



**Board of Education - Finance Committee Meeting
Northwood Middle School
945 North Ave.
Highland Park, IL 60035**

Tuesday, October 3, 2023 6:00 PM

Agenda

Mission Statement

The mission of North Shore School District 112, a community partnership committed to a world-class education, is to nurture every child to become an inspired learner, a well-rounded individual and contributing member of a global community by striving for excellence within an environment that fosters innovation, respect, engagement and intellectual inquiry

No Live Stream

1. Board Building Tours
 - 6:00 p.m.- Ravinia @ Green Bay (1936 Green Bay Rd., Highland Pk.)
 - 6:30 p.m.- Oak Terrace (240 Prarie Ave., Highwood)
2. Call to Order/Roll Call (7:00 p.m. at Northwood)
3. Pledge of Allegiance
4. Approval of Agenda
5. 5-Year Fiscal Projections
6. Recommendation for 2023 Tentative Tax Levy
7. Discuss Future Revenue Needs
8. Public Comments
9. Other
10. Adjournment

5-Year Fiscal Projections



**Finance Committee Meeting
October 3, 2023**

5-Year Fiscal Projections - Background

- NSSD 112 has...
 - Utilized prior years' actual data
 - Imported the current Board-approved 2023-2024 Budget
 - Adjusted some current year revenue/expenditure line items as new information becomes available
 - Estimated future year revenues and expenditures for 5 additional fiscal years



5-Year Fiscal Projections - Background

- The forthcoming projections are conservative in nature, meaning...
 - Revenues are estimated on the low side.
 - Expenditures are estimated on the high side.



Critical Assumptions: Revenues

- CPI-U (Consumer Price Index for all Urban consumers)
 - Used for tax levy limitation calculations (assumed maximum levies)
 - 5.0% for Tax Year (TY) 2023
 - 2.5% for TY 2024
 - 2.0% for TY 2025 - 2028

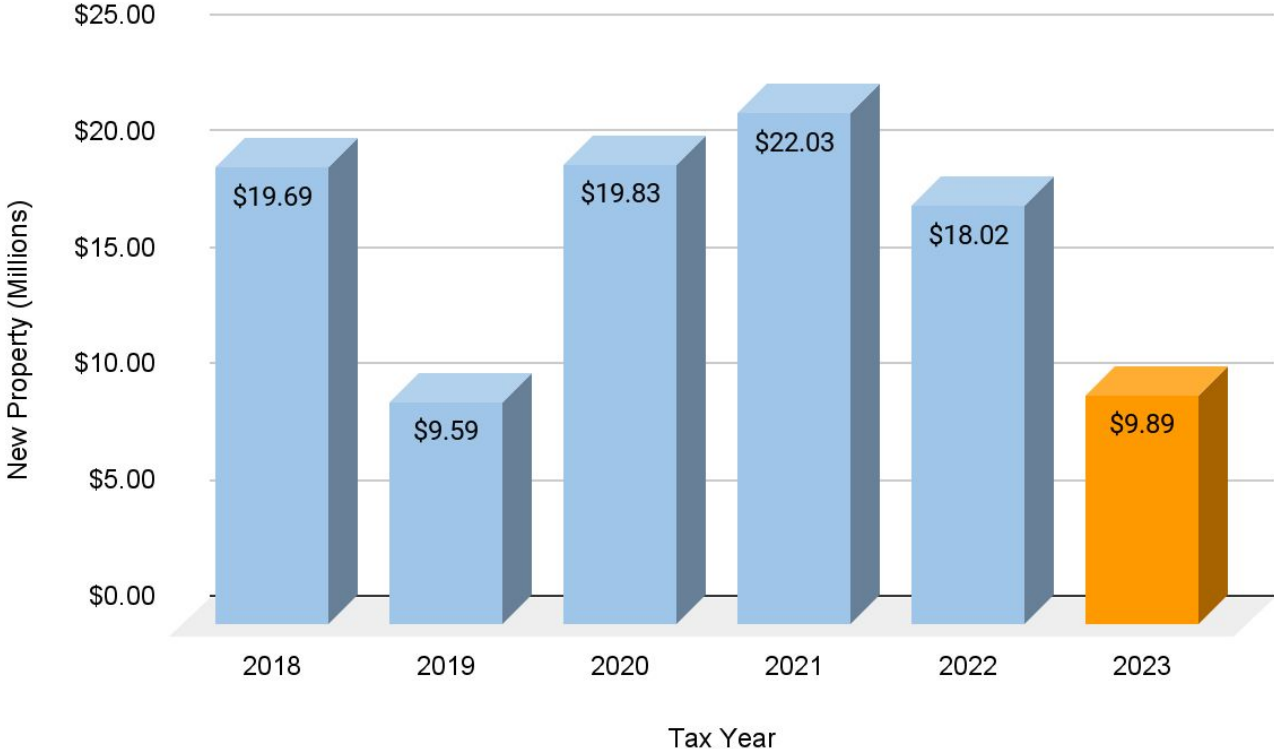


Critical Assumptions: Revenues

- Tax Collection Rate
 - 99% for all years
- Prior Year Recapture Levy
 - \$771,028 for all years
- Existing Equalized Assessed Value (EAV)
 - Increased 9.25% in TY 2022; increased 2.00% thereafter
- New Construction (see next slide)
 - \$9.89 million for TY 2023; \$16.50 million thereafter



New Construction - Historical & One Year Estimated



Critical Assumptions: Revenues

- Evidence-Based Funding
 - Held flat in all years
- Other Revenue
 - Increased most lines by 2% per year
- Federal Revenue
 - Increased 2.5% per year less expiring ESSER Funds



Critical Assumptions: Revenues

- Bond Revenue
 - \$114.4 million for Phase 2 in two installments (FY23 and FY25)
- Bond Interest
 - \$1.9 MM this year; \$1.5 MM in FY25; \$1.0 MM in FY26, \$0.5 MM in FY27



Critical Assumptions: Expenditures

- Teacher Staffing
 - Increased 1.2 FTE per year to account for enrollment increases
- Support Staff
 - Held Constant
- Administrative Staff
 - Increased 1 FTE in next fiscal year



Critical Assumptions: Expenditures

- Payroll
 - Teachers - estimate for new contractual increases (beginning FY25)
 - Support Staff - estimated for contractual increases
 - Administration - mirrors teacher estimates



Critical Assumptions: Expenditures

- Benefits
 - Health Insurance - 8.0% increases per year
 - Dental Insurance - 5.0% increases for trend
- Other Expenditures
 - 3.5% increase in FY25
 - 2.5% increase in FY26
 - 2.0% increase thereafter



Critical Assumptions: Expenditures

- The base model includes:
 - \$1.5 million for a curriculum adoption in FY27 & FY29.
 - \$1.5 million for student device upgrades in FY28.
 - A capital plan



5-Year Capital Plan

Project	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Tuckpointing at GB	\$50,000				
HVAC at GB & EP	\$250,000	\$250,000			
Air Conditioning at Red Oak Gym/Locker Rooms	\$250,000				
Various sidewalk and asphalt repairs	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Kitchen at EW	\$500,000				
Food Service Satellite Equipment	\$250,000				



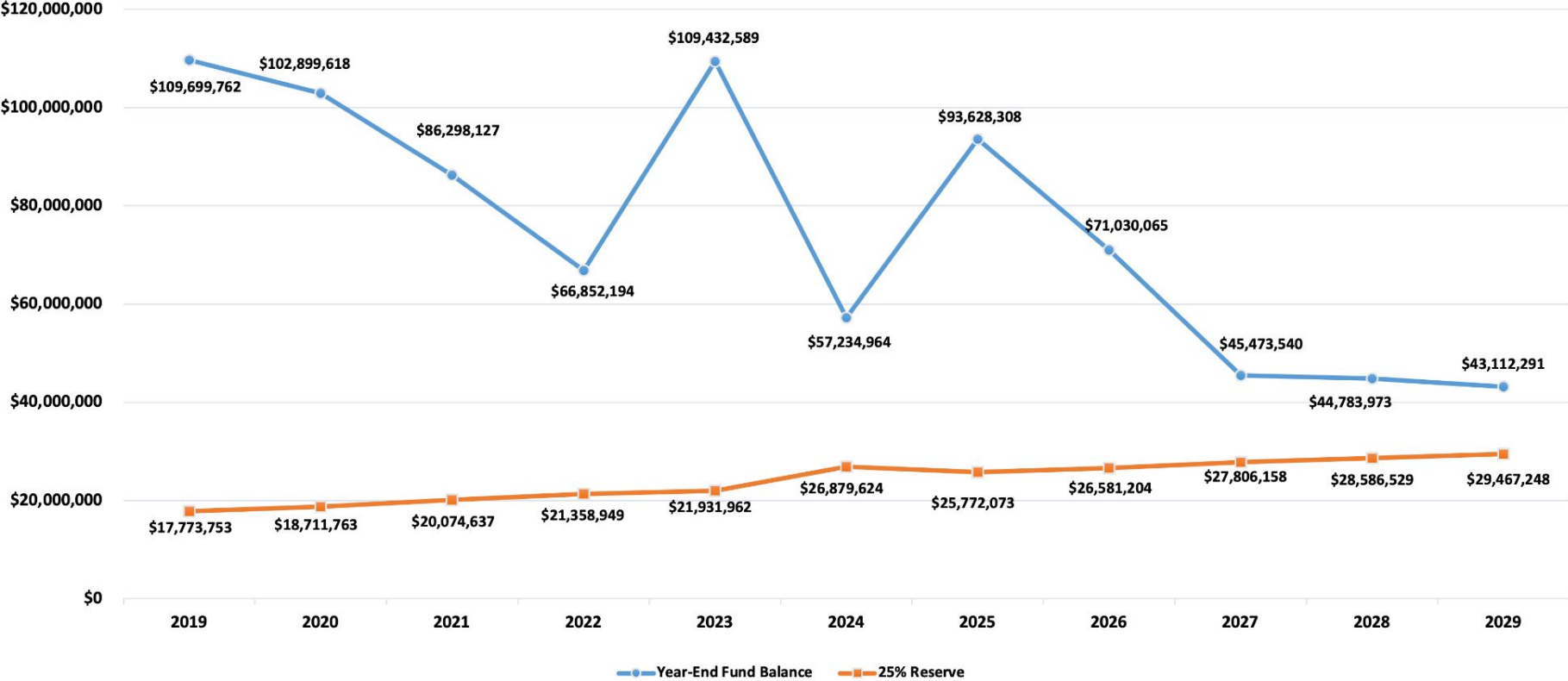
Critical Assumptions: Expenditures

- This financial projection includes spending down all money in the Capital Projects Fund for Phase 2.



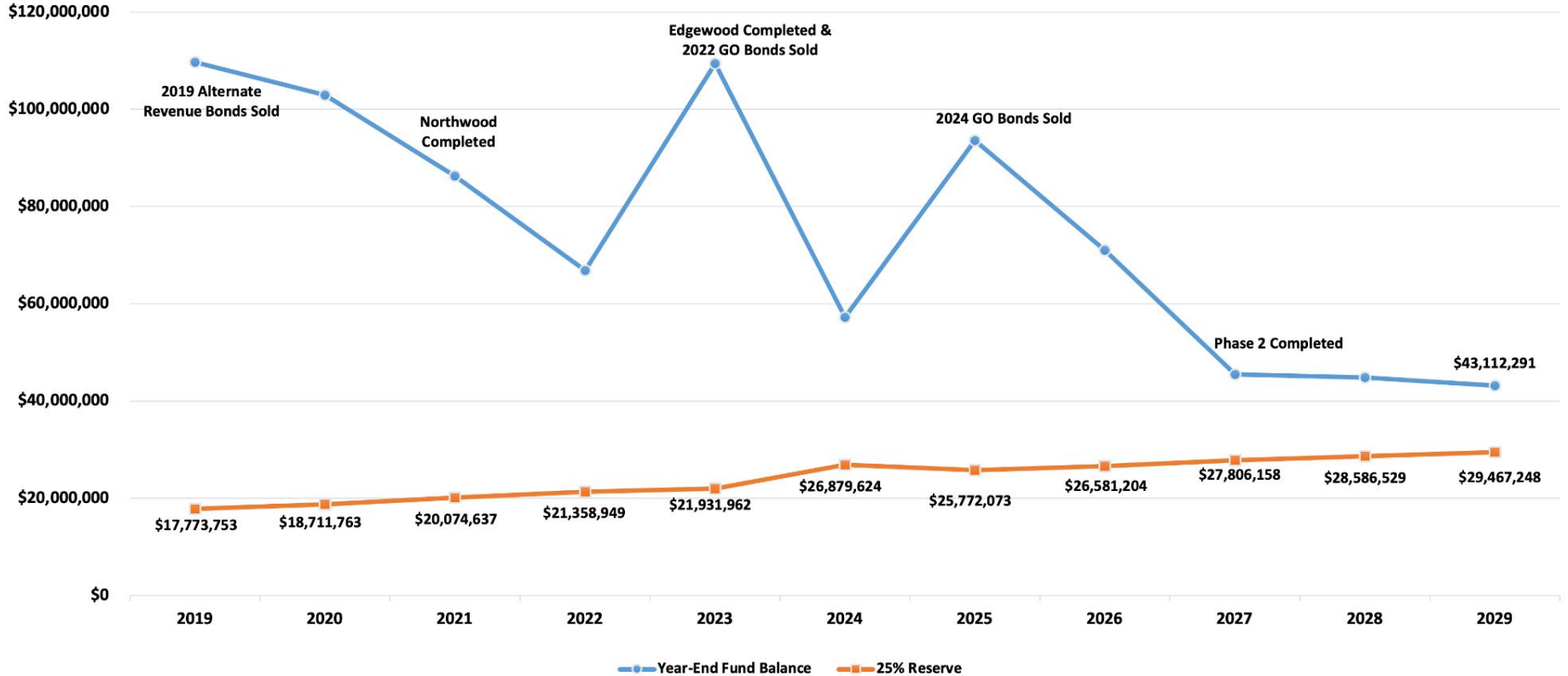
Base Model - All Funds

Fund Balance

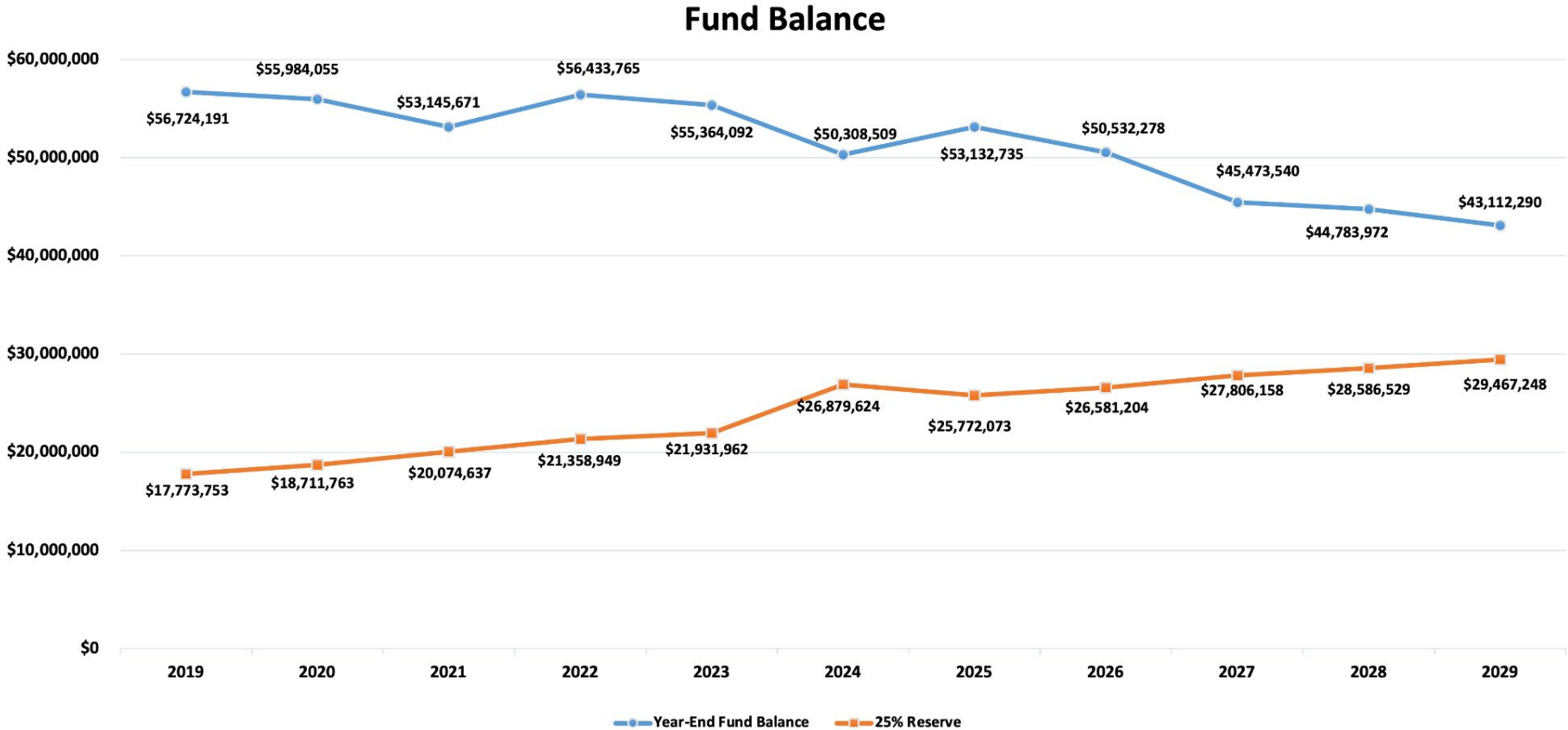


Base Model - All Funds

Fund Balance



Base Model - All Funds Except Capital Projects



ANY QUESTIONS?



2023 Property Tax Levy Presentation



October 3, 2023
Finance Committee



Tax Levy Information

What is the difference between a tax levy and a tax extension?

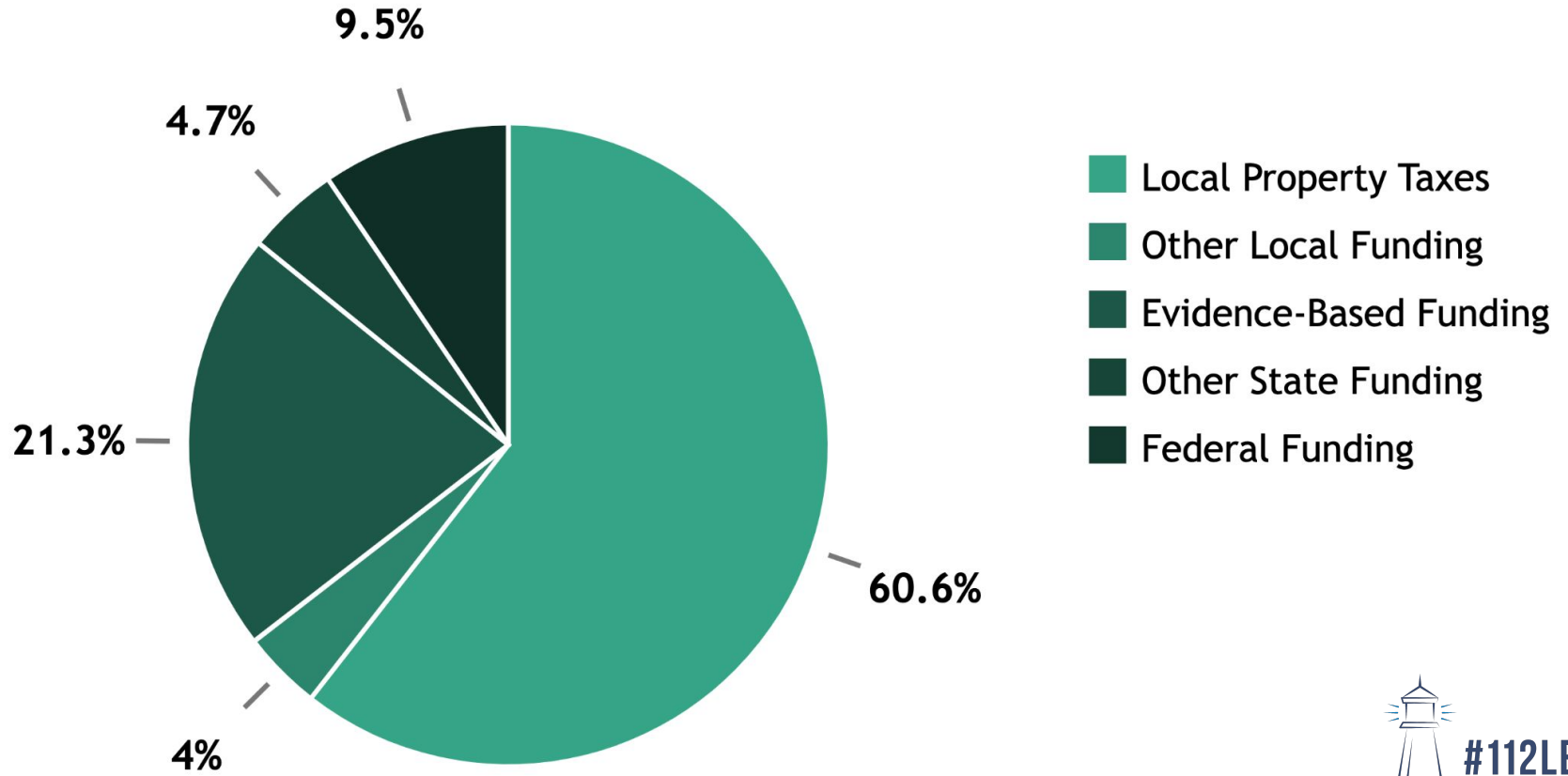
- A tax levy is the amount of money a school district requests to be raised from property taxes. A tax extension is the amount of money that a school district receives from property taxes.

Why are a tax levy and tax extension important?

- Most Illinois school district revenue comes from local property taxes.
- For tax-capped school districts, each tax extension is limited by its prior year tax extension plus inflation (CPI-U) or 5%, whichever is less.



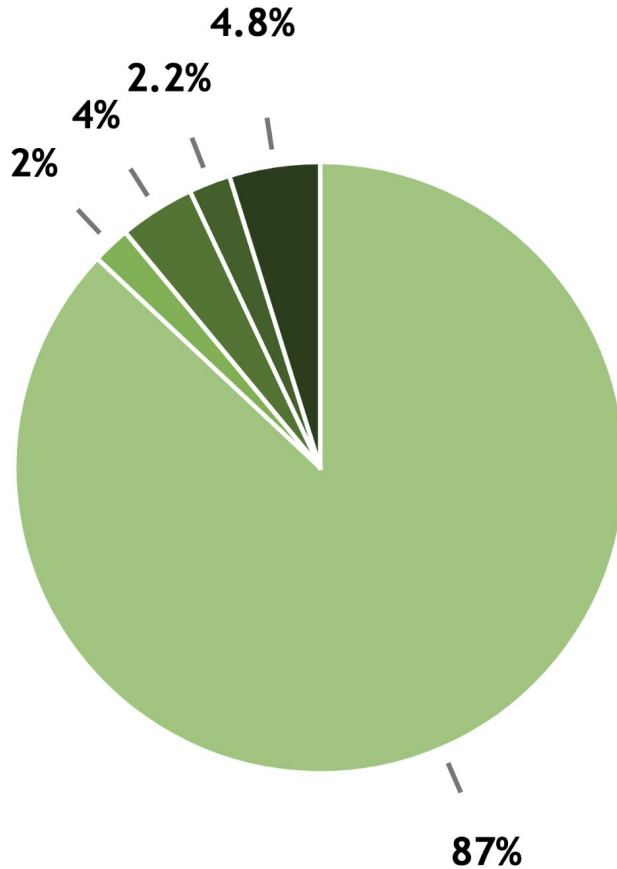
Illinois School District Averages - Revenue Percentages (FY 2021)



Source: [Illinois School District Report Card](#)



District Financial Information - Revenue Percentages (FY 2021)



\$85 M

- Local Property Taxes
- Other Local Funding
- Evidence-Based Funding
- Other State Funding
- Federal Funding

Source: [Illinois School District Report Card](#)



Tax Levy Information

What is the Property Tax Extension Limitation Law (PTELL)?

- Each tax extension is limited by the prior year's tax extension multiplied by the December Consumer Price Index for all Urban Consumers (CPI-U) or 5%, whichever is less, for the preceding calendar year. PTELL is also known as a "tax cap."

Does new property count against the tax cap?

- No, new property is added to the tax rolls after the "limiting rate" is calculated. Thus, new property provides additional revenue in excess of the tax cap.



Public Act 102-0895

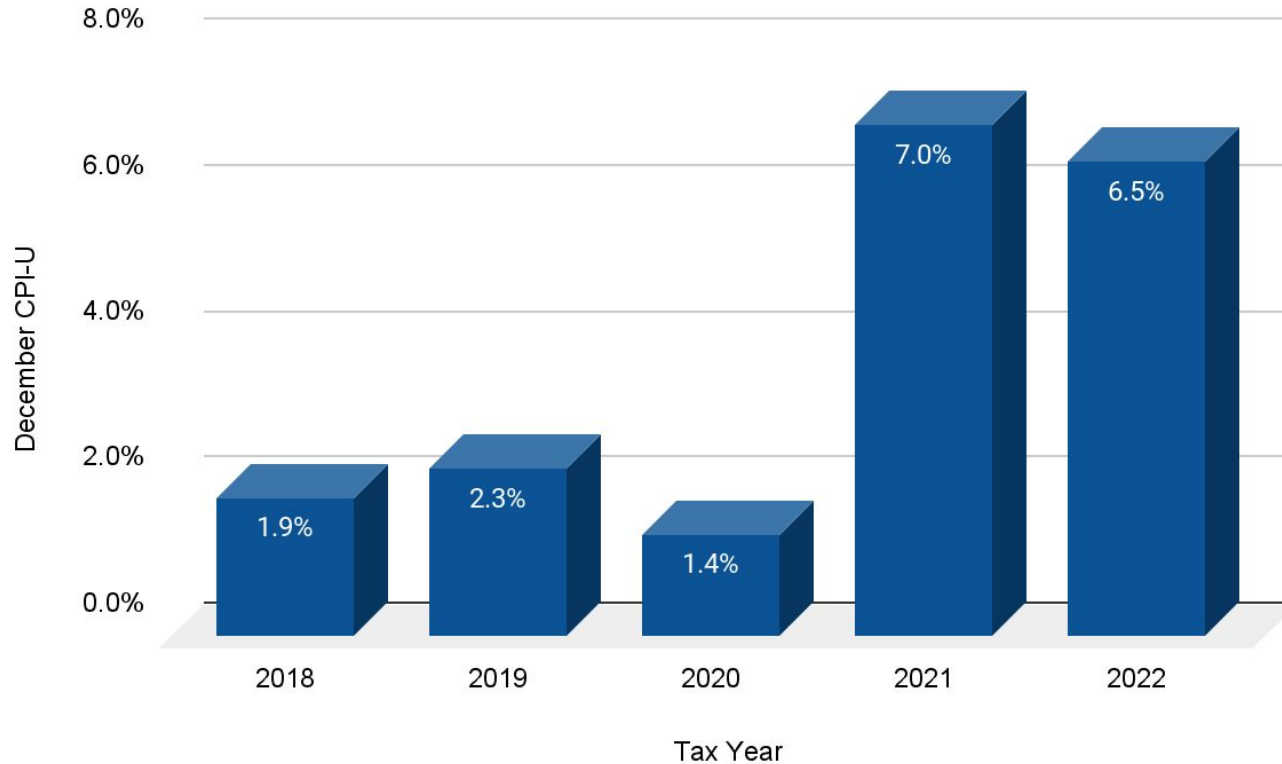
North Shore School District 112 Summary of Cash & Investments August 31, 2023

The District pays its Alternate Revenue Bonds (approximately \$3.9 million per year) out of its Operations & Maintenance Fund.

	Cash & Investments <u>August 31, 2023</u>	<u>% of Total</u>	Cash & Investments <u>July 31, 2023</u>	Monthly Change in <u>Cash & Investments</u>	Cash & Investments <u>August 31, 2022</u>	<u>% of Total</u>	Annual Change in <u>Cash & Investments</u>
10 Education	\$ 72,890,045.32	48%	\$ 73,440,763.74	\$ (550,718.42)	\$ 72,741,411.62	68%	\$ 148,633.70
20 Operations and Maintenance	\$ 8,735,315.03	6%	\$ 9,986,186.57	\$ (1,250,871.54)	\$ 11,072,639.33	10%	\$ (2,337,324.30)
30 Debt Service	\$ 4,403,861.47	3%	\$ 4,329,629.09	\$ 74,232.38	\$ 77,966.97	0%	\$ 4,325,894.50
40 Transportation	\$ 3,791,787.15	2%	\$ 4,602,114.18	\$ (810,327.03)	\$ 5,297,081.18	5%	\$ (1,505,294.03)
50 Municipal Retirement	\$ 4,038,255.93	3%	\$ 4,029,345.12	\$ 8,910.81	\$ 3,323,015.72	3%	\$ 715,240.21
60 Capital Projects	\$ 54,297,908.91	36%	\$ 54,534,768.52	\$ (236,859.61)	\$ 10,990,969.43	10%	\$ 43,306,939.48
70 Working Cash	\$ 3,350,483.48	2%	\$ 3,336,234.46	\$ 14,249.02	\$ 3,089,349.22	3%	\$ 261,134.26
Total District Funds	\$ 151,507,657.29	100%	\$ 154,259,041.68	\$ (2,751,384.39)	\$ 106,592,433.47	100%	\$ 44,915,223.82
99 Student Activity	\$ 218,463.04	0%	\$ 216,811.36	\$ 1,651.68	\$ 210,875.96	0%	\$ 7,587.08
Total All Funds	\$ 151,726,120.33	100%	\$ 154,475,853.04	\$ (2,749,732.71)	\$ 106,803,309.43	100%	\$ 44,922,810.90

**Please note that the District is reporting cash and investments on a cost basis.

CPI - Historical



Levy Process Flow

CPI 6.5%
December 2022



Levy Hearing
Fall 2023



Fiscal Year
July 2024 – June
2025



Receipts
May - September
2024



#112LEADS

E31112: NORTH SHORE SCHOOL DISTRICT #112

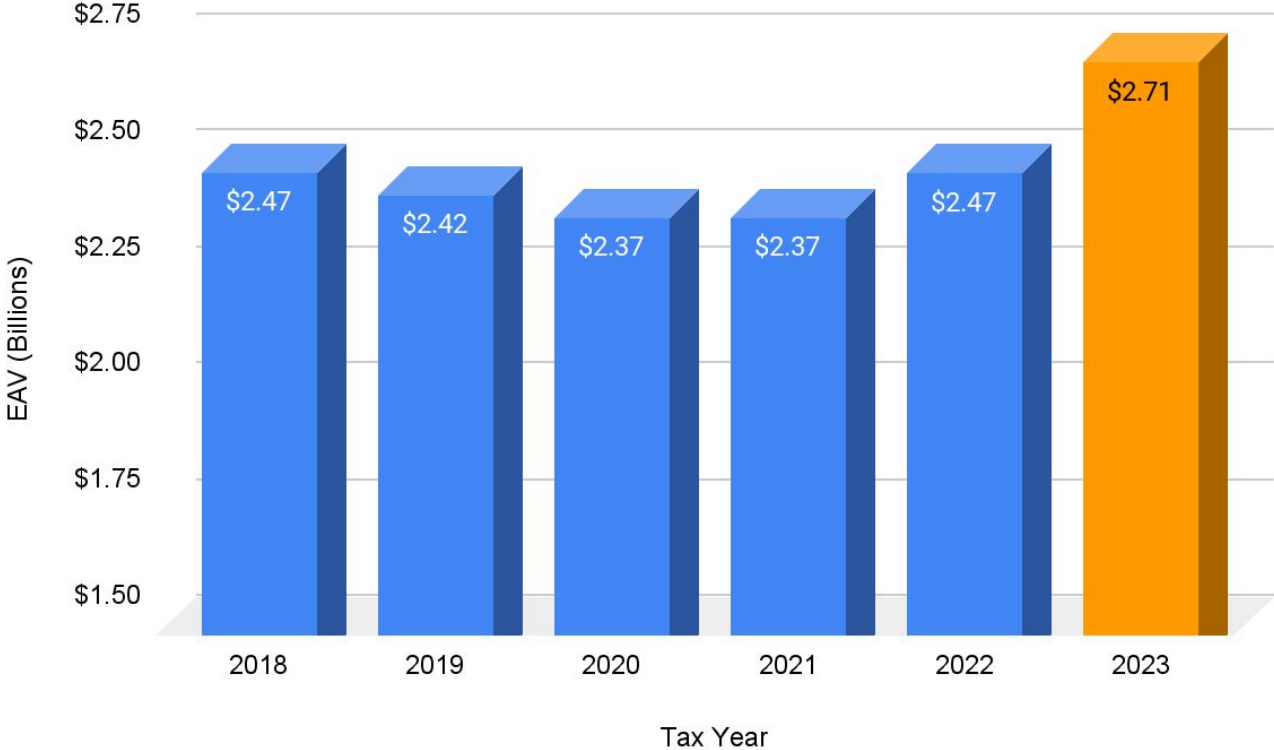
Tax Year: 2023

Parcel Count: 14,039

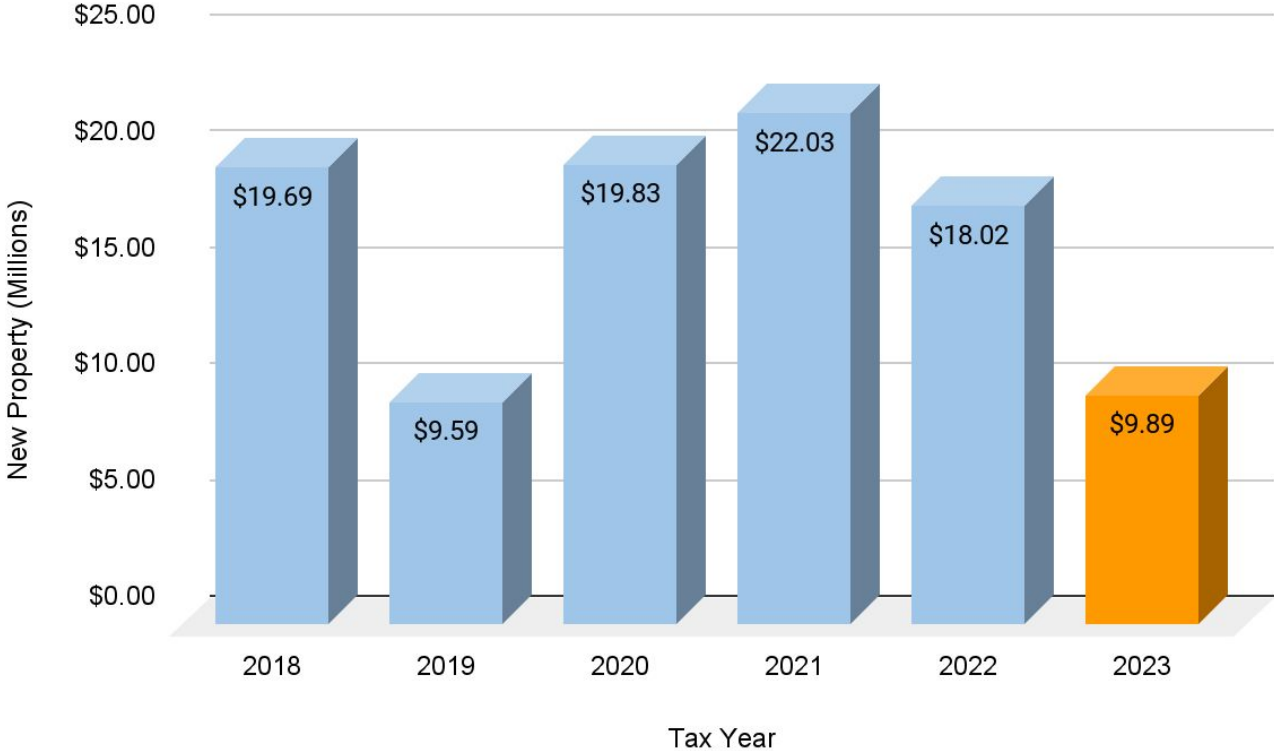
Assessed Value (AV):		2,858,603,422
Homestead Impv Exmpt:	-	3,401,293
Disabled Vet Homestead Exmpt:	-	0
Pre-State Multiplier AV:		2,855,202,129
State Multiplier:	x	100%
Post-State Multiplier AV:		2,855,202,129
Farm AV:	+	2,946
Pollution Control AV:	+	0
Railroad AV:	+	4,316,744
General Homestead Exmpt:	-	74,016,000
Senior Homestead Exmpt:	-	23,499,830
Senior Freeze Exmpt:	-	3,103,298
Returning Vet Exmpt:	-	0
Disabled Vet Standard Exmpt:	-	5,199,003
Disabled Person Exmpt:	-	64,000
Natural Disaster Exmpt:	-	0
EAV incl. <150 AV PINs:		2,753,639,688
EAV w/out <150 AV PINs:		2,753,634,930
TIF Increment:	-	44,980,944
District Taxable EAV (incl. new const.):		2,708,653,986
New Const. incl. in TIF Increment:		10,240
New Const. incl. in District Taxable EAV:		9,885,183



D112 EAV - Historical & One Year Estimated



New Property - Historical & One Year Estimated



Levy Comparison

Prior Year, Current Request, & Anticipated Extension

Fund	Actual Prior Year Extension	Recommended Levy Request	Levy Request % Increase	Est. Current Year Extension	\$ Change from Prior Year	% Change from Prior Year
Education	\$64,895,220	\$69,944,685	7.78%	\$69,389,566	\$4,494,346	6.93%
Operations & Maintenance	\$12,474,910	\$12,243,809	-1.85%	\$12,146,635	-\$328,275	-2.63%
Transportation	\$3,493,007	\$3,710,541	6.23%	\$3,681,092	\$188,085	5.38%
Working Cash	\$199,606	\$212,037	6.23%	\$210,354	\$10,748	5.38%
Special Education	\$758,478	\$805,714	6.23%	\$799,319	\$40,841	5.38%
Subtotal Capped Funds	\$81,821,222	\$86,916,786	6.23%	\$86,226,967	\$4,405,745	5.38%
Prior Year Recapture	\$771,028	N/A	N/A	\$771,028	\$0	0.00%
Referendum Debt Service	\$8,227,846	N/A	N/A	\$8,146,364	-\$81,483	-0.99%
Total Levy/Extension	\$90,820,096	\$86,916,786	N/A	\$95,144,358	\$4,324,262	4.76%

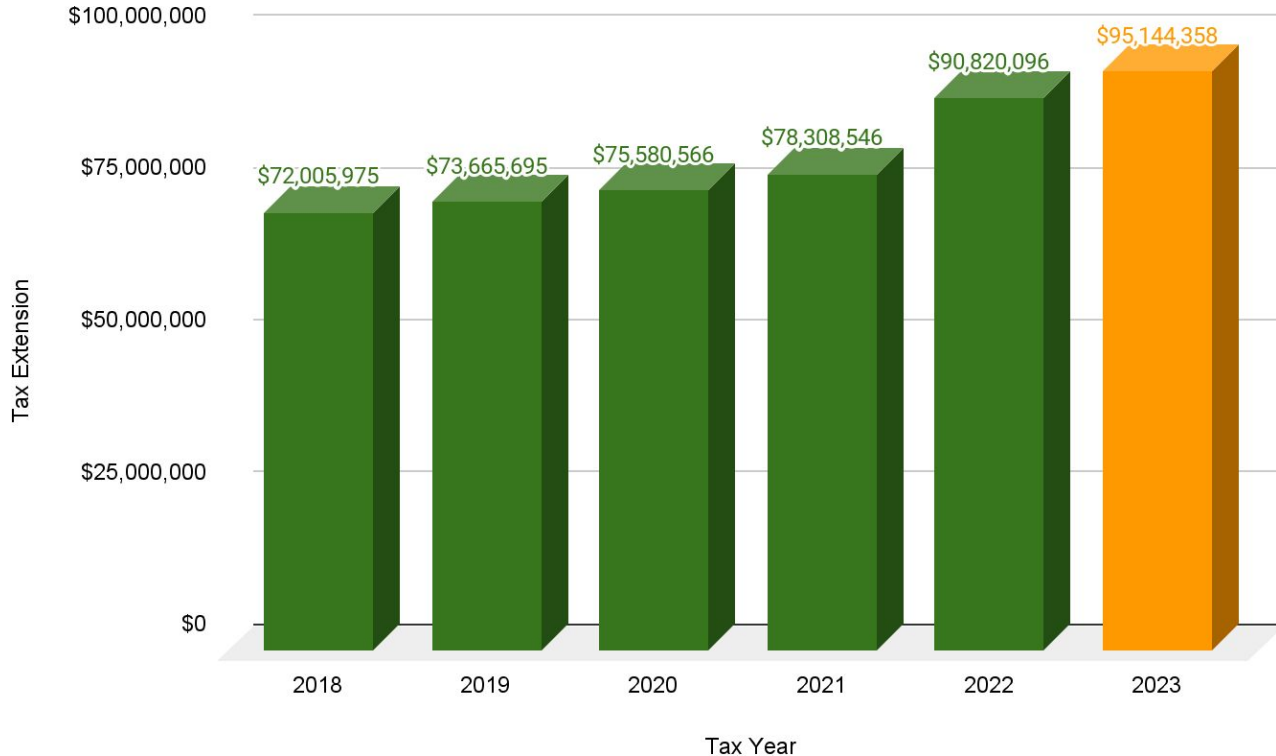
Tax Levy Information

$$\text{Tax Rate} = \frac{\text{Tax Extension}}{\text{EAV}}$$

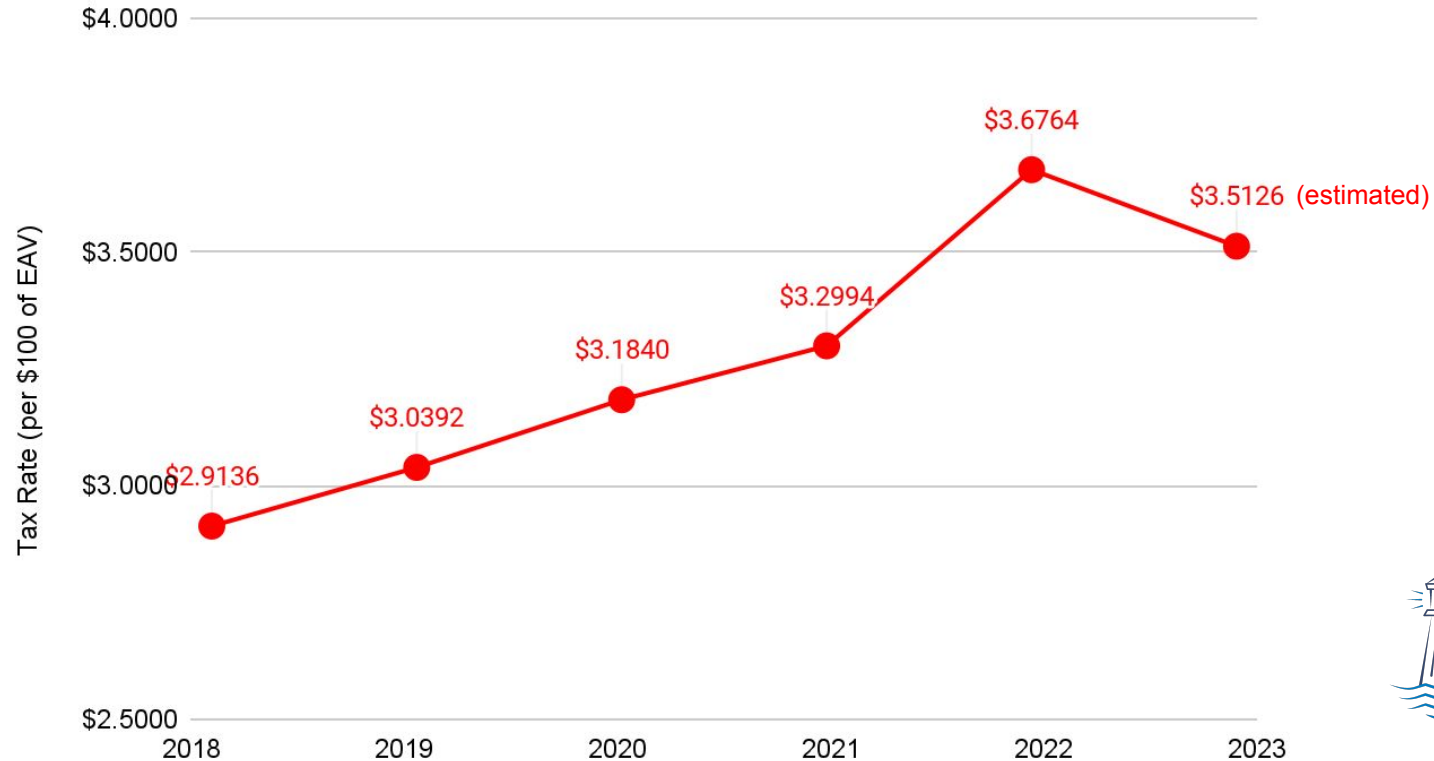
EAV = Equalized Assessed Valuation (D112 property values)



Tax Extension - Historical & One Year Estimated



Tax Rate - Historical & One Year Estimated



Why is NSSD 112 Requesting an Increased Levy?

- 6 of the District's 7 elementary schools have millions of dollars in deferred maintenance that must be addressed.
- Inflation (CPI-U) is averaging 5.6% over the last 2 years. This levy will help the District keep up with inflation. The District has maintained its educational programming, so more money is needed to operate our programs.
- This year, District 112 does not have a balanced operating budget. This levy will give us the revenue we need to create balanced budgets in the future.



Increasing Costs & Other Considerations

- Contracts increasing at 5% or more:
 - NSSSA (Classified) Employment Contract (13.3%)
 - First Student Transportation (5.0%)
 - Safeway Transportation (5.0%)
 - ABM Custodial Services (6.5%)
 - Organic Life (8.8%)
- Other Considerations:
 - NSEA contract must be negotiated; many area raises have been in excess of 5%
 - ESSER stimulus funds are expiring



What does this mean for an individual taxpayer?

Fair Cash Value of House:	\$650,000
EAV of House ($\frac{1}{3}$ of Fair Cash Value):	\$216,667
2022 D112 Tax Rate:	\$3.6764 per \$100 of EAV
Estimated 2023 Increase:	5.00%
2022 D112 Taxes Paid:	(\$7,965.55)
Estimated 2023 D112 Taxes:	\$8,363.82
Estimated 2023 Increase:	\$398.27*



*Estimated tax increase is \$33.19 per month for a \$650,000 house



Levy Timeline

- Approve an estimated tax levy on October 17, 2023.
- Publish the required Truth in Taxation notice in The Highland Park News on November 2, 2023.
- Hold a public hearing and approve the 2023 final tax levy on November 14, 2023.
- File the 2023 adopted certificate of tax levy no later than the last Tuesday of December in 2023 (December 26th).



Key Takeaways

- NSSD 112's Tax Levy increase is limited to a 5% increase, despite inflation running higher over the past 2 years.
- District 112 has millions of dollars in deferred maintenance that must be addressed.



ANY QUESTIONS?



Levy Comparison

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