

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL WORKSHOP**  
**NOVEMBER 10, 2009 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
2009 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 10, 2009 as to the maximum levy to be considered, since this information must be published in the newspaper on November 18, 2009 to be in compliance with State law. The Council will establish the levy on December 15, 2009 and therefore has the opportunity to lower the levy from the levy estimate.

The motion additionally directs staff to prepare ordinances to abate the preliminary tax levies related to the 2009 tax levies.

**STRATEGIC PLAN ALIGNMENT**

The Five Year Plan and Goals for 2008-2013 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 \$25,796,756. However, it is recommended that tax levy abatements totaling \$8,426,035, which would abate all Village debt, be approved and therefore, the net taxes to be raised by taxation for 2009 upon the taxable property is \$17,370,271 which includes the levy for the Village and the Public Library. The Village portion of the levy after abatements is estimated to be \$12,477,946. 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 17, 2009 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 11/18/09
- Public Hearing on Tax Levy 12/01/09
- Adoption of Tax Levy 12/15/09
- Abatement of Certain Debt Levies 12/15/09

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.

<b>EAV</b>	<b>2009 projected EAV to be received in FY 10 (0% increase)</b>
EAV Village	2,547,555,176
EAV Fire Protection District	2,530,583,706

<b>Levy</b>	<b>2009 recommended levy before abatements</b>	<b>2009 recommended levy after abatements</b>
Corporate levy	3,312,347	3,312,347
Fire Protection levy	2,850,000	2,850,000
Fire Pension (estimate)	1,979,952	1,979,952
Police Pension (final)	1,705,508	1,705,508
Stormwater	2,630,139	2,630,139
Debt Service: *		
GO Bonds, Series 2000	231,750	-
GO Bonds, Series 2001	358,412	-
GO Bonds, Series 2001A	513,695	-
GO Bonds, Series 2002	346,408	-
GO Bonds, Series 2005	419,000	-
GO Bonds, Series 2007	711,308	-
GO Bonds, Series 2008A	3,997,862	-
GO Bonds, Series 2008B	501,700	-
GO Bonds, Series 2009	1,345,900	-
Total Debt Service	8,426,035	-

<b>Village Levy</b>	<b>20,903,981</b>	<b>12,477,946</b>
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Village Tax Rate	0.4898
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Library Operating	3,965,265	3,965,265
Library Debt Service	656,980	656,980
Special Service Area #2	261,859	261,859
Special Service Area #3	8,671	8,671

<b>Total All Levies</b>	<b>25,796,756</b>	<b>17,370,721</b>
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