

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
NOVEMBER 4, 2014 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
2014 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 4, 2014 as to the maximum levy to be considered, since this information must be published in the newspaper on November 26, 2014 to be in compliance with State law. The Council will establish the levy on December 9, 2014.

The motion additionally directs staff to prepare ordinances to abate the preliminary tax levies related to the 2014 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 \$24,283,850. However, it is recommended that tax levy abatements totaling \$7,263,694, which would abate all Village debt, be approved. Therefore, the net taxes to be raised by taxation for 2014 upon the taxable property are \$17,020,156 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 \$11,410,293. 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

Staff recommends approval on the November 11, 2014 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 11/26/14
- Public Hearing on Tax Levy 12/02/14
- Adoption of Tax Levy 12/09/14
- Abatement of Certain Debt Levies 12/09/14

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	2014 projected EAV (flat)
EAV Village	\$2.04 billion

Levy	2014 recommended levy before abatements	2014 recommended levy after abatements
Corporate levy	2,997,145	2,997,145
Fire Protection levy	2,850,000	2,850,000
Fire Pension	2,330,108	2,330,108
Police Pension	2,261,516	2,261,516
Capital	971,524	971,524
Debt Service:		
GO Bonds, Series 2007	443,100	-
GO Bonds, Series 2008A	1,018,500	-
GO Bonds, Series 2008B	108,000	-
GO Bonds, Series 2009	1,049,050	-
GO Bonds, Series 2010A	387,950	-
GO Bonds, Series 2010B	420,400	-
GO Bonds, Series 2012	1,937,119	-
GO Bonds, Series 2013A	1,551,650	-
GO Bonds, Series 2014A	347,925	-
Total Debt Service	7,263,694	-

Village Levy	18,673,987	11,410,293
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Projected Village Tax Rate	0.5654
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Library Operating	4,662,087	4,662,087
Library Debt Service	626,316	626,316
Special Service Area #2	247,000	247,000
Special Service Area #6	74,460	74,460

Total All Levies	24,283,850	17,020,156
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