

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
DECEMBER 4, 2007 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Public Hearing on Proposed 2007 Property Tax Levy	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Motion <input type="checkbox"/> Discussion Only	Cara Pavlicek Village Manager

SYNOPSIS

A public hearing has been noticed regarding the 2007 property tax levy, which will be collected in 2008. Council will be asked to establish the levy on December 18, 2007. At that time Council will additionally be asked to approve ordinances to abate the preliminary tax levies related to the 2007 tax levies for the:

Issuance	Amount of Payment to be Abated
General Obligation Bonds, Series 1998 (Fairview Avenue Debt Service)	\$ 273,160
General Obligation Bonds, Series 1999 (Parking Fund)	269,950
General Obligation Bonds, Series 2000 (TIF Increment)	208,325
General Obligation Bonds, Series 2001 (TIF Increment)	317,163
General Obligation Bonds, Series 2001A (Water Fund)	512,210
General Obligation Bonds, Series 2003A (TIF Increment)	880,540
General Obligation Bonds, Series 2007 (Capital Projects Fund)	<u>731,179</u>
Total	\$3,192,527

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2006-2011 identified *Exceptional Municipal Organization* with an objective of *Top Quality Core Services Responsive to Current and Future Community and Citizen Needs*.

FISCAL IMPACT

Without the abatement of any debt, the proposed levy is estimated to be \$18,761,264. However, it is recommended that tax levy abatements totaling \$3,192,526 be approved and therefore, the net taxes to be raised by taxation for 2007 upon the taxable property is \$15,568,738 which includes the levy for both the Village and the Public Library as well as the required *extension* of the levy which increases the amount by 1%.

While the total municipal budget relies upon a number of sources of revenue, the property tax levy continues to be a focus of judging the fiscal health of the community. Property tax accounts for 20% of the general fund revenue in the recommended budget.

BACKGROUND

In November, the Village published the Truth in Taxation Notice and announced the Public Hearing. Annually, the Village Council is required to levy taxes for the following:

- Village Services defined as corporate/police, fire protection, police pension, fire pension, the total amount of all General Obligation (G.O.) Bond payments due for the fiscal year;

- Library operating, Library debt; and
- all Special Services Areas.

Following the levy of taxes, the Council may *abate* or reduce the levy (reduce the property tax collections) for the specific amount that the Village has other resources available to pay for debt service. The amount to be abated is determined by the budget when specific revenues such as gas tax are identified to pay for the Fairview Avenue debt, water revenues that are identified to pay for bonds issued to improve the water system and revenues from the Tax Increment Financing (TIF) districts that are available and budgeted for debt service.

The Mayor and Village Council have the opportunity to evaluate the proposed tax levy in the context of the budget for which it is being proposed. In addition, the proposal includes the tax levy and abatements. The amounts proposed for abatement are those debt instruments for which the Village has funds other than property taxes identified to pay principal and interest obligations.

	2006 EAV received in 2007	2007 projected EAV to be received in FY08 (8% increase)	2007 projected EAV to be received in FY08 (8% increase)
EAV Village	\$ 2,222,875,166	\$ 2,400,705,179	\$ 2,400,705,179
EAV Fire Protection District	\$ 2,208,760,258	\$ 2,385,461,079	\$ 2,385,461,079

	2006 extended levy received in FY07	2007 Recommended levy to be received in FY08	Assessor Established Extended levy (1% increase of Village levy)	
	\$ 2,569,644	\$ 2,736,671	\$ 2,764,038	Corporate/Police Levy
	\$ 2,429,636	\$ 2,746,563	\$ 2,774,029	Fire Protection Levy
	\$ 1,090,889	\$ 1,145,133	\$ 1,156,584	Police Pension Levy
	\$ 1,565,863	\$ 1,017,249	\$ 1,027,421	Fire Pension Levy
	n/a	\$ 2,604,098	\$ 2,630,139	Stormwater Surcharge
	n/a	\$ 3,980,834	n/a	Debt Service Levy
	n/a	\$ (3,192,526)	n/a	Debt Service to be Abated
	\$ 735,904	\$ 788,308	\$ 796,191	Debt to be paid by property tax after abatement
	\$ 8,391,936	\$ 11,038,022	\$ 11,148,402	total property tax levy request

Corresponding Village Tax Rate	\$ 0.3799	\$ 0.4605	\$ 0.4651
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	2006 extended levy received in FY07	2007 Recommended levy to be received in FY08	Assessor Established Extended levy (1% increase of Village levy)
Library Operating	3,458,281	3,631,195	3,667,507
Library Debt Service	655,193	656,850	663,419
Special Service Area #1	7,500	0	0
Special Service Area #2	234,000	234,000	234,000
Special Service Area #3	8,758	8,671	8,758

TOTAL - All Levies without Abatement		\$	18,761,264		
Abatement			(3,192,526)		
TOTAL - All Levies	12,755,668		15,568,738	15,722,085	



DOWNERS GROVE TAX RATE HISTORY

Comparison of Downers Grove Taxing Body Rates (1999-2006)

Taxing bodies are listed as they they appear on individual tax bills

	2000 **	2001	2002	2003	2004	2005	2006	2006 % of Total
DuPage County	0.2536	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	3.7%
Forest Preserve	0.1742	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	2.8%
DuPage Water Commission	-	-	-	-	-	-	-	0.0%
DuPage Airport Authority	0.0291	0.0271	0.0248	0.0230	0.0213	0.0198	0.0183	0.4%
Downers Grove Township	0.0352	0.0340	0.0324	0.0306	0.0290	0.0278	0.0268	0.6%
Downers Grove Twp Road Dist.	0.0521	0.0510	0.0486	0.0459	0.0434	0.0416	0.0401	0.9%
Vil of Downers Grove-Ex Fire	0.1480	0.2037	0.2830	0.3093	0.3110	0.2962	0.2699	5.8%
Vil of Downers Grove-Fire	0.0548	0.0850	0.0845	0.1274	0.1283	0.1175	0.1100	2.4%
Village of Downers Grove Library	0.2338	0.2275	0.2179	0.2109	0.2033	0.1942	0.1870	4.0%
Downers Grove Park District	0.4400	0.4311	0.3828	0.3489	0.3322	0.3188	0.3062	6.6%
Downers Grove Sanitary District	0.0387	0.0383	0.0366	0.0355	0.0339	0.0326	0.0316	0.7%
Grade School District No. 58	2.1783	2.0881	1.9765	1.8523	1.7721	1.7049	1.6523	35.7%
High School District No. 99	1.8280	1.7972	1.7204	1.6696	1.5914	1.5365	1.4884	32.2%
Junior College No. 502 (COD)	0.1966	0.1930	0.2179	0.2097	0.1972	0.1874	0.1929	4.2%
	5.6624	5.5767	5.3942	5.2049	4.9839	4.7841	4.6251	100.0%

Village of Downers Grove 2003 Rate (Excluding Library)

	2000 **	2001	2002	2003	2004	2005	2006	% Change (1999-2006)
Village of Downers Grove-Ex Fire	0.1480	0.2037	0.2830	0.3093	0.3110	0.2962	0.2699	43.9%
Village of Downers Grove-Fire	0.0548	0.0850	0.0845	0.1274	0.1283	0.1175	0.1100	14.8%
Village of Downers Grove	0.2028	0.2887	0.3675	0.4367	0.4393	0.4137	0.3799	34.1%

Comparison of Downers Grove Tax Rate with Neighboring DuPage County Municipalities

	2000 **	2001	2002	2003	2004	2005	2006	% Change (1999-2006)
Oak Brook	-	-	-	-	-	-	-	0.0%
Elmhurst	0.3870	0.3727	0.3547	0.3259	0.3077	0.2958	0.2799	-32.0%
Hinsdale	0.4220	0.3866	0.3586	0.3338	0.3111	0.3066	0.2902	-38.2%
Downers Grove	0.2028	0.2887	0.3675	0.4367	0.4393	0.4137	0.3799	34.1%
Westmont	0.5189	0.5138	0.4913	0.4740	0.4546	0.4382	0.4224	-21.6%
Glen Ellyn	0.4696	0.4249	0.5329	0.5461	0.5011	0.4580	0.4375	7.7%
Naperville	0.6767	0.6796	0.6414	0.5476	0.5036	0.4721	0.4664	-32.2%
Lombard	0.5776	0.5670	0.5335	0.5200	0.4983	0.4947	0.4789	-17.5%
Willowbrook *	0.6374	0.6343	0.6035	0.5826	0.5524	0.5296	0.5227	-18.8%
Clarendon Hills	0.8358	0.7856	0.7518	0.6877	0.6480	0.5918	0.5679	-32.2%
Carol Stream *	0.6988	0.6879	0.6466	0.6336	0.6037	0.5923	0.5792	-17.6%
Darien *	0.8049	0.7943	0.7594	0.7597	0.7188	0.6720	0.6486	-20.1%
Oakbrook Terrace *	0.7633	0.7349	0.7055	0.7229	0.7372	0.7307	0.7531	12.8%
Bensenville	0.9183	0.8983	0.8704	0.8810	0.8469	0.7789	0.3575	-59.8%
Villa Park	1.0014	0.9688	0.8992	0.8891	0.8356	0.8010	0.7695	-22.0%
Wheaton	0.7262	0.7146	0.7289	0.7204	0.7980	0.8302	0.8111	9.3%
Woodridge *	0.9137	0.8602	0.9409	0.9241	0.9018	0.8875	0.8634	-10.7%
Lisle *	1.0334	0.9974	1.0764	1.0601	1.0354	1.0175	0.9832	-7.8%
Addison *	1.2278	1.2298	1.1510	1.1118	1.0748	1.0608	1.0389	-15.8%

* Municipalities served by a separate Fire Protection District

** Decrease in 2000 rate a result of Village Council's abatement of \$1 million in taxes

Source: DuPage County Clerk's Office Report: Tax Code Rates for Principal Cities and Villages

**PROCEDURES FOR TRUTH IN TAXATION PUBLIC HEARING
2007 TAX LEVY**

1. Mayor Opening Remarks:

I would like to call this public hearing to order. This public hearing has been called by the Village Council pursuant to the Illinois Truth in Taxation Law to consider the proposed 2007 tax levy of the Village of Downers Grove. Notice of this hearing was published in the Downers Grove Reporter and a copy of the notice and the proof of publication have been presented and are made a part of the official record of this hearing.

I would like to summarize the procedures which we will follow for tonight's public hearing.

1. I will ask the Village Manager to summarize the proposed 2007 tax levies.
2. I will then ask if any member of the Council wishes to make a statement or ask a question.
3. There will then be an opportunity for members of the public to make statements or comments, or to submit written statements or comments for the record.
4. I will again ask if any member of the Council wishes to make a statement or ask a question.
5. Thereafter, the hearing will be adjourned.

At this hearing, witnesses will not be sworn and a verbatim written transcript of the statements or testimony given at the hearing will not be prepared. However, a tape recording of the procedures will be made on Village equipment and retained until minutes of the hearing have been prepared and approved by the Village Council.

- 2. Village Manager Presentation.**
- 3. Questions or comments from the Village Council.**
- 4. Questions or comments from the public.**
- 5. Final questions or comments from the Village Council.**
- 6. Adjournment.**