

	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: ID
	Title:	Seeking Motion to approve the Ordinances Levying Taxes for the 2019 Levy for the City of St. Charles	
	Presenter:	Chris Minick, Finance Director	
Meeting: City Council		Date: December 2, 2019	
Proposed Cost: \$-0-		Budgeted Amount: \$ N/A	Not Budgeted: <input type="checkbox"/>
<p>Executive Summary <i>(if not budgeted please explain):</i></p> <p>Staff will present the proposed tax levy for the 2019 levy year. As discussed at the November 4 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). While the amount of the operating levy is increasing, the City's tax rate will decline because the increase in the levy is lower than 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 rate will decline by approximately 3%.</p> <p>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 during early 2020. 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 process, the City's tax levy would need to be increased by \$10,100,000 for payment of principal and interest on the City's bonds.</p> <p>Staff is requesting an increase of 1.9% in the amount of the operating levy to \$12,775,382. The EAV of the City is estimated to increase by approximately 5%. This will have the impact of LOWERING the City's tax rate by approximately 3% from \$0.8452 to \$0.8203 per \$100 of EAV. Had the City opted to leave the tax rate the same as the 2018 levy, the increase in dollar amount of property taxes levied would have equaled 5%, assuming that the 5% estimated increase in EAV is correct. The conservative approach that the City has taken results in a lower property tax increase than would have been enacted had the City opted to keep the tax rate consistent between the 2018 and 2019 levies.</p> <p>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. It is estimated that the increase in the City portion of the average property owner's tax bill will amount to 1.9%. We estimate that this increase would total approximately \$1.25 per month or \$15 annually for the owner of a property valued at \$300,000.</p>			
<p>Attachments <i>(please list):</i></p> <p>2019 Tax Levy Year Ordinance</p>			
<p>Recommendation/Suggested Action <i>(briefly explain):</i></p> <p>Motion to approve the Ordinance Levying Taxes for the 2019 Levy for:</p> <p>The City of St Charles</p>			

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 15th day of April 2019, pass the annual budget for said City of St. Charles;

WHEREAS, said budget was duly considered and heard by public hearing on the 1st day of April 2019, 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 2019, the total sum of \$22,856,667 (Twenty Two Million, Eight Hundred Fifty Six Thousand, Six Hundred and Sixty 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.	\$2,245,665.	
Total Amount Levied		<u>\$2,245,665.</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.	\$3,296,585.	
Total Amount Levied		<u>\$3,296,585.</u>
C. Police Protection: Regular Salaries	\$6,408,025.	
Total Amount Levied		<u>\$1,750,000.</u>
D. Fire Protection: Fire Operations Regular Salaries	\$4,291,714.	
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	\$623,000.	
Total Amount Levied		<u>\$623,000.</u>

Ordinance No. 2019-M-
Annual Tax Levy
Page 3

		<u>AMOUNT BUDGETED</u>	<u>AMOUNT LEVIED</u>
F.	Corporate		
	City Administration		
	Personal Services	\$ 484,659.	
	Accounting		
	Personal Services	\$1,037,568.	
	Information Services		
	Personal Services	\$1,612,943.	
	Human Resources		
	Personal Services	\$ 786,771.	
	Total Amount Levied		<u>\$3,110,132</u>
H.	Bonds & Interest		
	2010 A Bond Issue	531,831	
	2010 C Bond Issue	222,450	
	2011 A Bond Issue	353,275	
	2011 C Bond Issue	474,175	
	2011 D Bond Issue	322,875	
	2012 A Bond Issue	749,975	
	2012 B Bond Issue	1,159,150	
	2013 A Bond Series	894,200	
	2013 B Bond Series	358,701	
	2015A Bond Series	197,318	
	2016A Bond Series	550,100	
	2016B Bond Series	1,441,850	
	2016B TIF Bonds	272,743	
	2018 GO Bond Series	1,498,642	
	2019 GO Bond Series	1,054,000	
	Total	\$10,081,285.	
	Total Amount Levied – Bonds and Interest		<u>\$10,081,285.</u>

RECAPITULATION

<u>RATE</u>	<u>AMOUNT LEVIED</u>	<u>ESTIMATED</u>
A. Fire Pension Fund	\$2,245,665	.1442
B. Police Pension Fund	\$3,296,585	.2117
C. Police Protection	\$1,750,000	.1124
D. Fire Protection	\$1,750,000	.1124
E. Mental Health	\$623,000	.0400
F. Corporate	\$3,110,132	.1997
G. Bonds & Interest	\$10,081,285	.6473
TOTAL TAX LEVY	\$22,856,667	\$1.4672

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.

Ordinance No. 2019-M-
Annual Tax Levy
Page 5

PRESENTED to the City Council of the City of St. Charles, Illinois, this 2nd day of
December, 2019.

PASSED by the City Council of the City of St. Charles, Illinois, this 2nd day of
December, 2019.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 2nd day of
December, 2019.

Raymond P. Rogina, Mayor

ATTEST:

CITY CLERK

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: