

**MINUTES FROM THE PUBLIC HEARING OF THE ST. CHARLES CITY COUNCIL  
HELD ON MONDAY, DECEMBER 4, 2017  
CITY COUNCIL CHAMBERS, IN THE CITY COUNCIL CHAMBERS  
2 E. MAIN STREET ST. CHARLES, IL 60174**

**1. Call to Order by Mayor Raymond Rogina 6:50 PM**

**2. Roll Call.**

Present: Vitek, Lewis, Stellato, Silkaitis, Payleitner, Lemke  
Turner, Bancroft, Gaugel

Absent: Bessner

**3. Presentation.**

Public Hearing concerning passage of the Proposed 2017 Tax Levy for the City of St. Charles.

**Chris Minick:** This is the public hearing for the 2017 tax levy. The 2017 tax levy represents property taxes that will be billed to and paid by our residents, and collected by the City during calendar year 2018. The public hearing is a statutorily required part of the process of levying taxes each year. In accordance with state statute the notice was published in the Daily Herald on November 22, 2017. Staff will give a brief presentation followed by an opportunity for questions and public comments regarding the property tax levy for the City of St. Charles for 2017. At the conclusion of the public hearing tonight all of the steps that are legally necessary will have been taken to adopt the tax levy for the City for the 2017 tax levy year, and we will have a formal tax levy ordinance for consideration at the City Council meeting tonight.

The 2017 tax levy request is in the amount of \$19,038,000; we'll talk more about that and the changes from the 2016 levy. We are proposing to continue the tradition of freezing the operating levy for the 9<sup>th</sup> consecutive year. The operating levy has been frozen at \$12,055,000 since 2009 and if passed as proposed it would mark the 9<sup>th</sup> straight year we would maintain the City's operating levy at that level. We are expecting an increase in the equalized assessed valuation (EAV). Over the last couple years we've seen that EAV inching up as we come out of, and recover from, the Great Recession. We are expecting that for the 2017 tax levy the EAV will increase by about 3%. If we do see a 3% increase in the EAV we would see a corresponding decrease in the City's tax rate, and because of those offsetting impacts we would actually expect that the majority of the tax payers within the City would see no change in the City portion of the tax bill they would pay in 2017 as it compares to the 2016 levy. We will propose to continue the long standing practice of debt service abatement, or removal of the debt service levies from the City's property tax levy. We're proposing that the pension funds be funded in accordance with the actuarial studies that the City has performed on an annual basis.

As I mentioned we are expecting about a 3% increase in the EAV. That would take the taxable value of the property contained within City limits to approximately \$1,042,700,000 for the tax levy year 2017. I also mentioned that the proposed tax levy is in the amount of \$19,038,000. This represents an approximate 3.6% decline from the 2016 levy request of about \$20,112,000. The City has a long standing tradition of removing the debt service levies from the tax bills of its residents. During 2016 we removed \$8,000,000 in debt service levies via a series of resolutions and ordinances that were proposed and presented in January 2017. We do anticipate following that exact same process in January of 2018 in removing the \$7,300,000 from the tax bills of the residents of the City of St. Charles leaving the property tax levy at the consistent \$12,055,000 level.

Because we are freezing the amount of the operating levy between the 2016 and 2017 levies; if we do indeed see that 3% increase in the EAV, we would see a corresponding 3% decline in the City's tax rate of about 2.5 cents. This would take the tax rate from approximately 88 cents per \$100 of EAV down to about 85.4 cents per \$100 of valuation.

What that means for the owner of a property with a market value of \$300,000 is that over the 8-year period ending with the 2016 levy we generated savings of approximately \$540. This represents the savings that the owner experienced by the City keeping the property tax levy frozen, as compared to what the tax bills would have been had the City increased the amount of the property tax levy by the amount of inflation or CPI annually. By keeping the rate frozen instead of following the Tax Cap Law, we saved that owner \$540 over that 8 year period.

Mr. Minick discussed a slide that showed, on a macro basis, what the impact of keeping the tax levy consistent over that time frame has been. For the 2017 levy we would have had property tax levy of about \$13,800,000 had it been increased by the amount of CPI each year.

The operating levy has six detail line items:

1. General Corporate Levy
2. Fire Protection
3. Fire Pension
4. Police Protection
5. Police Pension
6. Mental Health Levy – Levied by the City on an annual basis.

Those individual lines, once those taxes are extended; the dollars associated with those line items can only be expended for those purposes from a legal standpoint. Those are the individual components of the \$12,055,000 operating levy we have on an annual basis.

Each year we present a distribution of the typical property tax bill for residents. It is very common in Illinois municipalities that the majority of the tax bill is the school district. St. Charles is no exception with District 303 making up about 2/3 of the total tax bill.

The City's portion of the tax levy is maintained at a relatively consistent level of about 10% of the property taxes each year. The remaining 25% of the tax levy being made up of such entities as the Park District, the Community College, the County, the Library, the Forest Preserve and the Township.

The next steps in achieving the 2017 tax levy, as mentioned a moment ago, we will have a formal ordinance for City Council approval as part of the Council meeting this evening. We will file the ordinance with the County Clerks of Kane and DuPage Counties, by the last Tuesday in December as required by state statute. We'll bring forward the series of resolutions and ordinances to abate the debt service levies during January of 2018. The 2017 levy will be finalized and tax bills will be mailed during spring of 2018.

We are at a public hearing; it would be appropriate if any members of the public would like to make any comments this evening.

- No written comments received in the Clerk's office.
- No additional comments by Staff, Council or citizens.

Motion by Ald. Lemke, second by Ald. Turner to adjourn meeting.

VOICE VOTE                      UNANIMOUS                      MOTION CARRIED

Meeting adjourned at 7:00 pm.

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Charles Amenta, City Clerk

CERTIFIED TO BE A TRUE COPY OF ORIGINAL

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Charles Amenta, City Clerk