



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: **IB**

Title: **Motion to Approve Preliminary Estimate of 2016 Property Tax Levy in the amount of \$20,031,740**

Presenter: Chris Minick, Finance Director

Meeting: City Council

Date: November 7, 2016

Proposed Cost: \$-0-

Budgeted Amount: \$ N/A

Not Budgeted:

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

The City needs to prepare a preliminary estimate of property tax revenue each year. The estimate should be announced at a public meeting and passed by the Corporate Authorities. State statutes further require a public hearing regarding the property tax levy. Staff will make a complete presentation of the proposed property tax levy prior to the public hearing on December 5. Tonight's requested action merely sets the amounts to be used in the notice of publication of the public hearing and does not obligate the City to a specific tax levy amount. The amount of the levy can be changed from the preliminary estimate until finalized in the spring of 2017. The value on which the tax rate is figured (EAV) of the City is estimated to increase by approximately 3.4% for the 2016 tax levy.

The levy amount presented represents a slight decrease from the prior year, due to a small decline in the debt service portion of the levy. Although the debt service levy must be included in this estimate, the City has traditionally abated this amount and paid for bond debt service from non-property tax revenue streams. Staff anticipates a similar process for the 2016 levy. If this occurs, the \$7.976 million amount reflected as debt service will be removed from the final 2016 levy to be collected in calendar year 2017.

The dollar amount of the operations levy is consistent with the prior year. CPI/inflation for the 2016 tax levy was measured at 0.70%. Non-home rule units are required to limit the increase in their levy to the lesser of CPI or 5%. As a home rule community, the City has no such restriction. For 2016, the City has taken the conservative measure of holding the amount of the operational tax levy at the **same level** since the 2009 levy.

Attachments *(please list):*

Summary Comparison of 2015 and Estimated 2016 Levies

Recommendation/Suggested Action *(briefly explain):*

Motion to approve preliminary estimate of 2016 Property Tax Levy in the amount of \$20,031,740.

City of St Charles
2016 Property Tax Levy
Comparison of Estimated 2016 and 2015 Tax Levies
October, 2016

	<u>As Estimated 2016</u>	<u>Actual 2015</u>	
Equalized Assessed Valuation	<u>\$ 1,384,863,295</u>	<u>\$ 1,339,585,311</u>	(1)
Change in EAV	<u>3.38%</u>		
The estimated property tax levy consists of:			
Operations:	\$ 12,055,117	\$ 12,055,117	
Debt Service:	<u>\$ 7,976,623</u>	<u>\$ 8,047,163</u>	(2)
 Total Estimated Tax Levy	 <u>\$ 20,031,740</u>	 <u>\$ 20,102,280</u>	
 Change In Levy Amounts	 <u>-0.35%</u>		

(1) 2016 Amounts are estimated.

(2) - Note that the City traditionally abates all debt service levies for General Obligation Bonds outstanding. These amounts are paid from general City revenue streams. These amounts were abated for the 2015 tax levy but are included for comparison purposes. It is anticipated that these amounts will be abated as part of the 2016 levy.