

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
NOVEMBER 12, 2013 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
2013 Aggregate Tax Levy for the Village of Downers Grove	✓ Resolution Ordinance Motion Discussion Only	Judy Buttney 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 5, 2013 as to the maximum levy to be considered, since this information must be published in the newspaper on November 27, 2013 to be in compliance with State law. The Council will establish the levy on December 17, 2013.

The motion additionally directs staff to prepare ordinances to abate the preliminary tax levies related to the 2013 tax levies.

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 \$25,590,873. However, it is recommended that tax levy abatements totaling \$8,615,106, which would abate all Village debt, be approved. Therefore, the net taxes to be raised by taxation for 2013 upon the taxable property are \$16,975,767 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 \$11,590,047. 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.

UPDATE & RECOMMENDATION

This item was discussed at the November 5, 2013 Village Council meeting. Staff recommends approval on the November 12, 2013 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 11/27/13
- Public Hearing on Tax Levy 12/10/13
- Adoption of Tax Levy 12/17/13
- Abatement of Certain Debt Levies 12/17/13

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	2013 projected EAV (5% decrease)
EAV Village	\$2.03 billion

Levy	2013 recommended levy before abatements	2013 recommended levy after abatements
Corporate levy	2,997,145	2,997,145
Fire Protection levy	2,850,000	2,850,000
Fire Pension	2,467,520	2,467,520
Police Pension	2,303,858	2,303,858
Capital	971,524	971,524
Debt Service:		
GO Bonds, Series 2007	702,308	-
GO Bonds, Series 2008A	1,153,588	-
GO Bonds, Series 2008B	108,000	-
GO Bonds, Series 2009	1,045,450	-
GO Bonds, Series 2010A	407,325	-
GO Bonds, Series 2010B	571,800	-
GO Bonds, Series 2012	3,223,419	-
GO Bonds, Series 2013A	1,403,217	-
Total Debt Service	8,615,106	-

Village Levy	20,205,153	11,590,047
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Projected Village Tax Rate	0.5766
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Library Operating	4,440,083	4,440,083
Library Debt Service	616,836	616,836
Special Service Area #2	246,446	246,446
Special Service Area #6	82,355	82,355

Total All Levies	25,590,873	16,975,767
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VILLAGE OF DOWNERS GROVE

COUNCIL ACTION SUMMARY

INITIATED: Finance Director DATE: November 12, 2013
(Name)

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

NATURE OF ACTION:

- ☐ Ordinance
- ☐ Resolution
- ☒ Motion
- ☐ Other

STEPS NEEDED TO IMPLEMENT ACTION:

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 2013 upon the taxable property in Downers Grove is \$25,590,872.84 This amount is based upon an estimated levy of \$3,968,669 for corporate and police; \$2,850,000 for fire; \$2,303,858 for police pension; \$2,467,520 for fire pension; \$4,440,083 for library operating; \$616,836 for Library 2013 Series debt service; and \$702,307.50 for Fire Station #2 2007 Series debt service; and \$1,153,587.50 for Stormwater 2008A Series debt service; \$108,000 for Central Business District 2008B Series debt service; \$1,045,450 for Central Business District and Fairview Avenue 2009 Series debt service; \$407,325 for Central Business District 2010 Series debt service; \$571,800 for Central Business District 2010B Series debt service; \$3,223,418.76 for Capital Projects 2012 Series debt service; and \$1,403,217.08 for Central Business District 2013A Series debt service.

The estimated levy for Special Service Area #2, CBD Special Service Area, is \$246,446. The estimated levy for Special Service Area #4, Green Acres Special Service Area, is \$0. The estimated levy for Special Service Area #5, Attwood Special Service Area, is \$0. The estimated levy for Special Service Area #6, Fairview Fire Protection District Special Service Area, is \$82,355. A public hearing will be held on these proposed levies on December 10, 2013 at 7:00 p.m. in the Village Council Chambers. The adoption of the proposed levies will be held on December 17, 2013 at 7:00 p.m. in the Village Council Chambers. Staff is also directed to prepare ordinances to abate certain 2013 tax levies.

SUMMARY OF ITEM:

Adoption of this motion will estimate the 2013 Village aggregate levy as shown above. This will be the subject of a public hearing on December 10, 2013.

RECORD OF ACTION TAKEN: