

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
NOVEMBER 11, 2008 AGENDA

| SUBJECT: | TYPE: | SUBMITTED BY: |
|--|--|---------------------------------|
| 2008 Aggregate Tax Levy for the Village of Downers Grove | Resolution Ordinance ✓ Motion Discussion Only | Judy Buttny Finance Director |

SYNOPSIS

A motion has been prepared 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. It is important to note that the Council will establish the levy on December 16, 2008 and therefore has the opportunity to modify the levy from the levy estimate.

The motion additionally directs staff to prepare ordinances to abate the preliminary tax levies related to the 2008 tax levies.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2007-2012 identified *Exceptional Municipal Organization* with an objective of *Financially Sound and Sustainable Village Government*.

FISCAL IMPACT

Without the abatement of any debt, the proposed levy is estimated to be \$24,325,251. However, it is recommended that tax levy abatements totaling \$8,326,817, which would abate all Village debt, be approved and therefore, the net taxes to be raised by taxation for 2008 upon the taxable property is \$15,998,434 which includes the levy for the Village and the Public Library. The Village portion of the levy after abatements is estimated to be \$11,257,388. 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.

RECOMMENDATION

Approval on the November 18, 2008 consent 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 11/19/08
- Public Hearing on Tax Levy 12/02/08
- Adoption of Tax Levy 12/16/08
- Abatement of Certain Debt Levies 12/16/08

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 | 2008 projected EAV to be received in FY 09 (6% increase) |
|------------------------------|---|
| EAV Village | 2,557,827,079 |
| EAV Fire Protection District | 2,540,864,100 |

| Levy | 2008 recommended levy before abatements | 2008 recommended levy after abatements |
|-------------------------|--|---|
| Corporate levy | 2,936,897 | 2,936,897 |
| Fire Protection levy | 2,850,000 | 2,850,000 |
| Fire Pension (estimate) | 1,578,223 | 1,578,223 |
| Police Pension (final) | 1,262,129 | 1,262,129 |
| Stormwater | 2,630,139 | 2,630,139 |
| Debt Service: * | | |
| GO Bonds, Series 1998 | 274,775 | - |
| GO Bonds, Series 1999 | 262,250 | - |
| GO Bonds, Series 2000 | 188,600 | - |
| GO Bonds, Series 2001 | 356,263 | - |
| GO Bonds, Series 2001A | 513,720 | - |
| GO Bonds, Series 2002 | 350,408 | - |
| GO Bonds, Series 2003A | 1,107,040 | - |
| GO Bonds, Series 2005 | 421,450 | - |
| GO Bonds, Series 2007 | 709,708 | - |
| GO Bonds, Series 2008A | 3,995,438 | - |
| GO Bonds, Series 2008B | 147,167 | - |
| Total Debt Service | 8,326,817 | - |

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|---------------------|-------------------|-------------------|
| Village Levy | 19,584,205 | 11,257,388 |
|---------------------|-------------------|-------------------|

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|------------------|--------|
| Village Tax Rate | 0.4409 |
|------------------|--------|

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|-------------------------|-----------|-----------|
| Library Operating | 3,812,755 | 3,812,755 |
| Library Debt Service | 657,761 | 657,761 |
| Special Service Area #2 | 261,859 | 261,859 |
| Special Service Area #3 | 8,671 | 8,671 |

| | | |
|-------------------------|-------------------|-------------------|
| Total All Levies | 24,325,251 | 15,998,434 |
|-------------------------|-------------------|-------------------|

*Debt service levy amounts represent 7/1/09 and 1/1/10 debt service payments