



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 5a

Title:

Recommendation to Approve an Ordinance Abating a Portion of the 2022 Property Tax Heretofore Levied for the City of St. Charles

Presenter:

Bill Hannah, Director of Finance

Meeting: Government Operations Committee

Date: January 3, 2023

Proposed Cost: \$ N/A

Budgeted Amount: \$

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

Consistent with prior direction, staff is requesting the Council to approve the attached ordinance which would abate the property taxes levied to pay the principal and interest payments on the outstanding general obligation bonds that the City has issued. The annual debt payment on these bonds will be paid from a variety of sources based on the projects funded with those bonds such as electric, water or sewer utility charges, increment generated from the City’s tax increment financing districts as well as General Fund revenues.

This abatement of the debt service portion of the levy is consistent with City practices and previously discussed during the 2022 tax levy discussions. The attached ordinance abates all of the \$10,165,001 and results in a total 2022 property tax levy request in the amount of \$14,186,283. The sources of revenues that will be used to pay the principal and interest of the various bond issuances listed are as follows:

Electric Fund	1,088,936
Water Fund	924,621
Wastewater Fund	703,303
General Fund	6,115,283
TIF #4	1,018,207
TIF #5	314,650
Total	10,165,001

The City’s 2022 equalized assessed value (EAV) will be finalized in the coming months from both Counties and the final overall City property tax rate will be calculated in March or early April of 2023. Based on tentative EAV information previously provided by the County, we are anticipating that the City’s overall property tax rate per \$100 of taxable EAV will decrease from 0.8515 to about 0.8312 as previously noted at the November committee meeting.

Attachments *(please list):*

Abatement Ordinance

Recommendation/Suggested Action *(briefly explain):*

Seeking a Motion to Approve an Ordinance Abating a Portion of the 2022 Property Tax Heretofore Levied for the City of St. Charles

**City of St. Charles, Illinois
Ordinance No. _____**

**An Ordinance Abating a Portion of the Tax Heretofore Levied for the
City of St. Charles, Kane and DuPage Counties, Illinois.**

**Presented and Passed by the
City Council on _____**

WHEREAS, the City Council of the city of St. Charles, Kane and DuPage Counties, Illinois, did on the 19th day of December, 2022, adopt an Ordinance entitled:

**"ANNUAL TAX LEVY ORDINANCE" of the City of St.
Charles, Kane and DuPage Counties, Illinois";**

and

WHEREAS, a duly certified copy of said Ordinance was filed with the County Clerks of Kane and DuPage Counties, Illinois, in 2022; and

WHEREAS, revenue the city of St. Charles has received from other sources will be sufficient to pay expenditures without any funds for debt service purposes being levied as set forth in said Annual Tax Levy Ordinance;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY
OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:**

Section 1. That the tax heretofore levied in said Annual Tax Levy Ordinance, such tax being levied to pay the city's annual debt service expenditures for general obligation bonds, be abated by that amount representing revenue the city has received from other sources, which will be sufficient to pay expenditures for said general obligation bonds. The purposes for which such

tax was so levied in said ordinance and the amount so levied for each purpose, the amount of such tax so levied which is to be abated for each purpose, and the remainder of such tax so levied which is to be extended for each purpose are as follows:

PURPOSE OF LEVY	TAX LEVIED IN SAID ORDINANCE	AMOUNT TO BE ABATED	REMAINDER OF LEVY TO BE EXTENDED
Fire Pension	\$2,719,565	\$0	\$2,719,565
Police Pension	\$4,170,718	\$0	\$4,170,718
Police Protection	\$1,866,000	\$0	\$1,866,000
Fire Protection	\$1,866,000	\$0	\$1,866,000
Mental Health	\$635,000	\$0	\$635,000
Corporate	\$2,929,000	\$0	\$2,929,000
GO Bond Series 2012 A	\$454,575	\$454,575	\$0
GO Bond Series 2012 B	\$1,152,350	\$1,152,350	\$0
GO Bond Series 2013 B	\$354,561	\$354,561	\$0
GO Bond Series 2015 A	\$195,918	\$195,918	\$0
GO Bond Series 2016 A	\$558,150	\$558,150	\$0
GO Bond Series 2016 B	\$1,168,050	\$1,168,050	\$0
GO Bond Series 2016 B (TIF)	\$329,100	\$329,100	\$0
GO Bond Series 2018 A	\$1,514,293	\$1,514,293	\$0
GO Bond Series 2019 A	\$1,044,000	\$1,044,000	\$0

GO Bond Series 2020 A	\$832,200	\$832,200	\$0
GO Bond Series 2020 B	\$458,400	\$458,400	\$0
GO Bond Series 2021 A	\$1,099,648	\$1,099,648	\$0
GO Bond Series 2021 A (TIF)	\$314,650	\$314,650	\$0
GO Bond Series 2021 B (TIF)	\$689,107	\$689,107	\$0
Total	<u>\$24,351,284</u>	<u>\$10,165,001</u>	<u>\$14,186,283</u>

Section 2. That forthwith upon the passage of this Ordinance the City Clerk shall file a certified copy of this Ordinance with the County Clerks to ascertain the rate necessary to produce the remainder of the tax heretofore levied and as shown herein above and to extend the same for collection on the tax books against all of the taxable property situated within the city in connection with other taxes levied in 2022 for general corporate purposes and other purposes shown above, and for 2022 such annual tax shall be computed, extended and collected in the same manner as now or hereinafter provided by law for the computation, extension and collection of taxes for general corporate purposes and other purposes shown above, and when collected such taxes shall be used solely for the purpose of paying each of aforementioned specific purposes.

Section 3. That this Ordinance shall be in full force and effect forthwith upon its passage.

NOW THEREFORE, be it ordained by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois.

PRESENTED to the City Council of the City of St. Charles, Illinois this ____ day of January, 2023.

PASSED by the City Council of the City of St. Charles, Illinois, the ____ day of January, 2023.

APPROVED by the Mayor of the City of St. Charles, Illinois this ____ day of January, 2023.

Lora Vitek, Mayor

ATTEST:

CITY CLERK

COUNCIL VOTE:

Ayes:
Nays:
Absent:
Abstain: