

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
DECEMBER 11, 2012 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
2012 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 2012 Aggregate Tax Levy and Abatements for the Village of Downers Grove.

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.

UPDATE & RECOMMENDATION

The required public hearing was held on December 4, 2012. Staff recommends approval on the December 11, 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:** December 11, 2012
(Name)

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

NATURE OF ACTION:

STEPS NEEDED TO IMPLEMENT ACTION:

- Ordinance
- Resolution
- Motion
- Other

A motion adopting ordinances abating a portion of the 2012 tax levy related to the General Obligation Bonds, Series 2005, Series 2007, Series 2008A, Series 2008B, Series 2009; Series 2010, Series 2010B and Series 2012, as presented

SUMMARY OF ITEM:

Adoption of the abatement ordinances as enumerated on the agenda will abate certain 2012 tax levies. The total amount to be abated is \$8,638,063.76. This amount can be abated since other sources of revenue are available to pay these debt service obligations.

RECORD OF ACTION TAKEN:

ORDINANCE NO. _____

**AN ORDINANCE ABATING A PORTION OF
THE 2012 TAX LEVY RELATED TO
THE GENERAL OBLIGATION BONDS, SERIES 2008A**

WHEREAS, the Council of the Village of Downers Grove, DuPage County, Illinois, pursuant to the provisions of Article 8 of the Illinois Municipal Code, has heretofore adopted an ordinance levying taxes for the corporate purposes of the Village of Downers Grove for the fiscal year commencing on the first day of January, 2012, and ending on the thirty-first day of December, 2012, (hereinafter referred to as the "Ordinance"), which Ordinance shall, pursuant to law, be filed in the office of the County Clerk of DuPage County, Illinois; and

WHEREAS, the Ordinance provided for a levy for funds budgeted for the General Obligation Bonds, Series 2008A (Ordinance 4987 adopted June 17, 2008) in the amount of \$1,151,012.50; and

WHEREAS, the Village of Downers Grove has sufficient funds available in the Corporate Fund to abate a portion of the amount of tax to be levied for the General Obligation Bonds, Series 2008A and to reduce the amount of tax to be levied pursuant to the Ordinance accordingly,

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

SECTION 1. That the funds available in the Corporate Fund of the Village of Downers Grove be applied to the General Obligation Bonds, Series 2008A in the amount of \$1,151,012.50.

SECTION 2. That the amount of \$1,151,012.50 levied for purposes of the General Obligation Bonds, Series 2008A be abated from the tax levy for the fiscal year commencing on the first day of January, 2012, and ending on the thirtieth day of December, 2012.

SECTION 3. 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, a copy of this Ordinance, duly certified by said Village Clerk.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage as required by law.

SECTION 5. That all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Mayor

Passed:

Published:

Attest: _____
Village Clerk