



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: ID

Title: **Seeking Motion to approve the Ordinance Levying Taxes for the 2020 Levy Year for the City of St. Charles**

Presenter: Chris Minick, Finance Director

Meeting: City Council

Date: December 7, 2020

Proposed Cost: \$-0-

Budgeted Amount: \$ N/A

Not Budgeted:

Executive Summary (if not budgeted please explain):

Staff will present the proposed tax levy for the 2020 levy year. As discussed at the November 2 City Council meeting, this year’s operating tax levy contemplates an increase in the tax levy proportionate to the increase in inflation as measured by the Consumer Price Index (CPI) – 2.30%. While the amount of the operating levy is increasing, the City’s tax rate will remain the same or perhaps increase slightly because the percentage increase in the levy is approximately equal to the increase in the value of the City’s property tax base as measured by the Equalized Assessed Valuation (EAV) of the City. The EAV of the City is not finalized at this time so staff is unable to calculate the precise property tax rate for the City’s tax levy; however, staff estimates that the EAV will increase by approximately 2.25%.

The levy amount presented incorporates the amount necessary for principal and interest payments on the City’s general obligation bond issues. It is anticipated that the debt service property tax levies will be abated in their entirety. The City has historically made these principal and interest payments from the general revenue stream rather than the property tax revenue stream. The amounts presented below are after the abatement process is completed. This abatement process lowers the property tax bills of City residents and the amount of property taxes paid to the City. Without the abatement, the City’s tax levy would be increased by \$ 10,836,271 for payment of principal and interest on the City’s bonds.

Staff is requesting an increase of 2.3% in the amount of the operating levy to \$13,069,216. The EAV of the City is estimated to increase by approximately 2.25%. When combined with the proposed 2.30% increase in the amount of the operating levy, the City’s property tax rate should essentially remain consistent at approximately \$0.828 per \$100 of EAV. Depending on the final EAV of the City, it is possible that the tax rate could increase slightly to \$0.8283 per \$100 of EAV. As stated previously, the EAV of the City will not be finalized until 2021 so it is not possible to calculate a precise tax rate for the City at this time. The operating levy request of the City is generally in line with Tax Cap Legislation (PTELL) even though the City is not subject to PTELL legislation because St Charles is a Home Rule Community.

The City’s property tax rate is remaining essentially consistent, so any increase in the property tax bill would be the result of an increase in property value as measured by a property’s EAV. The City portion of the tax bill for a \$300,000 property was \$778.25 for the 2019 levy payable in calendar year 2020. If the property’s valuation remains the same for 2020, the City portion of the tax bill will be \$778.64, an increase of \$0.39 annually. If the property experiences a 2.25% increase in its value (the 2020 value of the property is \$306,750 rather than \$300,000) the City portion of the property tax bill will increase to \$797.28, a \$19.03 annual increase because of the increase in the value of the property.

Attachments (please list):

- **2020 Tax Levy Year Ordinance**

Recommendation/Suggested Action (briefly explain):

- **Motion to approve the Ordinance Levying Taxes for the 2020 Levy Year for the City of St Charles**

City of St. Charles, Illinois
Ordinance No. _____

Annual Tax Levy Ordinance

WHEREAS, the City Council of the city of St. Charles, Kane and DuPage Counties, did on the 6th day of April 2020, pass the annual budget for said City of St. Charles;

WHEREAS, said budget was duly considered and heard by public hearing on the 6th day of April 2020, in accordance with the provision of the Illinois Revised Statutes, Chapter 24, Article 8, Division 2, Paragraph 9.4 and 9.9.

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 there be and is hereby levied upon all the taxable property within the corporate limits of said City of St. Charles, Illinois, subject to taxation for the year 2020, the total sum of \$23,905,487 (Twenty Three Million, Nine Hundred and Five Thousand, Four Hundred and Eighty Seven Dollars) for the following specific purposes mentioned in said budget and in the respective sums to follow to wit:

	<u>AMOUNT BUDGETED</u>	<u>AMOUNT LEVIED</u>
A. Fire Pension Fund: Municipal normal cost as per Illinois State Statute Chapter 108-1/2 Sections 4-118 & 4-120 and giving consideration to the actuarial valuation of the fund, the present annual amount required to finance the fund on an actuarial basis and to arrive at a fully funded financial position at the end of the period specified in Section 4-118.	\$2,530,046.	
Total Amount Levied		<u>\$2,530,046.</u>

	<u>AMOUNT BUDGETED</u>	<u>AMOUNT LEVIED</u>
B. Police Pension Fund: Municipal normal cost as per Illinois State Statute Chapter 108-1/2 Sections 3-125 and 3-127 and giving consideration to the actuarial valuation of the fund, the present annual amount required to finance the fund on an actuarial basis and to arrive at a fully funded financial position at the end of the period specified in Section 3-127.	\$3,756,438.	
Total Amount Levied		<u>\$3,756,438.</u>
C. Police Protection: Regular Salaries	\$7,266,224.	
Total Amount Levied		<u>\$1,750,000.</u>
D. Fire Protection: Fire Operations Regular Salaries	\$4,492,506.	
Total Amount Levied		<u>\$1,750,000.</u>
E. Mental Health: Total amount of contract for services determined necessary to provide support to local qualifying agencies for community mental health	\$631,106.	
Total Amount Levied		<u>\$631,106.</u>

		<u>AMOUNT BUDGETED</u>	<u>AMOUNT LEVIED</u>
F.	Corporate		
	City Administration		
	Personal Services	\$ 492,587.	
	Accounting		
	Personal Services	\$1,028,564.	
	Information Services		
	Personal Services	\$1,798,790.	
	Human Resources		
	Personal Services	\$ 850,234.	
	Total Amount Levied		<u>\$2,651,626</u>
H.	Bonds & Interest		
	2011 A Bond Issue	354,275	
	2011 C Bond Issue	478,375	
	2011 D Bond Issue	326,675	
	2012 A Bond Issue	757,575	
	2012 B Bond Issue	1,141,350	
	2013 A Bond Series	894,200	
	2013 B Bond Series	357,466	
	2015A Bond Series	192,818	
	2016A Bond Series	555,875	
	2016B Bond Series	1,446,025	
	2016B TIF Bonds	289,280	
	2018 GO Bond Series	1,491,293	
	2019 GO Bond Series	1,057,250	
	2020A GO Bond Series	824,114	
	2020B GO Bond Series	669,700	
	Total	\$10,836,271.	
	Total Amount Levied – Bonds and Interest		<u>\$10,836,271.</u>

RECAPITULATION

<u>RATE</u>	<u>AMOUNT LEVIED</u>	<u>ESTIMATED</u>
A. Fire Pension Fund	\$2,530,046	.1603
B. Police Pension Fund	\$3,756,438	.2380
C. Police Protection	\$1,750,000	.1109
D. Fire Protection	\$1,750,000	.1109
E. Mental Health	\$631,106	.0400
F. Corporate	\$2,651,626	.1680
G. Bonds & Interest	\$10,836,271	.6865
TOTAL TAX LEVY	\$23,905,487	\$1.5145

SECTION 2. The amounts budgeted and not expressly itemized and carried forward in this Tax Levy Ordinance will be paid out of monies from sources other than the Tax Levy.

SECTION 3. The City Clerk of the City of St. Charles is hereby directed to file a duly certified copy of this ordinance with the County Clerk of Kane County and DuPage County, along with such other certification as may be required.

SECTION 4. This ordinance shall take effect and be in full force from and after its passage and approval as provided by law.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 7th day of
December, 2020.

PASSED by the City Council of the City of St. Charles, Illinois, this 7th day of
December, 2020.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 7th day of
December, 2020.

Raymond P. Rogina, Mayor

ATTEST:

CITY CLERK

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: