018 taxes paid for District 211:		\$ 310.13
Change in 2018 total taxes paid:		\$ 1,087.69



Property owner would pay \$1,087 more in taxes under the same levy amount

LEVY: TWO KEY COMPONENTS

OPERATING FUND LEVY (Sum of total levy for operating funds)



~~DEBT SERVICE LEVY (Determined by Debt Repayment Schedule-
Not included in Operating Fund levy)~~

TOTAL LEVY AMOUNT/ EXTENSION

*The maximum allowable levy amount is the combination
of the District's Operating Funds AND Debt Service
Fund.*

District 211 does not have a debt service levy and operates only within
the operating fund levy

* Understanding the “Tax Cap”

* Property Tax Extension Limitation Law (PTELL) also known as the “Tax Cap”

* Impacts all school districts in Cook County and numerous other counties throughout the state

* Limits operating fund levy to
A) increase in the prior year’s CPI % plus
B) addition of new property growth

* Districts cannot recover full operating revenue if amounts are levied less than CPI

* Each year’s levy sets the foundation amount by which taxes may be levied for the following year

CPI-U History (By Levy Year)	
2010	2.7%
2011	1.5%
2012	3.0%
2013	1.7%
2014	1.5%
2015	0.8%
2016	0.7%
2017	2.1%
2018	2.1%
2019	1.9%

*New Property Growth

- *Accounts for new developments that have not previously been on tax rolls
- *TIF expiration is levied as new property growth
- *Existing properties are subject to the increase in CPI-U only under the Tax Cap
- *New property growth that is not captured shifts burden to existing taxpayers



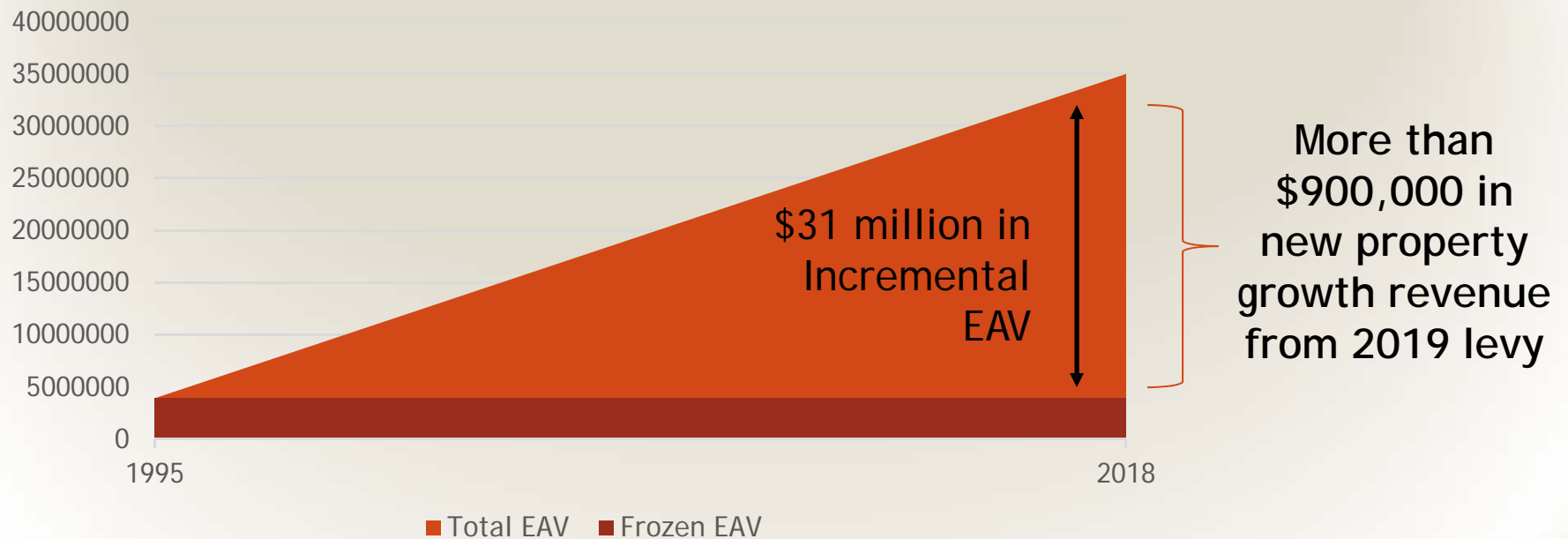
D211 has averaged 0.4% annual new property growth over the past 5 years



New Property is estimated at 1% for 2019 Levy

*TIF Expiration

EAV Growth over Duration of Dundee Rd. TIF



- ❖ New property growth of approximately 0.6% will be attributed to expiration of the Dundee Road TIF
- ❖ New property must be captured in year of TIF expiration
- ❖ Taxes levied for new property do not impact existing property owners

* 2019 Levy Recommendation

- ✓ Aggregate levy limit: 1.9%+ New Property Growth
 - ✓ 2018 CPI-U amount to determine tax cap limit for the 2019 levy = 1.9%
 - ✓ New property growth estimated at 1% (0.4% + 0.6% TIF expiration)
- ✓ Property Tax Relief Grant abatement added back into 2018 levy foundation/ baseline amount by Cook County Clerk

*Property Tax Relief Grant

	Amount
Property Tax Relief Grant	\$1,265,446
Required D211 Funding	\$ 700,000
Total Abatement	\$1,965,446



One-Year Abatement

The Cook County Clerk will automatically add the 2018 abatement amount into the District's total baseline levy amount by which the 2019 levy limitation is calculated

* 2019 Levy Recommendation

2019 Levy Recommendation

2018 Baseline Levy Amount	\$ 229,148,659
Levy Limitation (Baseline x CPI-U of 1.9%)	\$ 233,502,500
New Property Growth	\$ 2,429,500
Total	<u>\$ 235,932,000</u>

New property growth must be levied in the year that it becomes available or it is lost into perpetuity. This amount does not impact existing property owners.

2019 Levy Recommendation

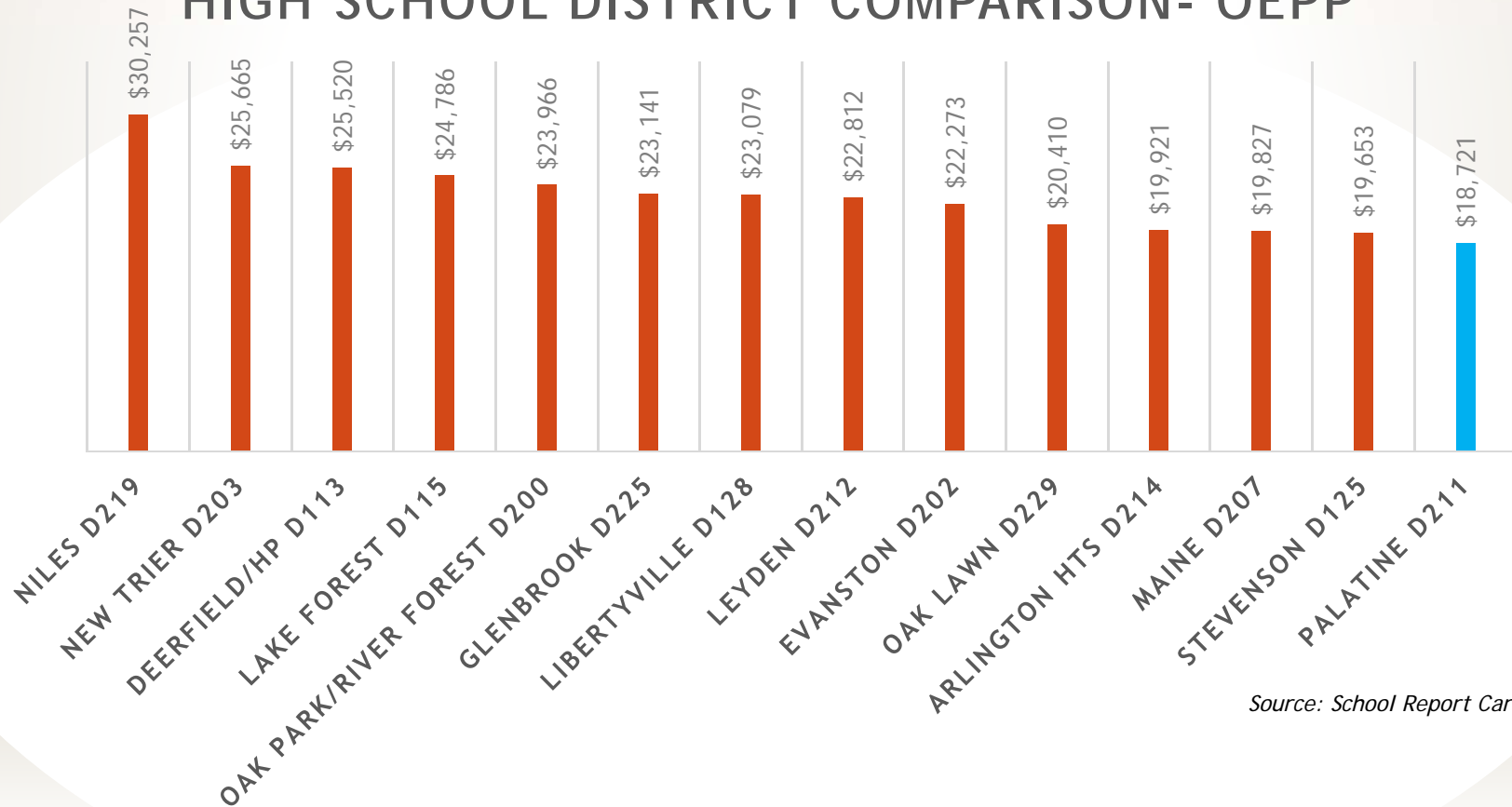
Levy Limitation (Baseline x CPI-U of 1.9%)	\$ 233,502,500	Existing Property Owners
New Property Growth	\$ 2,429,500	TIF Properties and New Development

*What is the impact of the recommended levy increase?

- * Continued **high quality educational programming** and extra curricular activities
- * Continued **long-term financial stability** of the District for future students, employees, community members and Boards of Education
- * Continued **funding of capital and life safety projects without issuing debt**
- * Increase to the average homeowner of **less than \$8 per month in property taxes**

* Operating Expense per Pupil

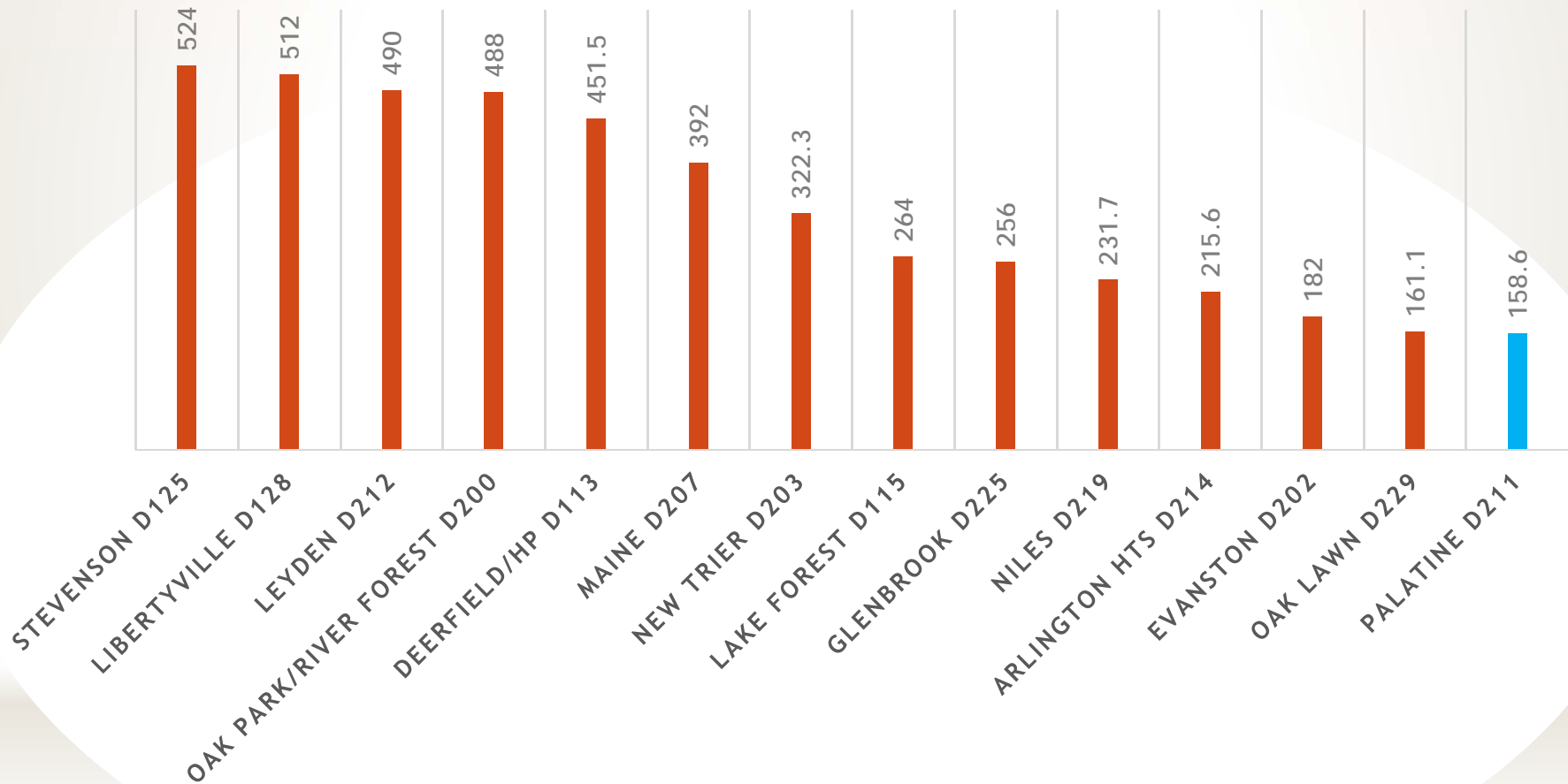
HIGH SCHOOL DISTRICT COMPARISON- OEPP



Source: School Report Card

Compared to other local high school districts, D211 has lowest Operating Expense per Pupil

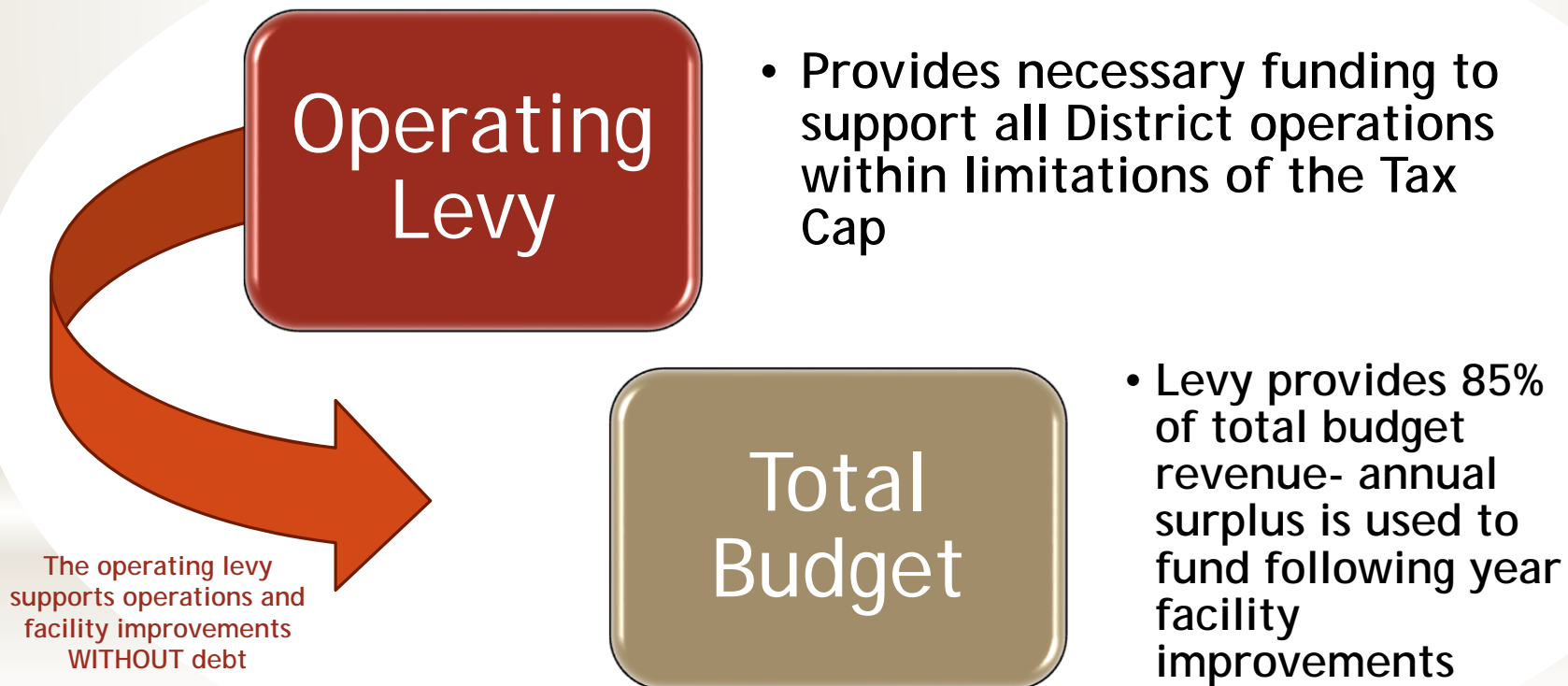
* Days Cash On Hand Comparison



Compared to other local high school districts, D211 has lowest fund balance

* Prudent Financial Planning

In order to remain debt-free, the District must operate within a structural surplus of its select operating funds to support strategic initiatives - both instructional and operational



* New Life Safety/ Remaining Facility Improvement Projects in Strategic Plan

Facility Improvement Projects in Strategic Plan	Location	Age/Condition/Need
Roof Repairs and Replacement	P, F, C, S, H	40% of total roof square footage will be approximately 30 years old by 2021
Mechanical Equipment Replacement	P, F, C, S, H	Equipment replacement for systems 25-40 years old; many systems are original to buildings
Bathroom Renovations	P, F	Original to buildings; inadequate ventilation, plumbing, and ADA accessibility
Locker Room Renovations	P,F,C,H	Original to buildings; inadequate ventilation, plumbing, and ADA accessibility
Artificial Turf Carpet Replacement and Track Refinishing	C	Average life expectancy is 8 years. Estimated actual life is 10-12 years through D211 upkeep
Flexible Classroom Spaces	P, F, C, S, H	Redesign of 5 classrooms per school to incorporate flexible learning environments through furniture and technology supporting modern-day learning environments
Kitchen Renovation	F	Current kitchen is 20+ years old with failing equipment, inadequate serving space, and updated plumbing needs
Auditorium Improvements	P,F,C,S,H	Identify needs of auditoriums for structural, performing, and upkeep needs
Educational Lab Renovations	F,C,S	Update labs including art and culinary arts to provide classrooms that include space and equipment to support modern curriculum



2020-2021 Project Planning

- Life Safety Projects
- Locker Room and Ensuing Restroom Renovations
- Turf/Track Replacement/ Resurfacing

* Long-Range Financial Forecast

All Funds

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	FY 2020	FY 2021	% Δ	FY 2022	% Δ	FY 2023	% Δ	FY 2024	% Δ	FY 2025	% Δ
REVENUE											
Local	\$239,362,000	\$248,223,000	3.7%	\$251,400,000	1.3%	\$255,114,000	1.5%	\$262,882,000	3.0%	\$266,411,000	1.3%
State	\$19,025,000	\$19,094,000	0.4%	\$19,163,000	0.4%	\$19,233,000	0.4%	\$19,304,000	0.4%	\$19,376,000	0.4%
Federal	\$7,716,000	\$7,793,000	1.0%	\$7,871,000	1.0%	\$7,950,000	1.0%	\$8,029,000	1.0%	\$8,110,000	1.0%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$266,103,000	\$275,110,000	3.4%	\$278,434,000	1.2%	\$282,297,000	1.4%	\$290,215,000	2.8%	\$293,897,000	1.3%
EXPENDITURES											
Salary and Benefit Costs	\$207,531,200	\$213,654,000	3.0%	\$219,753,000	2.9%	\$224,488,000	2.2%	\$229,328,000	2.2%	\$234,275,000	2.2%
Other	\$54,673,800	\$58,326,000	6.7%	\$66,158,000	13.4%	\$58,536,000	-11.5%	\$60,799,000	3.9%	\$59,888,000	-1.5%
TOTAL EXPENDITURES	\$262,205,000	\$271,980,000	3.7%	\$285,911,000	5.1%	\$283,024,000	-1.0%	\$290,127,000	2.5%	\$294,163,000	1.4%
SURPLUS / (DEFICIT)	\$3,898,000	\$3,130,000		(\$7,477,000)		(\$727,000)		\$88,000		(\$266,000)	
OTHER FINANCING SOURCES / USES											
Land Sale Proceeds	\$17,700,000	\$0		\$0		\$0		\$0		\$0	
Additional Payment to IMRF	(\$5,000,000)	\$0		\$0		\$0		\$0		\$0	
TOTAL OTHER FIN. SOURCES / USES	\$12,700,000	\$0		\$0		\$0		\$0		\$0	
SURPLUS / (DEFICIT) INCL. OTHER FIN. SOURCES	\$16,598,000	\$3,130,000		(\$7,477,000)		(\$727,000)		\$88,000		(\$266,000)	

The District's long-range financial projection includes use of the operating levy to sustain instructional programming and continue capital and life safety projects. The District's break-even budget position accounts for levying funds within an annual limitation to pay for all operations.

* Tax Levy Calendar

October 17, 2019	Board of Education meeting- 2019 levy information
November 6, 2019	Budget and Finance Committee meeting if needed- review 2019 levy material
November 14, 2019	Board of Education meeting- determine amount of proposed 2019 levy (not less than 20 days prior to levy adoption)
November 28, 2019- December 5, 2019	Public hearing notice must be published (no more than 14 nor less than 7 days prior to public hearing)
December 12, 2019	Board of Education meeting- public hearing of 2019 levy and adoption of 2019 levy
December 24, 2019	Last day to file 2019 levy