

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
NOVEMBER 13, 2012 AGENDA**

| SUBJECT: | TYPE: | SUBMITTED BY: |
|--|--|---------------------------------|
| 2012 Aggregate Tax Levy for the Village of Downers Grove | Resolution Ordinance ✓ Motion Discussion Only | Judy Buttny Finance Director |

SYNOPSIS

A motion is requested to determine the levy estimate upon the taxable property in the Village in accordance with State law, which requires this action no less than 20 days prior to the adoption of the aggregate levy. In addition, staff requests direction from Council on November 6, 2012 as to the maximum levy to be considered, since this information must be published in the newspaper on November 21, 2012 to be in compliance with State law. The Council will establish the levy on December 11, 2012.

The motion additionally directs staff to prepare ordinances to abate the preliminary tax levies related to the 2012 tax levies.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 include *Steward of Fiscal and Environmental Sustainability*.

FISCAL IMPACT

Without the abatement of any debt, the proposed levy is estimated to be \$24,853,251. However, it is recommended that tax levy abatements totaling \$8,638,064, which would abate all Village debt, be approved and therefore, the net taxes to be raised by taxation for 2012 upon the taxable property is \$16,215,187 which includes the levy for the Village, Special Service Areas and the Public Library. The Village portion of the levy after abatements is estimated to be \$11,006,701. Since there will be opportunity to change the levy between the approval of this motion and the adoption of this levy, there is no fiscal impact at this time.

UPDATE & RECOMMENDATION

This item was discussed at the November 6, 2012 Village Council meeting. Staff recommends approval on the November 13, 2012 Active Agenda.

BACKGROUND

The tax levy process requires the adoption of the motion presented in advance of the following:

- Publication of Truth in Taxation Notice and Announcement of Public Hearing 11/21/12
- Public Hearing on Tax Levy 12/04/12
- Adoption of Tax Levy 12/11/12
- Abatement of Certain Debt Levies 12/11/12

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, revenues from stormwater and capital funds, 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. 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.

| EAV | 2012 projected EAV (7% decrease) |
|-------------|-------------------------------------|
| EAV Village | \$2.11 billion |

| Levy | 2012 recommended levy before abatements | 2012 recommended levy after abatements |
|------------------------|--|---|
| Corporate levy | 2,997,145 | 2,997,145 |
| Fire Protection levy | 2,850,000 | 2,850,000 |
| Fire Pension | 2,244,196 | 2,244,196 |
| Police Pension | 1,943,836 | 1,943,836 |
| Capital | 971,524 | 971,524 |
| Debt Service: | | |
| GO Bonds, Series 2005 | 1,180,950 | - |
| GO Bonds, Series 2007 | 707,908 | - |
| GO Bonds, Series 2008A | 1,151,013 | - |
| GO Bonds, Series 2008B | 154,575 | - |
| GO Bonds, Series 2009 | 1,329,350 | - |
| GO Bonds, Series 2010A | 493,700 | - |
| GO Bonds, Series 2010B | 397,800 | - |
| GO Bonds, Series 2012 | 3,222,769 | - |
| Total Debt Service | 8,638,064 | - |

| | | |
|---------------------|-------------------|-------------------|
| Village Levy | 19,644,765 | 11,006,701 |
|---------------------|-------------------|-------------------|

| | |
|----------------------------|--------|
| Projected Village Tax Rate | 0.5215 |
|----------------------------|--------|

| | | |
|-------------------------|-----------|-----------|
| Library Operating | 4,306,580 | 4,306,580 |
| Library Debt Service | 655,460 | 655,460 |
| Special Service Area #2 | 246,446 | 246,446 |

| | | |
|-------------------------|-------------------|-------------------|
| Total All Levies | 24,853,251 | 16,215,187 |
|-------------------------|-------------------|-------------------|

**VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY**

INITIATED: Finance Director **DATE:** November 13, 2012
(Name)

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

NATURE OF ACTION: **STEPS NEEDED TO IMPLEMENT ACTION:**

| | |
|--|---|
| <input type="checkbox"/> Ordinance | Motion to find and determine that the aggregate levy for the Village of Downers Grove, as defined in the Illinois Truth and Taxation Law, estimated to be necessary to be raised by taxation for 2012 upon the taxable property in Downers Grove is \$24,853,250.76 This amount is based upon an estimated levy of \$3,968,669 for corporate and police; \$2,850,000 for fire; \$1,943,836 for police pension; \$2,244,196 for fire pension; \$4,306,580 for library operating; \$655,460 for the 2003 library debt service; \$1,180,950 for Central Business District 2005 Series debt service; and \$707,907.50 for Fire Station #2 2007 Series debt service; and \$1,151,012.50 for Stormwater 2008A Series debt service; \$154,575 for Central Business District 2008 B Series debt service; \$1,329,350 for Central Business District and Fairview Avenue 2009 Series debt service; \$493,700 for Central Business District 2010 Series debt service; \$397,800 for Central Business District 2010B Series debt service; and \$3,222,768.76 for Capital Projects 2012 Series debt service. |
| <input type="checkbox"/> Resolution | |
| <input checked="" type="checkbox"/> Motion | |
| <input type="checkbox"/> Other | |

The estimated levy for Special Service Area #2, CBD Special Service Area, is \$246,446. A public hearing will be held on these proposed levies on December 4, 2012 at 7:00 p.m. in the Village Council Chambers. The adoption of the proposed levies will be held on December 11, 2012 at 7:00 p.m. in the Village Council Chambers. Staff is also directed to prepare ordinances to abate certain 2012 tax levies.

SUMMARY OF ITEM:

Adoption of this motion will estimate the 2012 Village aggregate levy as shown above. This will be the subject of a public hearing on December 4, 2012.

RECORD OF ACTION TAKEN:

