

**Notice of Special Meeting - Levy Hearing  
Board of Trustees  
Tuesday, December 17, 2019**

A Special Meeting - Levy Hearing of the Board of Trustees will be held on Tuesday, December 17, 2019, beginning at 7:00 PM, in the West Oak Middle School Cafeteria, 26156 N Acorn Lane, Mundelein, Illinois 60060.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. For more information about public comment, see Policy BED. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

**I. Call to Order / Roll Call**

**II. Pledge of Allegiance**

**III. Public Comments and Petitions (Agenda Items)**

**IV. 2019 Levy**

**A. Resolutions**

**V. Public Comments and Petitions (Non-Agenda Items)**

**VI. Adjournment**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting. [See TASB Policy BEC(LEGAL)]

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For the Board of Trustees



**Diamond Lake School District 76**  
**Embrace Empower Excel** Each Child Each Day

# Diamond Lake School District 76 2019 Tax Levy

December 17, 2019





# Levy Calendar

- **November 5** - Tentative tax levy is presented and Board of Education takes action to approve and certify the tentative tax levy
  - Approval needs to occur at least 20 days prior to the Levy Hearing
- **December 6** - Levy notice in newspaper
  - Needs to be published no more than 14 but no less than 7 days from hearing
- **December 17** - Board/Public hearing and levy adoption
- **December 31** - Last day to file with County Clerk



# Levy Process

- Property tax levy: the amount of property tax dollars a school district requests to operate the district for the subsequent fiscal year. The property tax cycle is the annual process of adopting a levy and then receiving the tax money.
- First step: The District determines the revenue it will need to operate and then levies that amount. This is done through developing long-term projections and a zero-based budget process.
- Property taxes capped: Property Tax Limitation Act ensures the protection of taxpayers by limiting the increase in total tax dollars collected by the school. This limits the increase of property taxes to 5% or the Consumer Price Index (CPI) rate, whichever is lower.
- Property Tax Rate Increase Limited to:
  - **CPI on existing property property - 1.9%**
  - **Plus new property**
    - Gather new growth data from the local assessor's office. Currently project 2-4% growth on existing property countywide.
    - Actual EAV not known until March



# Levy Process continued...

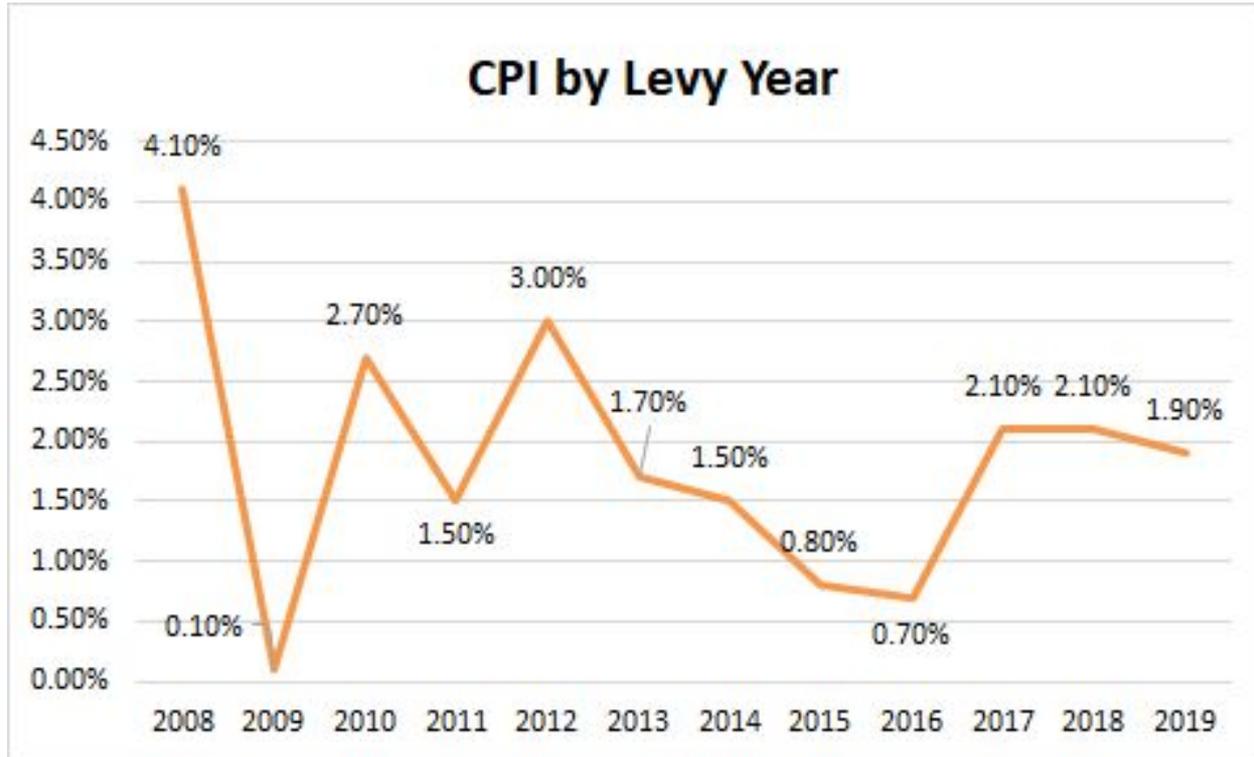
- School districts must deposit property tax revenue into appropriate accounting funds as determined by the Illinois School Code and the Illinois Program Accounting Manual. A formula determines the amount of property tax revenue each fund is entitled to receive:

$$\text{tax rate} \times \text{equalized assessed valuation (EAV)} = \text{property tax revenue}$$

- County clerk calculates the final property tax billings using this formula and direct these billings to owners of parcels of land located in each school district. The process of preparing property tax billings is the "property tax extension".
- The District collects tax extension payments in the Spring and Fall.



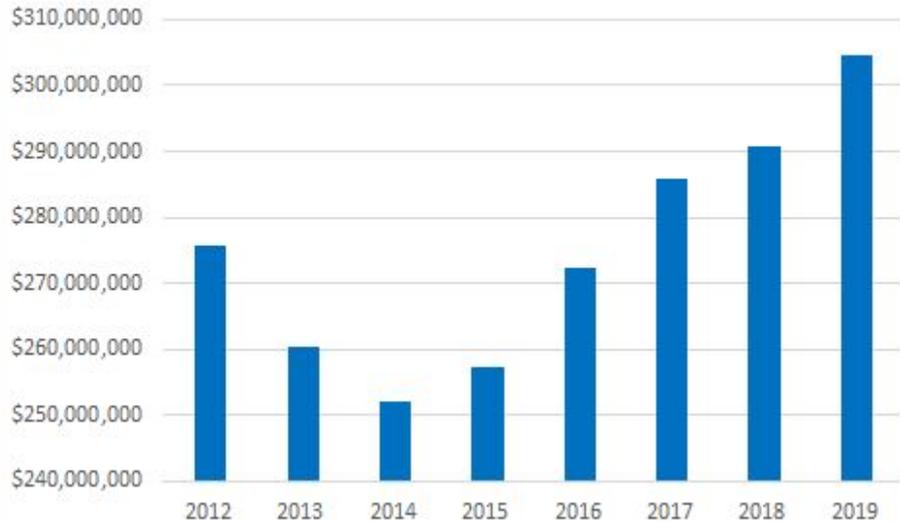
# Historical CPI



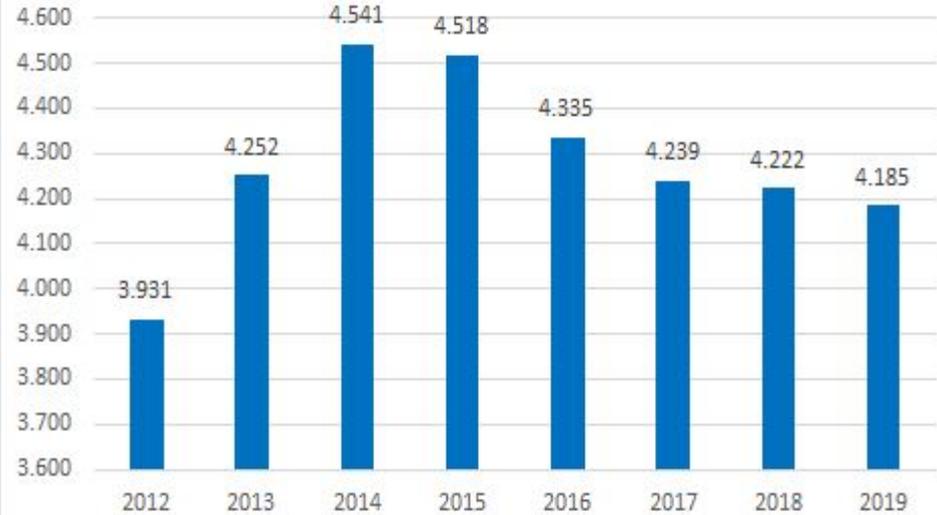


# Historical

### Equalized Assessed Value (EAV)



### Limiting Rates (minus SEDOL and Bond & Interest)

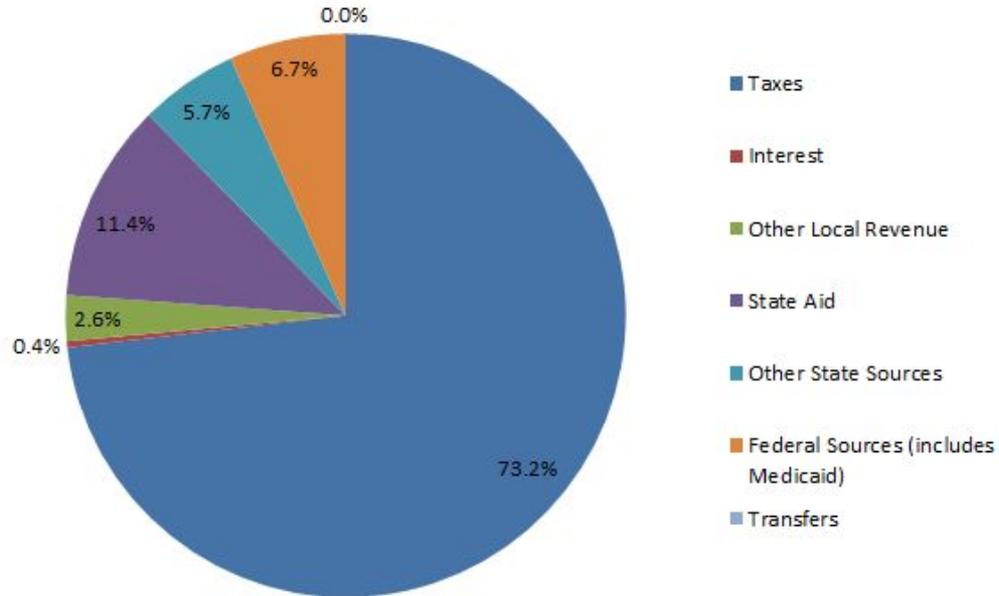


- Inverse Relationship:

- As property values increase faster than CPI, tax rates decrease
- When property values decrease, tax rates rise



- Property Taxes = 73% of revenue





# 2019 Proposed Tax Levy

	Tax Extension for 2019			PROPOSED 11/2019 <b>4.76%</b> <b>EAV</b> <b>\$304,747,527</b>	2019 Best Guess Levy Extension
	4.90%	1.79%	Maximum		
	EAV	EAV	Allowable		
	<b>\$285,764,464</b>	<b>\$290,887,045</b>	Rates		
FUND/LEVY	2017 EXTENSION	2018 EXTENSION		PROPOSED 2019 EXTENSION	(4.76%) EAV growth
Educational	\$9,234,519	\$9,465,101	as needed	<b>\$12,250,000</b>	\$9,827,891
O & M	\$1,571,705	\$1,463,648	0.550%	<b>\$1,400,000</b>	\$1,158,041
Transportation	\$428,647	\$585,460	as needed	<b>\$900,000</b>	\$700,919
Working Cash	\$57,153	\$58,547	0.050%	<b>\$75,000</b>	\$60,950
IMRF	\$108,591	\$102,456	as needed	<b>\$200,000</b>	\$167,611
Social Security	\$108,591	\$102,456	as needed	<b>\$200,000</b>	\$167,611
Tort	\$28,576	\$58,547	as needed	<b>\$75,000</b>	\$60,950
Special Education	\$571,529	\$585,460	0.400%	<b>\$750,000</b>	\$609,495
Life Safety	\$2,858	\$2,900	0.100%	<b>\$1,000</b>	\$290
Lease Purchase			0.100%		
SEDOL IMRF Levy	\$20,404	\$17,895	0.008%	<b>\$16,390</b>	\$16,390
Debt Service	\$918,158	\$879,971	0.235%	<b>\$883,251</b>	\$883,251
<b>Total</b>	<b>\$13,050,729</b>	<b>\$13,322,441</b>	<b>1.443%</b>	<b>\$16,750,641</b>	<b>\$13,653,399</b>



# Why “Balloon Levy”

- A “balloon levy” is a term used to describe the practice of requesting more money than we reasonably expect to receive.
- The reason for this is two-fold:
  - Under the Tax Cap Law, if you under levy, you can never recapture the lost revenue to the District.
  - At the time the tax levy is due, the EAV and new property of the district is unknown.
- Due to the Tax Cap formula should ACTUAL growth exceed PROJECTED growth, levying dollars in this manner will allow the district to receive all additional new property revenues. Should ACTUAL growth equal or fall below PROJECTED growth, the dollars received by the district, and thus the tax rate, will be limited by the assessed valuation and the Illinois School Code. Therefore, the taxpayer is not harmed when the district balloons its levy in those funds where a tax rate limit is imposed.



# Frequently Asked Questions

- **Why doesn't the District lower its Levy?**

We would be penalized due to the Tax Cap formula for future years as each year is limited by the year prior. This results in a permanent reduction in revenue that can never be recovered. For example, the District is estimating around a \$330K increase in revenue in this year's extension vs. last year. If we were to keep the tax extension the same as last year we would not only lose out on that revenue this year, but exponentially every year after that. Assuming a 1% CPI over the next 5 years, the district would forfeit \$1,683,000 in revenue.

- **Did the District raise my tax rate this year?**

The District does not set tax rates and did not raise the rate. By law, the school district requests a specified amount of money. This amount of money is capped by the Property Tax Extension Limitation Law (PTELL) at no more than the CPI (plus new construction). Tax rates are established by the county after the total equalized assessed value in the taxing district is taken into account. The school district receives only an increase of CPI (1.9%) that is capped at 5%.

- **If the District is only getting an increase of CPI, why are my taxes going up more than that?**

This has to do with the value of your home in relation to others in the district. If your value is higher than the previous year, in relation to other properties in the district, you may pay more than the CPI. Conversely, if your value is lower than in the previous year, in relation to other properties in the district, you pay less than CPI. If all properties either went up or down the same percentage, or stayed the same, the tax rate for everyone would increase only by CPI.



# Frequently Asked Questions

- **How does Diamond Lake SD 76 tax rate compare to other districts?**

The amount and type of property in a community affects individual homeowner's tax bill. A community that has more successful commercial/industrial property will typically have a higher overall EAV. This balanced mix of properties helps distribute the tax burden throughout the community. The higher the combined property value, the lower the tax rate.

Tax Rate = Total Tax Extension / Total EAV

	EAV Per Student *	Tax Rate (2018)
Diamond Lake SD 76	\$294,122	4.58
Hawthorn SD 73	\$321,778	3.85
Mundelein SD 75	\$210,867	4.79
Fremont SD 79	\$399,528	3.18
Kildeer Countryside SD 96	\$411,084	3.72

\*From Forecast5

## CERTIFICATE OF PUBLICATION

Paddock Publications, Inc.

### Lake County Daily Herald

Corporation organized and existing under and by virtue of the laws of the State of Illinois, DOES HEREBY CERTIFY that it is the publisher of the **Lake County DAILY HERALD**. That said **Lake County DAILY HERALD** is a secular newspaper, published in Libertyville and has been circulated daily in the Village(s) of:

Antioch, Bannockburn, Deerfield, Fox Lake, Gages Lake, Grandwood Park, Grayslake, Green Oaks, Gurnee, Hainesville, Hawthorn Woods, Highland Park, Highwood, Indian Creek, Ingleside, Island Lake, Kildeer, Lake Barrington, Lake Bluff, Lake Forest, Lake Villa, Lake Zurich, Lakemoor, Libertyville, Lincolnshire, Lindenhurst, Long Grove, Long Lake, Mundelein, North Barrington, Prairie View, Riverwoods, Round Lake, Round Lake Beach, Round Lake Park, Third Lake, Vernon Hills, Volo, Wadsworth, Waukegan, Wauconda, Wildwood

County(ies) of Lake

and State of Illinois, continuously for more than one year prior to the date of the first publication of the notice hereinafter referred to and is of general circulation throughout said Village(s), County(ies) and State.

I further certify that the Lake County DAILY HERALD is a newspaper as defined in "an Act to revise the law in relation to notices" as amended in 1992 Illinois Compiled Statutes, Chapter 715, Act 5, Section 1 and 5. That a notice of which the annexed printed slip is a true copy, was published December 6, 2019 in said Lake County DAILY HERALD.

IN WITNESS WHEREOF, the undersigned, the said PADDOCK PUBLICATIONS, Inc., has caused this certificate to be signed by, this authorized agent, at Arlington Heights, Illinois.

PADDOCK PUBLICATIONS, INC.  
DAILY HERALD NEWSPAPERS

BY



Designee of the Publisher and Officer of the Daily Herald

Control # 4536856

### NOTICE OF PROPOSED PROPERTY TAX INCREASE FOR DIAMOND LAKE SCHOOL DISTRICT 76

I. A public hearing to approve a proposed property tax levy increase for Diamond Lake School District for 2019 will be held on Tuesday, December 17, 2019, at 7:00 p.m. at the West Oak Middle School, 500 Acorn Lane, Mundelein, IL 60060.

Any person desiring to appear at the public hearing and present testimony to the taxing district may contact Dr. Bhavna Sharma-Lewis, Supt. of Schools, 500 Acorn Lane, Mundelein, IL 60060; phone 847-566-9221.

II. The corporate and special purpose property taxes extended for 2018 were \$12,442,469. The proposed corporate and special purpose property taxes to be levied for 2019 are \$15,867,390. This represents a 27.53 percent increase over the previous year.

III. The property taxes extended for debt service and public building commission leases for 2018 were \$879,971.

The estimated property taxes to be levied for debt service and public building commission leases for 2019 are \$883,251. This represents a 0.37 percent increase from the previous year.

IV. The total property taxes extended for 2018 were \$13,322,441.

The estimated total property taxes to be levied for 2019 are \$16,750,641. This represents a 25.73 percent increase over the previous year.

Dated: December 6, 2019

Margaret Kwon  
Secretary,  
Diamond Lake Schools  
Board of Education  
Lake County, Illinois