

**VILLAGE OF DOWNERS GROVE  
REPORT FOR THE VILLAGE COUNCIL MEETING  
DECEMBER 2, 2014 AGENDA**

| <b>SUBJECT:</b>   | <b>TYPE:</b>   | <b>SUBMITTED BY:</b>            |
|---|--|---------------------------------|
| Public Hearing for 2014 Aggregate Tax Levy for the Village of Downers Grove | Resolution<br>Ordinance<br>✓ Motion<br>Discussion Only | Judy Buttny<br>Finance Director |

**SYNOPSIS**

A Public Hearing is required prior to the adoption of the aggregate tax levy. The Council will establish the levy on December 9, 2014.

**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.

**UPDATE & RECOMMENDATION**

The motion to estimate the levy was discussed at the November 4, 2014 Village Council meeting and approved at the November 11, 2014 Village Council meeting. Staff recommends adoption of the levy on December 9, 2014.

**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.

| <b>EAV</b>  | <b>2014 projected EAV<br/>(flat)</b> |
|-------------|--------------------------------------|
| EAV Village | \$2.04 billion                       |

| <b>Levy</b>            | <b>2014 recommended levy<br/>before abatements</b> | <b>2014 recommended<br/>levy after abatements</b> |
|------------------------|--|---|
| 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  | -   |

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| <b>Village Levy</b> | <b>18,673,987</b> | <b>11,410,293</b> |
|---------------------|-------------------|-------------------|

|                            |        |
|----------------------------|--------|
| Projected Village Tax Rate | 0.5654 |
|----------------------------|--------|

|                         |           |           |
|-------------------------|-----------|-----------|
| 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    |

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| <b>Total All Levies</b> | <b>24,283,850</b> | <b>17,020,156</b> |
|-------------------------|-------------------|-------------------|

**PROCEDURES FOR TRUTH IN TAXATION PUBLIC HEARING  
2014 TAX LEVY**

**1. Mayor Opening Remarks:**

I would like to call this public hearing to order. This public hearing has been called by the Village Council pursuant to the Illinois Truth in Taxation Law to consider the proposed 2014 tax levy of the Village of Downers Grove. Notice of this hearing was published in the Downers Grove Suburban Life and a copy of the notice and the proof of publication have been presented and are made a part of the official record of this hearing.

I would like to summarize the procedures which we will follow for tonight's public hearing.

1. I will ask the Village Manager to summarize the proposed 2014 tax levies.
2. I will then ask if any member of the Council wishes to make a statement or ask a question.
3. There will then be an opportunity for members of the public to make statements or comments, or to submit written statements or comments for the record.
4. I will again ask if any member of the Council wishes to make a statement or ask a question.
5. Thereafter, the hearing will be adjourned.

At this hearing, witnesses will not be sworn and a verbatim written transcript of the statements or testimony given at the hearing will not be prepared. However, a recording of the procedures will be made on Village equipment and retained until minutes of the hearing have been prepared and approved by the Village Council.

- 2. Village Manager Presentation.**
- 3. Questions or comments from the Village Council.**
- 4. Questions or comments from the public.**
- 5. Final questions or comments from the Village Council.**
- 6. Adjournment.**