



DISTRICT 62

December 18, 2017

Dashboard Report

Tax Levy 2012 - 2017

Background

The data, for purposes of this report, were obtained from the Agency Tax Rate Report from the Office of the Cook County Clerk.

Data

Description	2012 - Actual	2013 - Actual	2014 - Actual	2015 - Actual	2016 - Actual	2017 - Levied
Base EAV	1,941,175,305	1,815,594,984	1,518,202,154	1,532,989,191	1,485,376,988	1,718,085,335
Base Increase (Decrease)	(160,981,007)	(300,880,437)	9,349,393	(54,268,534)	226,516,149	8,762,235
New Property	35,400,686	3,487,607	5,437,644	6,656,331	6,192,198	30,000,000
New EAV	1,815,594,984	1,518,202,154	1,532,989,191	1,485,376,988	1,718,085,335	1,756,847,570
Rate	3.490	4.255	4.210	4.487	3.921	3.982
CPI 6 Yr Average is 1.63%	3.0%	1.7%	1.5%	0.8%	0.7%	2.1%
Extension	63,364,265	64,599,502	65,811,226	66,636,181	67,366,126	69,972,606
P/Y Change	3,051,948	1,235,237	1,211,724	824,995	717,261	2,609,113
% Change	5.06%	1.95%	1.88%	1.27%	1.08%	3.78%
Refunds	(1,322,151)	(1,487,337)	(1,833,815)	(2,707,620)	(2,188,839)	(2,622,284)
Refund/Extension	-2.08%	-2.30%	-2.79%	-4.06%	-3.25%	-3.75%

Analysis

Base EAV: Equalized Assessed Valuation (EAV) represents the value of a home divided by the factor the assessor uses to equalize the property. Homes are generally valued at 1/3 of their market price. Base EAV represents the prior year valuation of property that lies within the district's boundaries. The District has seen a steady decrease in its EAV over the past few years.

Base Change: Represents the amount of the increase/decrease to the prior year EAV due to reassessments by the assessor's office. The District's property is assessed triennially. Therefore, we see significant swings in this number year-to-year due to the Cook County Triennial assessment process.

New Property: Represents new property built within a district's boundaries. New property does not affect the calculation for determining a district's limiting rate. The District continues to see increases in new property. The new property value for 2016 is a projection and is close to the average of new property values from the 2011 and 2012 Levy.

New Base EAV: This equals Base EAV + Base Change + New Property

Limited Tax Rate: This represents the rate charged to homeowners on their tax bills. Due to the Property Tax Extension Limitation Law, this rate is adjusted due to the Consumer Price Index (CPI) and

the increase in assessed valuations. As indicated, CPI affects the limited rate. Therefore, in non-reassessment years, our tax rate goes up. The limited rate is calculated by the Cook County Clerk's Office.

Extension: This equals the New EAV multiplied by the Limited Rate divided by 100, which represents the total tax dollars available to be collected by the district. The nominal increase in the 2015 and the estimated 2016 taxes were a result of low CPIs, which are not much higher than the historic low 2009 CPI of 0.1%. While the CPI of 3.0% for the tax year 2012 is higher than the 10 year CPI average of 1.8%, the trend has been in a downward slope. Both the CPI 2015 of 0.8% and the 2016 CPI of 0.7% is significantly lower than the prior five years CPI. The 2017 CPI of 2.1 is a positive trend increase greater than the 10-year average of 1.8% since 2012. The Property Tax Extension Limitation Law (PTELL) only allows the District to increase the prior year extension by the Consumer Price Index (CPI) and this number fluctuates annually. Since the PTELL was enacted, the CPI has ranged from a low of 0.1% to a high of 4.1%.

Refunds: This represents the dollars lost due to property tax refunds. While the District is able to increase the levy each year by CPI, this increase is offset by approved challenges to individual property tax objection refunds.

Summary

The District benefits from having a large EAV base, which in recent years has seen a shift of more tax burden to the residential properties from the commercial/industrial properties. Over the past ten years the 10-year CPI average has trended downward from a 2.5% average to the current 1.8% ten-year average. Due to the historically low trend, the District has experienced a minimum annual increase in the Levy extension and the tax dollars collected for the 2015 and 2016 Tax Levy's.

The 2011 Tax Levy had a slightly lower than average CPI of 1.7%, which was offset by higher **new property value from the new Rivers Casino EAV growth**. The \$3.0M increase for the 2012 Tax Levy was the result of the above average CPI of 3.0% and significant New Property EAV growth from the new Rivers Casino.

While the **Base EAV** has seen some modest modulation in values over the past years, it has remained near the **1.5 billion range** for the past three years, which resulted in the tax rate staying higher in the 4.210 to 4.495 range. For 2016, there was a **significant growth in the Base EAV, due to the Triennial reassessment Cook County, increasing to 1.72 billion**. Due to the increase in the 2016 Base EAV, the **tax rate decreased** to 3.921. The projected increase to the base EAV **is minimal for 2017, primarily due to new growth**. Therefore the projected tax rate for 2017 remains below 4.00.

For 2015 and 2016, the increase in the Levy extension was well below the five-year CPI average of 1.4% due to the low CPI values.

While the 2017 CPI of 2.1% could result in an increase of \$2.6 million in revenues for the District, it should be noted that the tax refunds of \$2.6 million would offset the tax revenues for the District. The District will need to closely manage its resources to ensure that spending stays in-line with the projected revenue increases. Furthermore, the District will need to continue to work **with legal counsel to minimize the impact of property tax refund objections related to property tax collections**.

This Dashboard Report refers to the following policies:

4:01 Financial Planning

4:10 Fiscal Management Goals

If you have any questions about the contents of this report, please contact:

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