

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/5/2017

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| SUBJECT: | SUBMITTED BY: |
| 2017 Aggregate Tax Levy for the Village of Downers Grove | Judy Buttny Finance Director |

SYNOPSIS

The Council will pass ordinances establishing and abating certain tax levies on December 12, 2017. The levy must be filed with the county by December 26, 2017.

STRATEGIC PLAN ALIGNMENT

The goals for 2017-2019 include *Steward of Fiscal, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

Without the abatement of any debt, the proposed levy is estimated to be \$27,315,085. However, it is recommended that tax levy abatements totaling \$8,452,872, which would abate all Village debt, be approved. Therefore, the net taxes to be raised by taxation for 2017 upon the taxable property are \$18,862,213, 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 \$13,348,834. This levy amount is reflected in the FY18 Proposed Budget.

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 11/22/17
- Public Hearing on Tax Levy 12/05/17
- Adoption of Tax Levy 12/12/17
- Abatement of Certain Debt Levies 12/12/17
- Last day to file Levy with the County 12/26/17

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 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.

| Levy | 2017 recommended levy before abatements | 2017 recommended levy after abatements |
|----------------------------|--|---|
| Corporate levy | 2,997,145 | 2,997,145 |
| Fire Protection levy | 2,850,000 | 2,850,000 |
| Fire Pension | 3,400,165 | 3,400,165 |
| Police Pension | 3,130,000 | 3,130,000 |
| Capital | 971,524 | 971,524 |
| Debt Service: | | |
| GO Bonds, Series 2009 | 1,045,200 | - |
| GO Bonds, Series 2010A | 544,700 | - |
| GO Bonds, Series 2010B | 966,800 | - |
| GO Bonds, Series 2012 | 1,935,319 | - |
| GO Bonds, Series 2013A | 1,839,750 | - |
| GO Bonds, Series 2014A | 791,225 | - |
| GO Bonds, Series 2015 | 512,250 | |
| GO Bonds, Series 2016 | 744,100 | |
| GO Bonds, Series 2017 | 73,528 | - |
| Total Debt Service | 8,452,872 | - |
| Village Levy | 21,801,706 | 13,348,834 |
| Projected Village Tax Rate | | 0.5571 |
| Library Operating | 5,182,314 | 5,182,314 |
| Special Service Area #2 | 247,000 | 247,000 |
| Special Service Area #6 | 84,065 | 84,065 |
| Total All Levies | 27,315,085 | 18,862,213 |

**PROCEDURES FOR TRUTH IN TAXATION PUBLIC HEARING
2017 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 2017 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 2017 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.**