

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
NOVEMBER 18, 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

This item was discussed at the November 11, 2008 workshop. No changes have been made to the estimated Village levy at this time. Discussion of further reductions will take place at the November 25, 2008 workshop. The Village may approve a levy amount that is less than the published estimated amount.

Staff recommends approval on the November 18, 2008 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 11/19/08
- 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	-

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

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

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

**VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY**

INITIATED: Finance Director **DATE:** November 18, 2008
(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 2008 upon the taxable property in Downers Grove is \$24,325,251. This amount is based upon an estimated levy of \$5,567,036 for corporate and police; \$2,850,000 for fire; \$1,262,129 for police pension; \$1,578,223 for fire pension; \$3,812,755 for library operating; \$657,761.26 for the 2003 library debt service; \$274,775 for Fairview Avenue debt service; \$262,250 for Central Business District 1999 Series debt service; \$188,600 for Central Business District 2000 Series debt service; and \$356,262.50 for Central Business District 2001 Series debt service; and \$350,407.50 for Central Business District 2002 Series debt service; \$513,720 for G.O. Water Issue 2001A debt service; \$1,107,040 for Central Business District 2003A debt service; and \$421,450 for Central Business District 2005 Series debt service; and \$709,707.50 for Fire Station 2 2007 Series debt service; and \$3,995,437.50 for Stormwater 2008A Series debt service; and \$147,166.67 for Central Business District 2008 B Series debt service. The estimated levy for Special Service Area #2, CBD Special Service Area, is \$261,859. The estimated levy for Special Service Area #3, Prince Pond Special Service Area, is \$8,671. A public hearing will be held on these proposed levies on December 2, 2008 at 7:00 p.m. in the Village Council Chambers. The adoption of the proposed levies will be held on December 16, 2008 at 7:00 p.m. in the Village Council Chambers. Staff is also directed to prepare ordinances to abate said 2008 tax levies.
<input type="checkbox"/> Resolution	
<input checked="" type="checkbox"/> Motion	
<input type="checkbox"/> Other	

SUMMARY OF ITEM:

Adoption of this motion will estimate the 2008 Village aggregate levy as shown above. This will be the subject of a public hearing on December 2, 2008.

RECORD OF ACTION TAKEN:
