



Township High School District 211

Community Connections:

A Quarterly Update of the Strategic Plan

December 2017 – Special Finance Edition

District 211 Levy Supports Operations while Eliminating Debt Service Levy

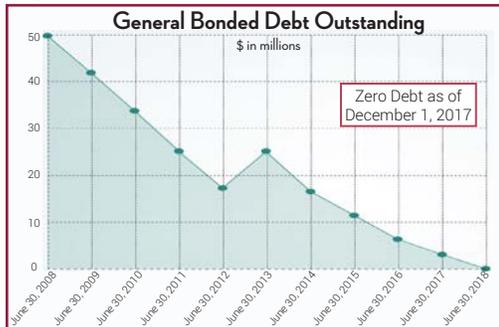
The Board of Education approves a levy each year to provide funds necessary for the District to operate. The recommended 2017 levy amount cannot exceed the tax cap. To limit the impact on taxpayers, a school district's levy increase is limited to the increase in the common costs that all of us experience related to the rising costs of goods and services, determined by the Consumer Price Index (CPI). The increase in operating costs according to the CPI index was 2.1% and the District is requesting this modest increase in our property tax revenues to match the rising costs of goods and services. When new properties, homes and businesses are added to the community, they all help contribute to the shared property taxes and we anticipate this amount to equal 0.3% of the total amount of last year's property taxes. Consistent with these limitations, District 211 is seeking a levy increase of 2.1% due to rising costs and an increase of 0.3% to incorporate new property developments into the tax base.

For the past several decades, District 211 has also levied additional funds for its debt repayment of funds borrowed to make major facility improvements. For the current year levy, District 211 will be debt free and will no longer levy these additional funds from taxpayers. The District's levy recommendation will provide necessary funding to deliver quality educational opportunities, services and facilities for all students. The 2017 levy amount will be used in devising the District's 2018-2019 budget.

FACT: District 211 provided over \$33 million in tax relief over the past 10 years, reducing the levy amount requested from local taxpayers.

District 211 Becomes Debt Free

District 211 made its final debt payment on its outstanding bonds in November 2017 and carries no further bonded debt. Five years ago, District 211 issued bonds (debt) to pay for health and safety improvements to our school facilities required by the Illinois State



Board of Education. By becoming debt free, the District will no longer request taxpayer funds through the levy to make bond and interest payments.

Improvements to District 211 facilities

will continue to be necessary to provide safe environments that are conducive to learning and supportive of student opportunities. The District has a multi-year facility improvement plan to ensure well-maintained, quality learning environments and will use available resources to pay for each of the upcoming facility improvement projects:

- roof repairs;
- renovations to bathrooms and locker rooms original to the schools - including plumbing, ventilation, and electrical;
- upgrades to original or aging mechanical equipment and systems;
- renovation of outdoor multi-purpose spaces; and
- renovation of a student cafeteria and kitchen

Continued prudent financial planning will allow District 211 to maintain and improve facilities while responsibly managing financial resources provided by community tax dollars.

District 211 Utilizes Existing Reserves to Fund Major Facility Improvement Projects

As District 211 became debt free, it was critical to have a funding strategy to ensure that financial resources remain available to fund necessary facility improvements. Through the combined use of existing financial reserves (savings) and annual operating revenues, District 211 paid for over \$60 million in major facility improvement projects across the District without need to issue debt over the past four years.

In order to continue to fulfill our commitment to remain debt free and also provide facilities that support student learning, District 211's use of reserve funds will remain a critical source of funding into the future. Over the duration of the next five- to 10-year time period, District 211 will plan to use the combination of its existing reserves and future yearly budget surpluses to fund facility improvement projects for as long as this approach is both fiscally viable and the responsible course of action. By using our reserves and yearly operating expenses, the District can avoid the cost of debt issuance and continue to maintain targeted levels of reserves to protect the District against financial uncertainties.

District 211 to Make Investment in Future Pension Obligations for Second Year

Beginning in 2016, District 211 made an investment of current reserve funds toward a supplemental payment to the Illinois Municipal Retirement Fund (IMRF) against future pension obligations. By making this investment, the District will save annual operating costs required of all IMRF employers and has the ability to make investment earnings at a rate several times the rate of its other financial investments. For the 2017 year, District 211 will make a second supplemental payment to IMRF, bringing the total investment to \$6 million. Through this financial strategy, the Board of Education will decrease future pension obligations, decrease annual operating costs and increase the return on the investment of these funds.

