

NORTH MAC COMMUNITY UNIT SCHOOL DISTRICT #34

Tax Levy Hearing

North Mac South Campus Media Center

525 N 3rd St. Girard, IL 62640

6:15 p.m. –December 8th, 2021

NOTE: Masks were worn by ALL attendees.

1. Call to Order – Meeting was called to order by President Hays
2. Roll Call

Present – Alexander, Christopher, Kirk, Nichols, Spann, Watson, Hays

Also Present – Dr. Jay Goble, Jon Langellier, Chris Raynor, Sarah Raynor, Rob Horn, Randi Anderson, John Downs, Michael Riffey, Debbie Butler, Nikki Harris, Aprille Kuhar

3. Discussion of 2021 payable 2022 tax levy – See attached presentation
4. Public Comments - None
5. Motion was made by Alexander, seconded by Christopher to adjourn at 6:28 pm.
Yea Votes: Christopher, Alexander, Kirk, Nichols, Spann, Watson, Hays




Robyn Hays

Board President



Secretary



North Mac 2021 Tax Levy Presentation

DECEMBER 8, 2021

Generating Revenue

- ▶ What is a tax levy? A levy is the amount of dollars in each operating fund a school district requests from the county or counties to pay the bills for the next school year. The Board has to adopt a levy no later than the last Tuesday in December and certify it with the County Clerks.
- ▶ It is important to remember that what we levy is the amount we are requesting; the extension is the amount of money we will actually receive and it will almost always be less than what we request.
- ▶ How is the extension processed? The Board of Education certifies a tax levy to the County Clerk. The County Clerk assigns appropriate tax rates to the various operation funds. The County Clerk processes tax bills that generate tax dollars extended to the school district.

Generating Revenue

- ▶ What is Equalized Assessed Valuation (EAV)? EAV is the property valuation, for individual and total property of a school district, after the county and state equalization calculations are performed.
- ▶ How much will the EAV grow from last year? It is impossible to determine an exact amount, but the average over the last five years has been 3.63%.
- ▶ Why is EAV important? Any growth in EAV must be captured to ensure the financial health of the district. The total district EAV is multiplied by the approved tax rate to arrive at the extension. Increases in EAV and/or new construction not captured that tax year will cost the district those new monies in perpetuity.

EAV History

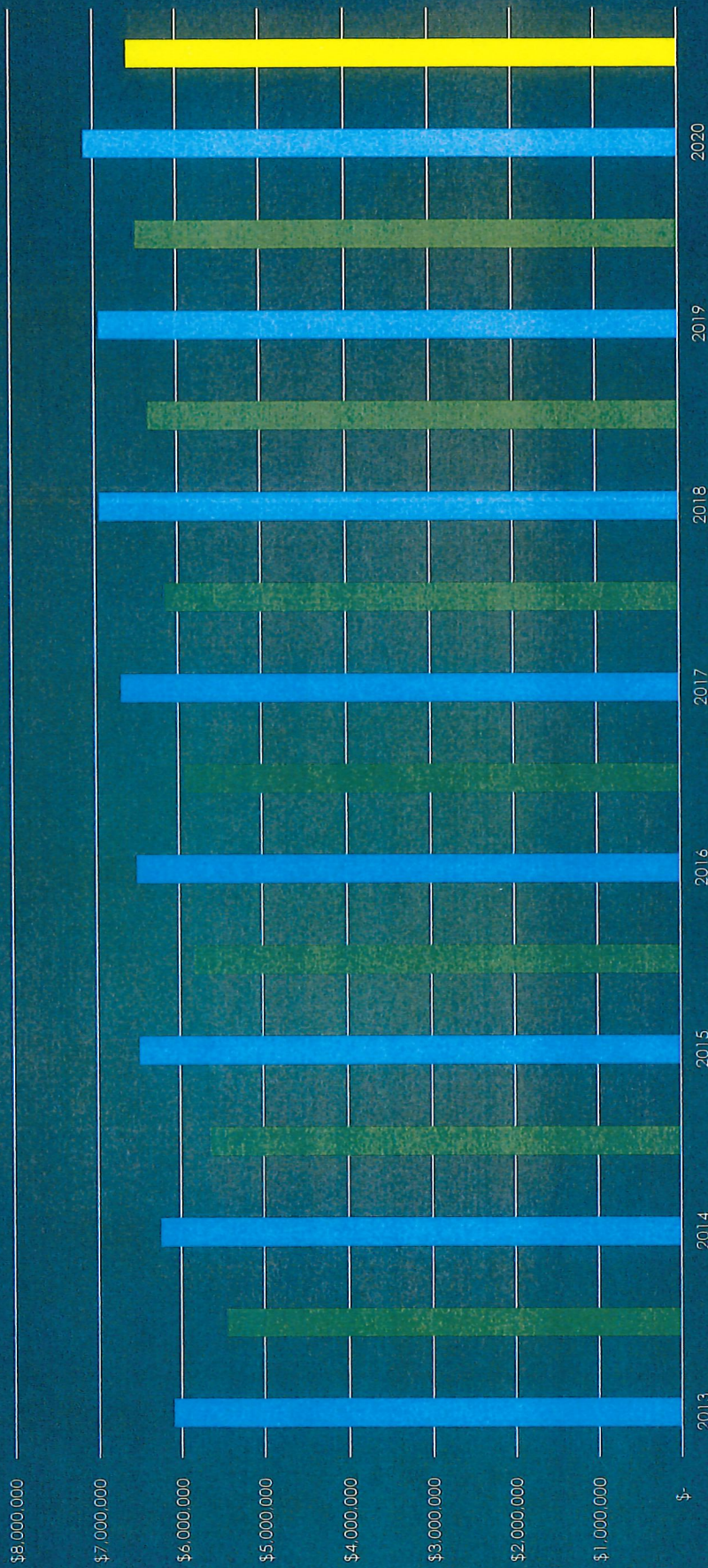
- ▶ EAV has increased as little as 0.49% and as much as 5.70% over the past several years. The seven-year average has been 2.96% but the last five-year average has been 3.64%.
- ▶ Even though we know the EAV will likely be somewhere around the historical average, we base our levy requests on a higher amount so as not to lose revenue from new growth in the EAV and to make sure we account for potential new construction.
- ▶ We can do this without running the risk of overtaxing taxpayers because school districts will receive no more than they are entitled to by law as a result of rate limits.
- ▶ What keeps us from overtaxing is what are referred to as limiting rates in the various funds.

Our Tax Rates by Fund (those in red have no limits and are determined on an as needed basis, based on budgetary projections or legal obligations. White shows limits (if there are limits) and blue shows actual projected:

- ▶ Education Fund = 2.89% (1.84 to 4.00) (2.89%)
- ▶ Operations and Maintenance (O&M) = .59% (.50 to .75) (.59%)
- ▶ Transportation = .24% (.20 to As Needed) (.24%)
- ▶ Working Cash = .05% N/A (.05%)
- ▶ **Illinois Municipal Retirement Fund (IMRF) = .2675%** (.2644%)
- ▶ **Social Security = .1962%** (.2008%)
- ▶ Health and Life Safety (HLS) = .05% (.05 to .10) (.05%)
- ▶ **Tort Immunity = .4138%** (.4594%)
- ▶ Special Education = .04% (.04 to .80) (.04%)
- ▶ Leasing = .05% (.05 to .10) (.05%)
- ▶ **Bond and Interest = .7699%** (.7268%)

Total Tax Rate last year was 5.5574% (5.5613%)

2013 - 2020 Tax Levy vs. Extension without Bonds (what we requested vs. what we received)



Using a 5 year average of an EAV increase of 2.78%, you can see that we are still safely asking for more than we are projected to receive. In fact, it would take a 10% increase in the EAV before we "leave money on the table."

	2020 Request	2020 Extension	2021 Request (Using 6.25% EAV increase and \$2,000,000 in new construction.)	Projected Actual Extension using 5 year average of 3.63% EAV increase and \$2,000,000 in new construction.)
ED	\$ 4,332,640	\$ 4,132,034	\$ 4,581,254	\$ 4,328,796
O&M	\$ 884,519	\$ 843,564	\$ 935,274	\$ 883,734
Transp.	\$ 359,804	\$ 343,145	\$ 380,451	\$ 359,485
WC	\$ 74,960	\$ 71,488	\$ 79,261	\$ 74,893
IMRF	\$ 382,500	\$ 382,506	\$ 406,850	\$ 406,850
SS	\$ 280,500	\$ 280,506	\$ 309,000	\$ 309,000
HLS	\$ 74,960	\$ 71,488	\$ 79,261	\$ 74,893
Tort	\$ 591,600	\$ 591,610	\$ 707,000	\$ 707,000
Spec. Ed.	\$ 59,968	\$ 57,191	\$ 63,409	\$ 59,915
Leasing	\$ 74,960	\$ 71,488	\$ 79,261	\$ 74,893
Total w/out Bonds	\$ 7,116,411	\$ 6,845,020	\$ 7,621,021	\$ 7,279,459
Bond	\$ 1,100,723	\$ 1,100,722	\$ 1,118,624	\$ 1,118,624
Total	\$ 8,217,134	\$ 7,945,742	\$ 8,739,645	\$ 8,398,083

Final Thoughts

- ▶ The key to remember is that by law the tax levy is due in December. However, there are so many things we won't know until after the first of the year. Specifically and most importantly, the true EAV and the actual amount of new construction.
- ▶ Therefore, we are forced to ask for more than we think we could possibly get, knowing that if we under levy we lose money forever and knowing that because of limits put on the tax levy we can guard against overtaxing property owners.