

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
DECEMBER 14, 2010 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
2010 Aggregate Tax Levy and Abatements for the Village of Downers Grove	✓ Resolution Ordinance Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

Ordinances have been prepared to adopt the 2010 Aggregate Tax Levy and abate a portion of the levy related to debt service.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals 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 \$26,173,365. However, it is recommended that tax levy abatements totaling \$7,861,827, which would abate all Village debt, be approved and therefore, the net taxes to be raised by taxation for 2010 upon the taxable property is \$18,311,538 which includes the levy for the Village and the Public Library. The Village portion of the levy after abatements is estimated to be \$13,376,337.

UPDATE & RECOMMENDATION

A public hearing was held at the December 9, 2010 Council meeting. The Village Council requested more detail on what accounts for the increase in the tax levy. The Village portion of levy, after abatements, would increase by \$898,391, or 7.2%. Contributions to Police and Fire Pension Funds account for \$398,391 or 3.2% of the increase. The increase to the levy for operations accounts for \$500,000 or 4.0%. Staff recommends approval on the December 14, 2010 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 11/24/10
- Public Hearing on Tax Levy 12/07/10
- Adoption of Tax Levy 12/14/10
- Abatement of Certain Debt Levies 12/14/10

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	2010 projected EAV to be received in FY 11 (5% decrease)
EAV Village	\$2.4 billion

Levy	2010 recommended levy before abatements	2010 recommended levy after abatements
Corporate levy	3,812,347	3,812,347
Fire Protection levy	2,850,000	2,850,000
Fire Pension	2,203,343	2,203,343
Police Pension	1,880,508	1,880,508
Stormwater	2,630,139	2,630,139
Debt Service:		
GO Bonds, Series 2001A	507,310	-
GO Bonds, Series 2002	125,400	-
GO Bonds, Series 2005	426,550	-
GO Bonds, Series 2007	707,308	-
GO Bonds, Series 2008A	3,509,437	-
GO Bonds, Series 2008B	781,650	-
GO Bonds, Series 2009	1,339,650	-
GO Bonds, Series 2010A	238,700	-
GO Bonds, Series 2010B	225,822	-
Total Debt Service	7,861,827	-

Village Levy	21,238,164	13,376,337
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Village Tax Rate	0.5568
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Library Operating	4,024,744	4,024,744
Library Debt Service	655,340	655,340
Special Service Area #2	246,446	246,446
Special Service Area #3	8,671	8,671

Total All Levies	26,173,365	18,311,538
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VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Finance Director **DATE:** December 14, 2010
(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 the "2010 AGGREGATE TAX LEVY ORDINANCE", as presented

SUMMARY OF ITEM:

Adoption of this ordinance will establish the 2010 Downers Grove Tax Levy in the amount of \$21,238,163.67 for the Village of Downers Grove and \$4,680,084.00 for the Library.

RECORD OF ACTION TAKEN:

ORDINANCE NO. _____

2010 AGGREGATE TAX LEVY ORDINANCE

An ordinance levying taxes for corporate purposes of the Village of Downers Grove, DuPage County Illinois for the fiscal year commencing on the first day of January, 2010 and ending on the thirty-first day of December, 2010.

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

SECTION 1. That a tax for the following sums of money, as listed below and detailed on the following pages, or as much thereof as may be authorized by law, to defray all expenses and liabilities of the Village, be and the same is hereby levied for the purpose specified against all taxable property in the Village of Downers Grove, DuPage County, Illinois, for the fiscal year commencing on the first day of January, 2010, and ending on the thirty-first day of December, 2010.

TAX LEVY FOR FISCAL YEAR 2010 BY FUNDS	
CORPORATE	6,442,486.00
FIRE PROTECTION	2,850,000.00
POLICE PENSION	1,880,508.00
FIRE PENSION	2,203,343.00
Water Bonds Debt Service 2001A	507,310.00
CBD TIF DEBT SERVICE 2002	125,400.00
CBD TIF DEBT SERVICE 2005	426,550.00
FIRE STATION DEBT SERVICE 2007	707,307.50
STORMWATER DEBT SERVICE 2008A	3,509,437.50
CBD TIF DEBT SERVICE 2008B	781,650.00
CBD TIF DEBT SERVICE 2010	238,700.00
CBD TIF DEBT SERVICE 2010B	225,821.67
FAIRVIEW AVE. DEBT SERVICE & CBD TIF DEBT SERVICE 2009	1,339,650.00
TOTAL VILLAGE OPERATIONS	21,238,163.67
PUBLIC LIBRARY-OPERATING	4,024,744.00
LIBRARY BUILDING DEBT SERVICE 2003	655,340.00
TOTAL LIBRARY OPERATIONS	4,680,084.00
TOTAL ALL FUNDS	25,918,247.67

SECTION 2. 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, on or before the last Tuesday of December, A.D. 2010, a copy of this ordinance duly certified by said Village Clerk.

SECTION 3. That this ordinance shall be in full force and effect from and after its passage and approval as required by law.

SECTION 4. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Mayor

Passed:

Attest: _____
Village Clerk

Filed in the office of the County Clerk
this _____ day of _____, 20____