

**School District U-46**  
Elgin, Illinois  
October 19, 2020

The Finance Committee of the Board of Education met at 4:32 p.m. via Zoom and made available to the public in Room 140 of the Educational Services Center, 355 East Chicago Street, Elgin, Illinois, to present and discuss the Proposed 2020 Tax Levy. In attendance were Board members John Devereux, and Melissa Owens. Also in attendance were Board Members Sue Kerr, Eva Porter, and Kate Thommes as well as Tony Sanders, Superintendent, Dale Burnidge, Director of Financial Operations, Robyn Cornelissen, Financial Controller, Dr. Suzanne Johnson, Deputy Superintendent for Instruction, Dr. Jeff King, Deputy Superintendent of Operations/Chief School Business Official, and Steve Burger, Assistant Superintendent for Elementary Schools Instruction and Equity.

1. Open Meeting and Introduction

Ms. Owens opened the meeting and stated everyone present.

2. Presentation and Discussion of the Proposed 2020 Tax Levy

Mr. Burnidge reviewed the 2020 Tax Levy timeline as well as the Abatement timeline.

Mr. Burnidge stated the vote of the Resolution to Abate will take place on February 22, 2021. Mr. Burnidge further stated the abatement amount will be \$9,605,212, which is the same as last year. Including the 2020 tax year, the district will have abated \$38.9 million since 2015.

Mr. Burnidge reviewed the Tax Levy terms and advised the Property Tax Levy is the amount of property tax dollars requested to operate the district for the subsequent fiscal year. EAV (Equalized Assessed Valuation) is one third of the taxable market value of real estate. Mr. Burnidge further stated that new construction is the assessed value of new improvements or additions to an existing property or property that was previously exempt.

Mr. Burnidge stated the district is subject to the Property Tax Extension Limitation Law or PTELL, which limits the increases to the amount of the Consumer Price Index or CPI with a cap of 5%. For this tax year, the CPI is 2.3%, which is higher than it has been in the past 5 years. In the past 5 years, the CPI average has been 1.8% and the 3-year average has been 2.1%.

Mr. Burnidge stated there are two key components utilized in creating a levy that are unknown until April of 2021, the Equalized Assessed Valuation (EAV) and the amount of new construction. Mr. Burnidge stated the district is estimating an increase in EAV of 3% as Kane has given the district an estimate of 4.8%. Mr. Burnidge stated the district does not have values from DuPage or Cook counties at this time. Mr. Burnidge stated the district has estimated \$20 million in new property for the current levy and advised last year's actual value was \$33 million.

Mr. Burnidge stated to find the impact of new growth the district begins with the 2019 tax extension of \$278,766,190 and increases it by the CPI, or 2.3% to get a new maximum extension of \$291,699,477. Mr. Burnidge stated the district added the estimated new growth of \$20 million in EAV, for an expected extension of \$292,774,640.

Mr. Burnidge stated the district is currently in the position where the EAV increase is more than the CPI, which will decrease the tax rates. Mr. Burnidge further stated the tax rates are determined after the EAV is finalized and requests are made.

Mr. Burnidge described how property taxes are calculated and gave an example wherein the total district EAV was \$500,000,000 and the homeowner's EAV was \$50,000, which would be a house value of \$150,000. Using this example, Mr. Burnidge stated their portion of the total EAV is 0.0001. If the district's property tax revenue is \$20 million, the homeowners tax bill will be \$2,000 ( $\$20,000,000 \times 0.0001 = \$2,000$ ).

Mr. Burnidge stated when comparing U-46 to other districts, the district is the middle of our surrounding districts as far as Operating Expenditures per pupil at \$13,446, and a per capita tuition charge of \$11,131. These calculations are from each district's Annual Financial Report. Mr. Burnidge stated there are, however, wide variations in the amount of EAV per student different districts can generate. The district has the second lowest amount of EAV per student at \$138,911 among the compared districts. Mr. Burnidge stated this means that the district is more dependent on the state revenues to make up the difference.

Mr. Burnidge then reviewed the 2020 tax levy by fund, which totals \$294,970,452. Mr. Burnidge stated the total requested is 3.45% higher than last year to account for the unknown EAV and new construction amounts. Mr. Burnidge further stated the estimated impact on existing homeowners is 2.3%, with an estimated actual increase of 2.68% including the new construction.

In response to Mr. Devereux, Mr. Burnidge stated differences between the actual and the proposed levy is due to the district adding in a defensive levy portion which usually makes the actual levy less than the proposed levy.

In response to Mr. Sanders, Dr. King stated there are two major areas of construction in South Elgin, one being a housing development and the other being a condo development that is near the corner of Route 25 and the main street coming out of South Elgin. There is also a warehouse being constructed on Shales Parkway and a few others areas of construction.

In response to Ms. Kerr, Mr. Burnidge stated there is no indication of a falling EVA in the next couple of years as of yet. Mr. Burnidge stated Kane County is the only county that provides any type of estimate and they still reflect an increase. Mr. Burnidge stated Cook County just did their reassessments and usually there is not much change for a few years after that. Mr. Burnidge stated Cook County is not due to be reassessed for two more years.

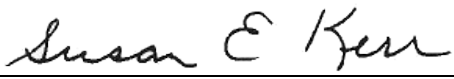
### 3. Public Participation

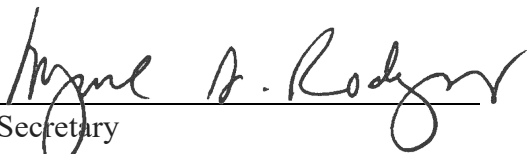
There were no public comments.

4. Adjournment

Ms. Owens adjourned the meeting.

Approved this 16th day of November 2020.

  
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President

  
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Secretary