



# Maplewood Property Financial Impact

District 26 and Village Joint Committee Meeting  
Wednesday, September 16, 2015

Brian Coleman, Superintendent  
Jeff Schubert, Director of Finance and Operations

**ENGAGE, EMPOWER, EXCEL**



# District 26 Mission Statement

The District 26 Community works together to provide a sound educational foundation that supports and inspires all students to reach their full academic potential.

## Finance Strategic Plan

An exemplary school district effectively and efficiently uses the resources available to maximize the educational experience.

- Maintaining a balanced budget.
- Aligning resources to support the District's Vision.
- Evaluating and implementing responsible cost saving measures.
- Pursuing alternative and sustainable sources of revenue.
- Continuing to conduct the District's finances with transparency.
- Using data driven financial variables for all estimates.



## Presentation Overview

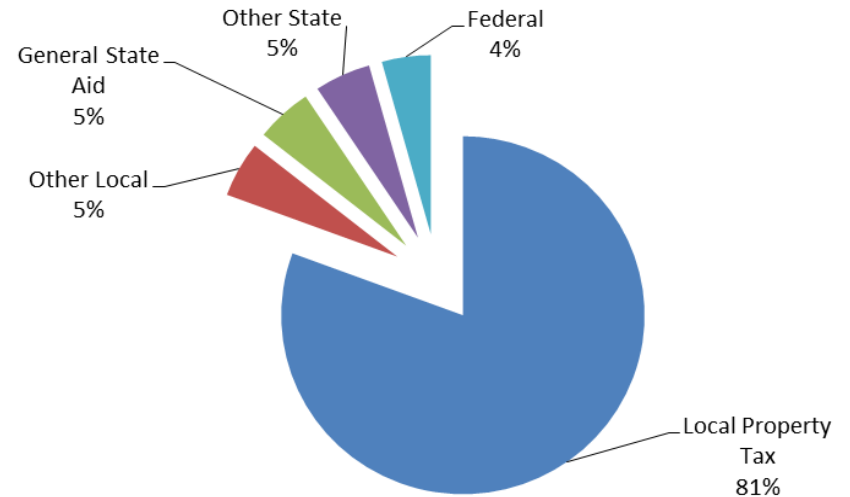
- District 26 Current Financial Condition
- McHenry County Elementary District Comparison
- Financial Impact of New Development
- Financial Impact to Other Taxing Bodies in Cary



# FY16 Revenue Summary

The following is the Revenue summary for all funds in the District's FY16 Budget:

<u>Revenue by Source</u>	<b>2016 Budget</b>
<b>Local Property Tax</b>	24,766,833
<b>Other Local</b>	1,536,314
<b>General State Aid</b>	1,540,375
<b>Other State</b>	1,531,305
<b>Federal</b>	1,331,565
<b>Other Sources</b>	
<b>Total Revenue</b>	<b><u>30,706,393</u></b>



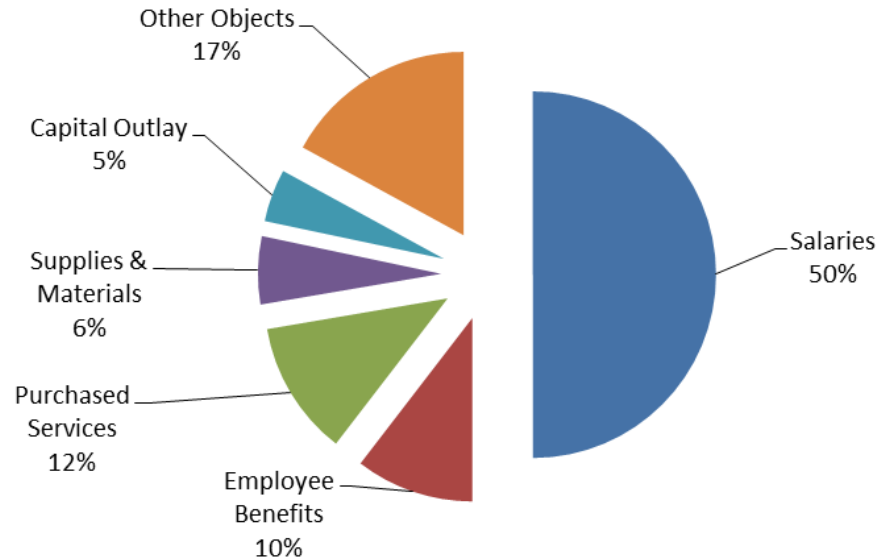
Source: Fiscal Year 2016 Budget



# FY16 Expenditure Summary

The following is the expenditure summary for all funds in the District's FY16 Budget:

<b>2016 Budget</b>	
<b><u>Expenditure By Object</u></b>	
Salaries	14,829,693
Employee Benefits	3,056,616
Purchased Services	3,521,200
Supplies & Materials	1,782,418
Capital Outlay	1,495,818
Other Objects	5,056,533
Non-Capitalized Equipment	106,113
Termination Benefits	-
<b>Total Expenditure by Object</b>	<b>29,848,391</b>





## FY16 Fund Balance

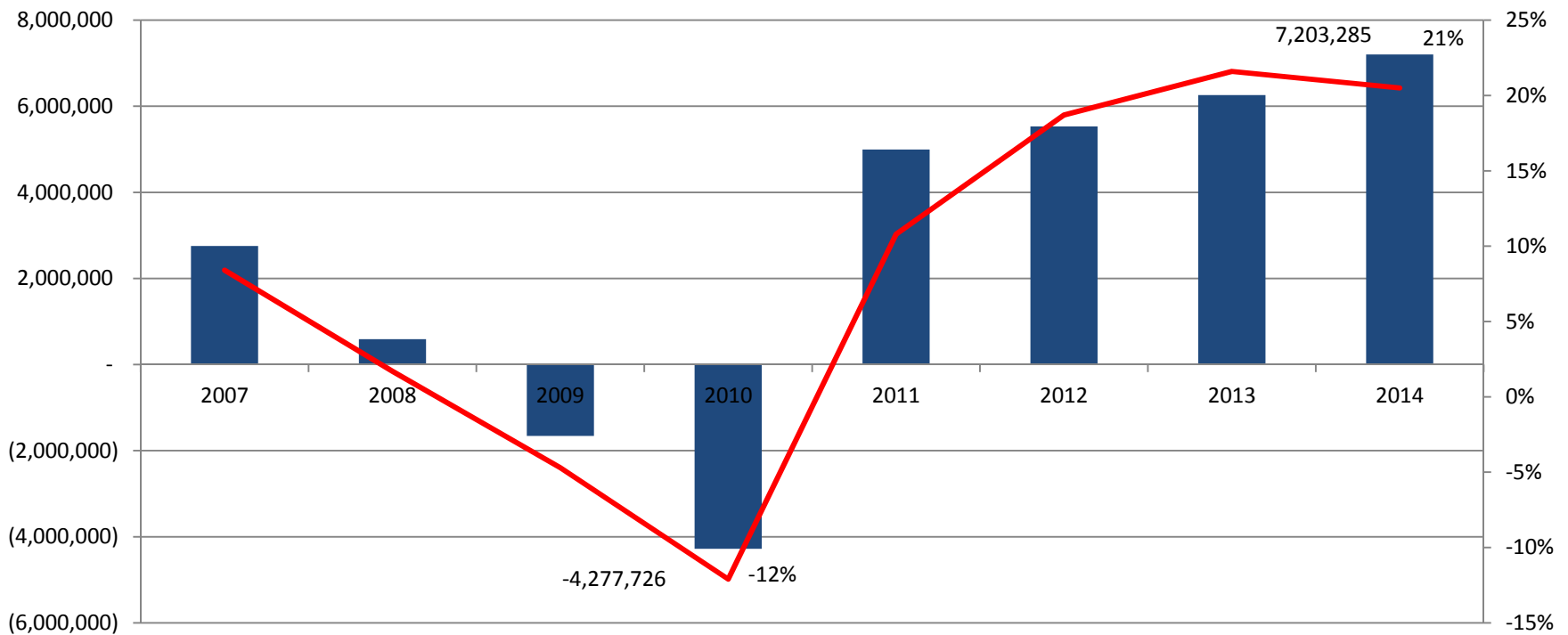
The following is the projected Fund Balance in the District's FY16 Budget:

	<b>2016 Budget</b>
Beginning Fund Balance	9,680,018
Total Revenues	30,706,393
Total Expenditure	29,848,391
Operating Results (Rev-Exp)	858,002
<b>Fund Balance</b>	<b>10,538,020</b>
<b>% Fund Balance</b>	<b>35.3%</b>



# Cary CCSD 26 Fund Balance History

District 26 has made significant improvements over the past 5 years





## Financial Unknowns

The District's Finances are subject to many complex economic, social, and political risks and uncertainties, many of which are outside the ability for the District to control.

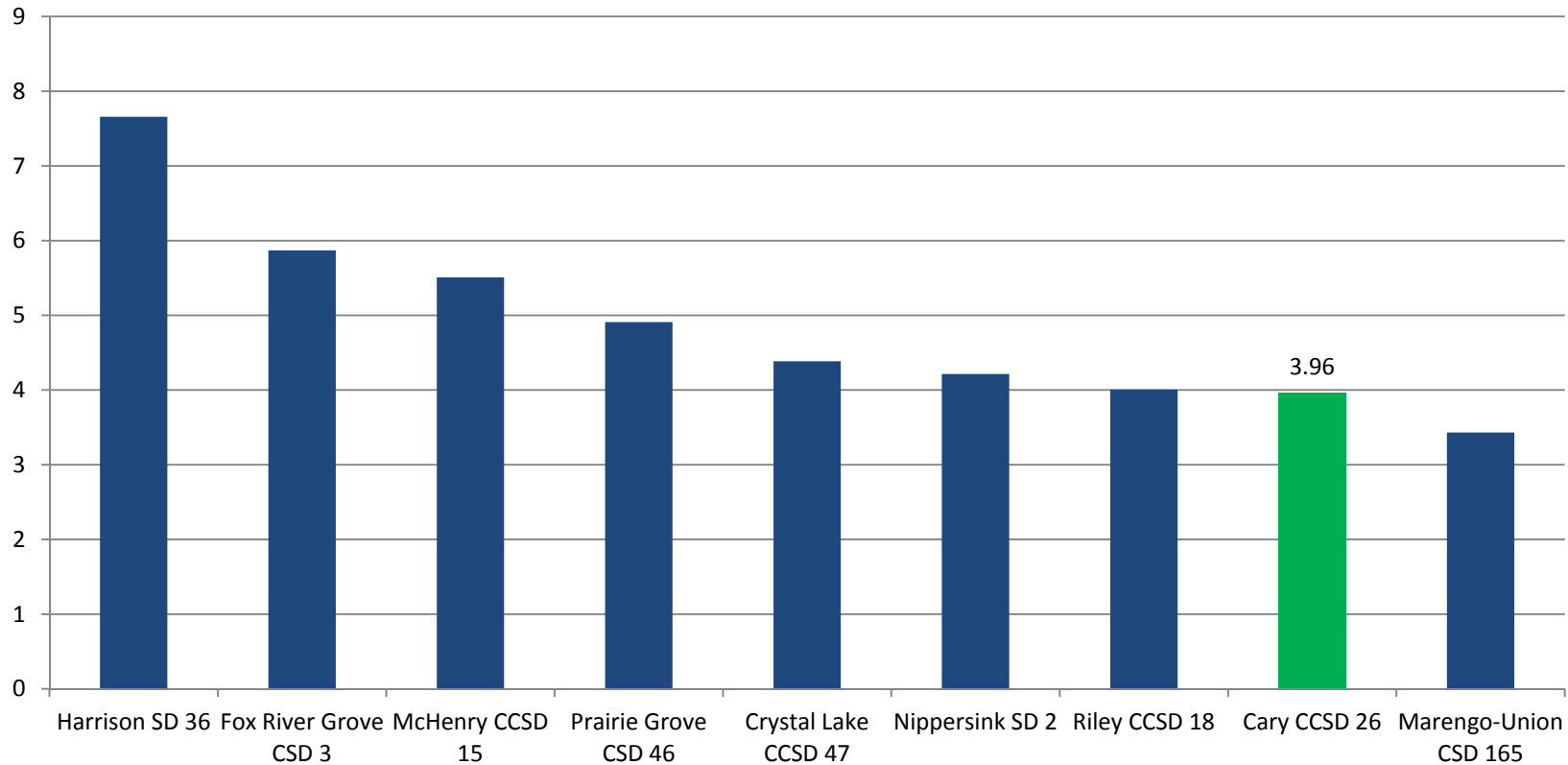
- State of Illinois Economic Situation
- Changes in Legislation to School Funding
- Liability of Pension Rates
- Enrollment Changes
- Individualized Student Needs/Requirements
- Unexpected Capital Needs





# McHenry County Elementary Districts 2014 Operating Tax Rates

District 26 has the second lowest Tax Rate in McHenry County.

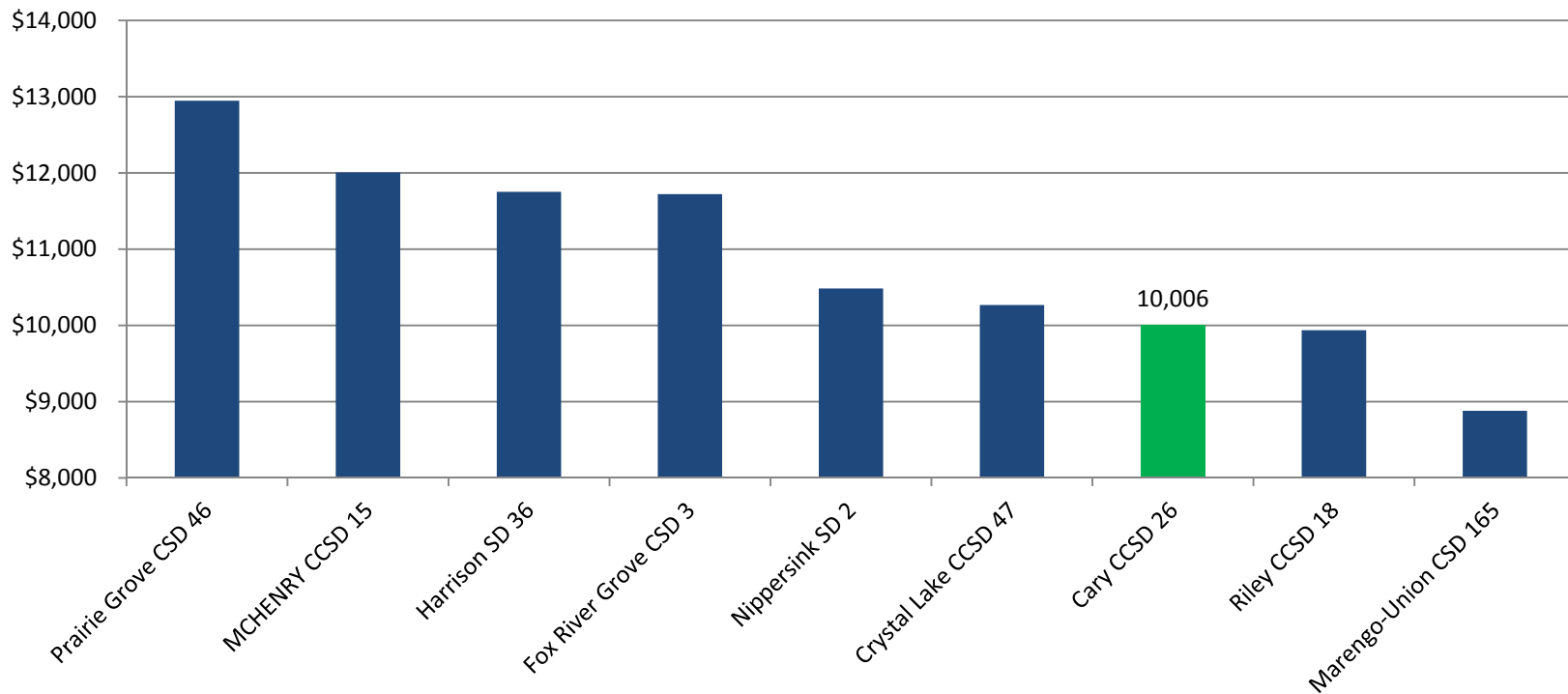




# McHenry County Elementary Districts Operating Expense per Pupil (OEPP)

District 26 has the third lowest Operating Expense per Pupil in McHenry County.

Operating Expenditures Per Pupil (OEPP) -2014

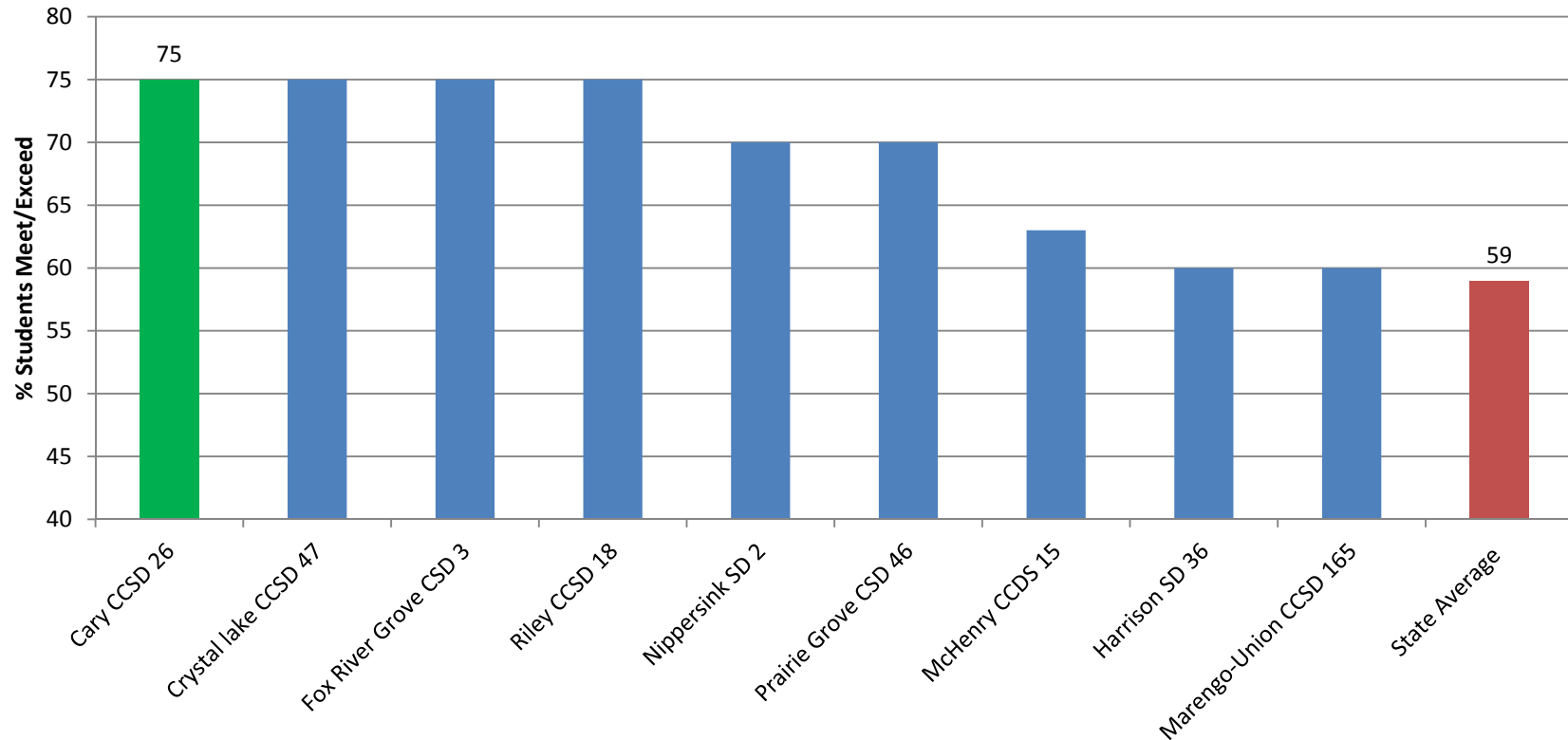


Source: Ilearn, Illinois Local Education Agency Retrieval Network



# McHenry County Elementary Districts Test Scores

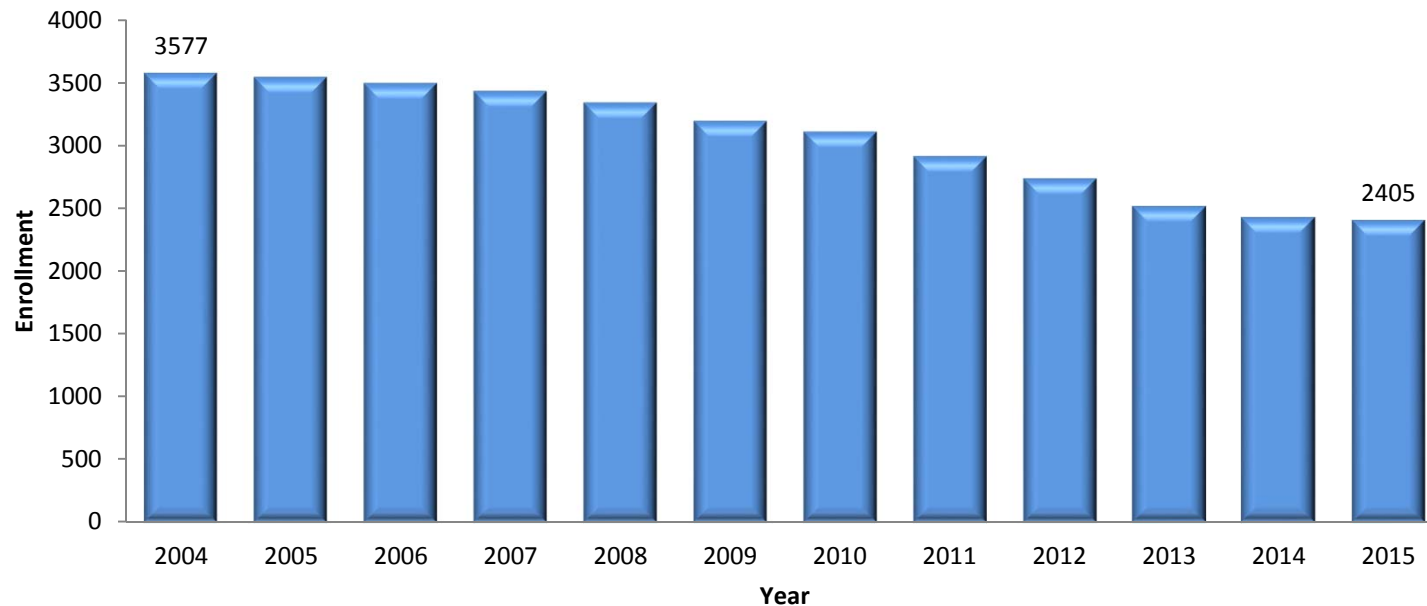
District 26 has one of the highest ISAT Test Scores among Elementary Districts in McHenry County.





## District 26 Enrollment History

District 26 has experienced declining enrollment, but enrollment rates are projected to stabilize.





# District 26

## Goals for Maplewood Property

- Sell school property that is no longer needed by the district.
- Use proceeds of sale to offset most or all of the cost to relocate the transportation department.
- Place the property back on the tax rolls to generate new revenue that will support D26 educational programming.



# Hypothetical Maplewood Development

To provide the Joint Committee and public with potential financial impacts of sale of the Maplewood Property.

## Assumptions

- Previously the minimum sale price was \$2.2 Million
- Cost to relocate Transportation (\$1.7-\$2.6 Million)
- 200 Unit Market-Rate Multi-Family Housing
  - 90 - One Bedroom Units**
    - Monthly rent \$1,150
  - 90 - Two Bedroom Units**
    - Monthly rent \$1,250
  - 20 - Three Bedroom Units**
    - Monthly rent \$1,350



*Hypothetical*

## Estimated New Enrollment Impact

Using a widely accepted matrix to estimate the amount of new students impacted by a development, the district anticipates 19 additional students

		Projected Average Class Size		
	New Students	<u>2017</u>	<u>2018</u>	<u>2019</u>
Briargate	13	23.5	23.7	22.4
Cary Junior High	6	23.9	22.7	21.9
Total Students	19			



*Hypothetical*

## Estimated Revenues

- Property Tax
  - Assessed at  $\frac{1}{3}$  or 33% of Projected Market Value
- Impact Fees for Educational Purposes
  - 65% of Impact Fees are distributed to Cary CCSD 26
  - 35% of Impact Fees are distributed to D155
- Less Expenses
  - Utilities, Maintenance & Repairs





*Hypothetical*

## Annual Property Tax Revenue

Based upon the County's Assessment Calculation of the hypothetical development, the Market Value when fully completed is estimated at \$15,547,621.

The Assessed Value is  $\$15,547,621 \times 1/3 = \$5,182,000$

Cary CCSD 26 2014 Tax Rate = 4.74%

$4.74\% \times \$5,182,022 = \$246,000$

**Estimated D26 Property Tax Revenue = \$246,000**



## New Property Tax Revenue Equivalents

New Property Tax Revenue of \$246,000 equates to:

- 6 New Teachers
- 328 laptops for students
- Offset cost of new Science Curriculum
- Additional funding for Capital Projects (AC at BG, Parking Lot Replacement, Energy Upgrades, etc.)
- Lower taxpayer burden for outstanding debt



## Impact Fees for Educational Purposes

Fees that are imposed by the Village of Cary on new developments to pay the costs of providing public services. These fees are usually implemented to help reduce the economic burden on local jurisdictions that are trying to deal with population growth within the area.

90-1 Bedroom Units = \$12,000

90-2 Bedroom Units = \$70,000

20-3 Bedroom Units = \$40,000

**Total Impact Fees = \$122,000**



*Hypothetical*

## Operational Cost (Expenses)

Currently it costs the District \$65,000 annually to Operate the Maplewood property.

- Repair and Maintenance = \$43,000
- Utilities = \$22,000

The District would also save an additional \$13,000 in fuel cost by relocating the Transportation Building.

**Estimated Annual Operational Cost Savings = \$78,000**



## Net Financial Impact Summary

Based upon the assumptions used for the hypothetical development the estimated net impact to District 26 would be \$446,000

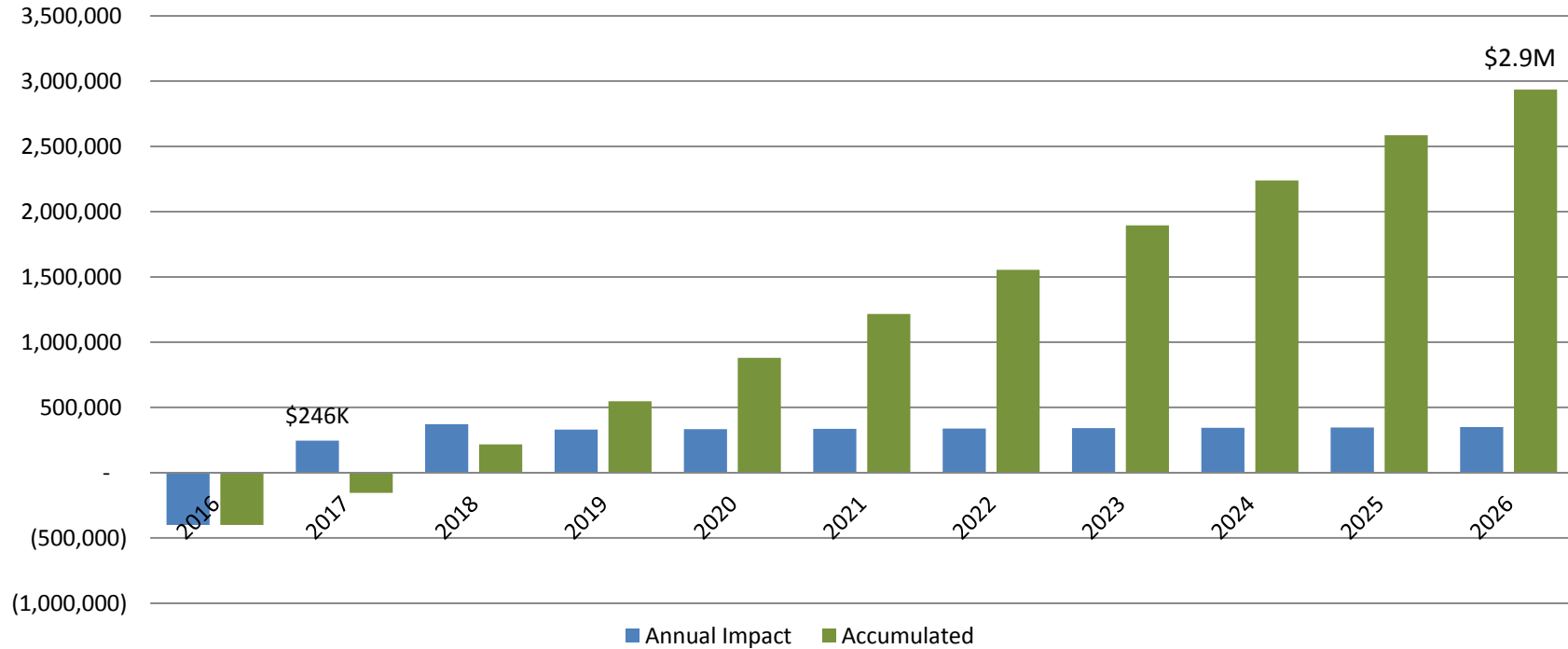
- Estimated annual property tax revenue = \$246,000
- Impact fees = \$122,000 *\*One Time Only\**
- Annual operating cost saving = \$78,000



*Hypothetical*

## Cary 26 Financial Impact

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- \$246,000 of Estimated NEW Property Tax Revenue annually
- \$2.9M of Estimated NEW Property Tax Revenue over a 10 year period



*Hypothetical*

# Taxing Bodies of Cary

## New Property Tax Revenue

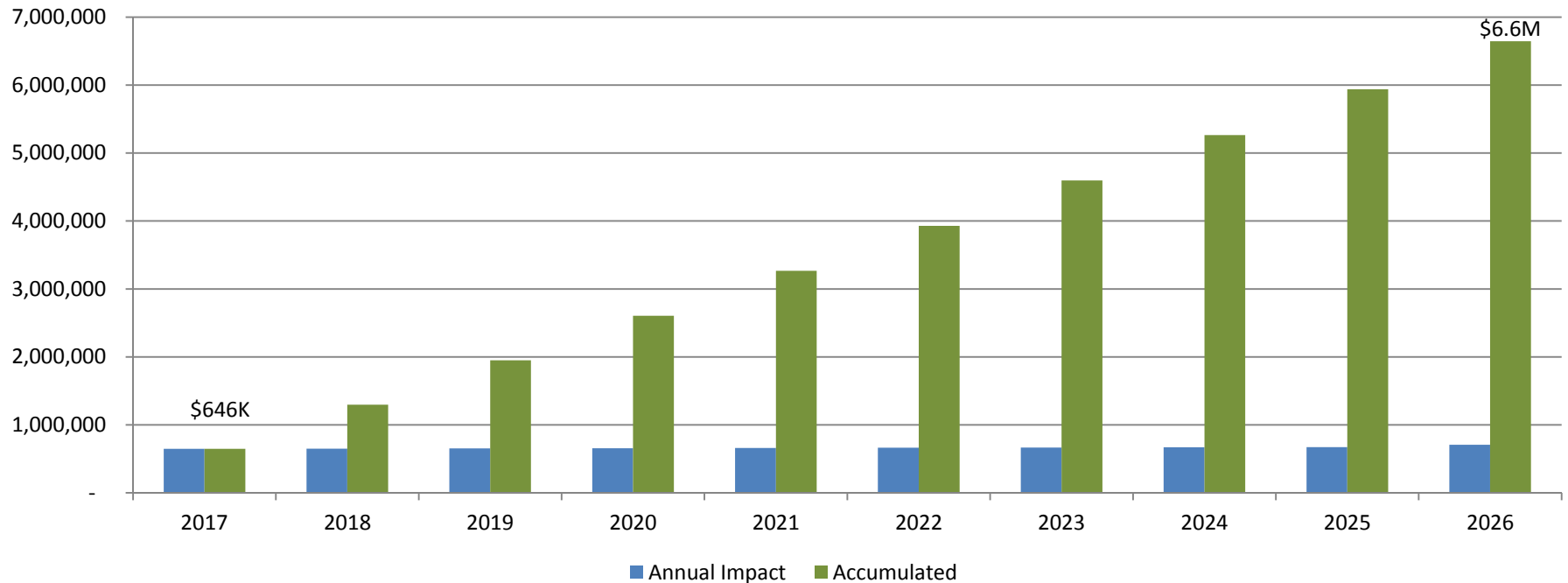
- Estimated Property Tax Revenue is based on the 2014 Tax Rates
- \$646,000 in Increased Property Tax Revenue
- \$6,645,000 over 10 years

	<u>Estimated 2016</u>	<u>Estimated Over 10 Years</u>
– McHenry County	\$59,000	\$607,000
– McHenry Co. Conserv.	\$15,000	\$151,000
– MCC	\$23,000	\$237,000
– Cary CCSD 26	\$246,000	\$2,528,000
– District 155	\$160,000	\$1,648,000
– Cary Fire	\$34,000	\$349,000
– Cary Library	\$15,000	\$156,000
– Cary Park District	\$47,000	\$481,000
– Algonquin Township	\$4,000	\$45,000
– Algonquin TWP RD & BR	\$10,000	\$102,000
– Village of Cary	\$33,000	\$341,000



*Hypothetical*

# Taxing Bodies of Cary Financial Impact



- \$646,000 of Estimated NEW Property Tax Revenue annually
- \$6.6M of Estimated NEW Property Tax Revenue over a 10 year period





*Hypothetical*

## Taxing Bodies of Cary Impact Fees

- Estimated Impact Fees are based on the 200 Unit Development
- \$957,000 in Impact Fees
  - Cary Park District \$587,000
  - Cary CCSD 26 \$122,000
  - Cary Fire Dept. \$100,000
  - Cary Library \$81,000
  - District 155 \$66,000

Source: Village of Cary Impact Fees



# Questions

