

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
DECEMBER 18, 2007 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Abatement of Tax Levy	Resolution ✓ Ordinance Motion Discussion Only	Cara Pavlicek Village Manager

SYNOPSIS

An ordinance has been prepared to abate the following tax levies related to the 2007 agreement property tax levy:

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.

RECOMMENDATION

Approval on the December 18, 2007, active agenda.

BACKGROUND

On November 13, 2007, the Village Council held a workshop discussion on the 2007 Aggregate Levy and the proposed abatement of certain portions of the levy. On December 4, 2007, a Public Hearing was held as well. 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. By separate ordinance on the December 18, 2007, agenda, the following taxes are proposed to be abated:

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
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ATTACHMENTS

Ordinance

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Dir. of Finance **DATE:** December 18, 2007
(Name)

RECOMMENDATION FROM: N/A **FILE REF:** _____
(Board or Department)

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

Motion to Adopt "AN ORDINANCE ABATING A PORTION OF THE 2007 TAX LEVY RELATED TO THE GENERAL OBLIGATION BONDS, SERIES 2003A", as presented.

SUMMARY OF ITEM:

Adoption of this ordinance will abate \$880,540.00 of the 2007 tax levy for the General Obligation Bond Series 2003A.

RECORD OF ACTION TAKEN:

ORDINANCE NO. _____

**AN ORDINANCE ABATING A PORTION OF
THE 2007 TAX LEVY RELATED TO
THE GENERAL OBLIGATION BONDS, SERIES 2003A**

WHEREAS, the Council of the Village of Downers Grove, DuPage County, Illinois, pursuant to the provisions of Article 8 of the Illinois Municipal Code, has heretofore adopted an ordinance levying taxes for the corporate purposes of the Village of Downers Grove for the fiscal year commencing on the first day of January, 2007, and ending on the thirty-first day of December, 2007, (hereinafter referred to as the "Ordinance"), which Ordinance shall, pursuant to law, be filed in the office of the County Clerk of DuPage County, Illinois; and

WHEREAS, the Ordinance provided for a levy for funds budgeted for the General Obligation Bonds, Series 2003A (Ordinance 4540 adopted October 21, 2003) in the amount of \$880,540.00; and

WHEREAS, the Village of Downers Grove has sufficient funds available in the Corporate Fund to abate a portion of the amount of tax to be levied for the General Obligation Bonds, Series 2003A and to reduce the amount of tax to be levied pursuant to the Ordinance accordingly,

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

SECTION 1. That the funds available in the Corporate Fund of the Village of Downers Grove be applied to the General Obligation Bonds, Series 2003A in the amount of \$880,540.00.

SECTION 2. That the amount of \$880,540.00 levied for purposes of the General Obligation Bonds, Series 2003A be abated from the tax levy for the fiscal year commencing on the first day of January, 2007, and ending on the thirty-first day of December, 2007.

SECTION 3. That the Clerk of the Village of Downers Grove, DuPage County, Illinois, is hereby directed to file with the County Clerk of DuPage County, Illinois, a copy of this Ordinance, duly certified by said Village Clerk.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage as required by law.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Mayor

Passed:

Published:

Attest: _____
Village Clerk