

**AGENDA
CITY OF ST. CHARLES
PUBLIC HEARING
DONALD P. DEWITTE, MAYOR**

**Monday, December 5, 2011, 6:55 P.M.
City Council Chambers
2 E. Main St.**

1. Call to Order.
2. Roll call.
3. Public Hearing concerning passage of the proposed 2011 tax levy.
4. Adjournment.



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Public Hearing Proposed 2011 Property Tax Levy

Presenter: Chris Minick, Finance Director

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input type="checkbox"/>	Government Services
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input checked="" type="checkbox"/>	Public Hearing (12/5/11)		

Estimated Cost:	N/A	Budgeted:	<input type="checkbox"/> YES	<input type="checkbox"/> NO
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If NO, please explain how item will be funded:

Executive Summary:

Presentation of proposed 2011 tax levy:
The proposed operating levy will be maintained at a dollar amount consistent with 2009's and 2010's operating levy. The EAV of the City is not finalized at this time so staff is unable to calculate the precise tax rate generated.

Staff is anticipating that the EAV of the City will decline by approximately 4.5%. If this occurs and the dollar amount of the levy is unchanged, the rate generated would increase comparably to the decrease in the EAV. However, the City portion of a resident's tax bill would remain the same as in 2010 if their property valuation has declined by that same 4.5%. The City Council has the option to reduce the amount of the levy once the final EAV of the City is known in 2012.

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 2012. The City has historically made these principal and interest payments from the general revenue stream rather than the property tax revenue stream.

The levy incorporates the Mental Health Board and Red Gate Road Bridge property tax levies, as well as fully funding the City's Police and Fire Pension Funds based on our independent actuary's recommendation.

Attachments: *(please list)*

Presentation

Recommendation / Suggested Action *(briefly explain):*

Staff Presentation and Public Comment
Ordinances for consideration during Government Operations Committee Meeting

<i>For office use only:</i>	<i>Agenda Item Number:</i>
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Proposed 2011 Property Tax Levy



2011 Tax Levy

- **2011 levy request = \$21,765,031**
- **Operating levy frozen for 2nd straight year**
- **Anticipated abatement of debt levy**
 - **To be paid from non-property tax revenue sources**
- **Anticipated decrease in EAV = 4.5% (estimated)**
- **Prudent pension funding maintained at \$3,868,448.**
 - **Police Pension= \$1,231,413**
 - **Fire Pension= \$991,067**
 - **IMRF = \$1,645,968 (paid from general revenues)**

Equalized Assessed Value Comparison

2010 EAV (actual)	\$1,548,516,185
2011 EAV (estimated)	\$1,478,832,957
Difference	(\$69,683,228)

For the preliminary levy, staff has estimated that the EAV of property in the City of St. Charles will decrease by approximately 4.5%.

2011 Tax Levy

	As Estimated <u>2011 Levy</u>	Actual <u>2010 Levy</u>
Estimated Property Tax Levy:		
Operations:	\$ 12,055,117	\$ 12,055,117
Debt Service:	\$ 9,238,843	\$ 8,575,393
Special Service Areas	\$ 471,071	\$ 517,227
Total Tax Levy	<u>\$ 21,765,031</u>	<u>\$ 21,147,737</u>
Change In Levy Amounts	<u>2.92%</u>	

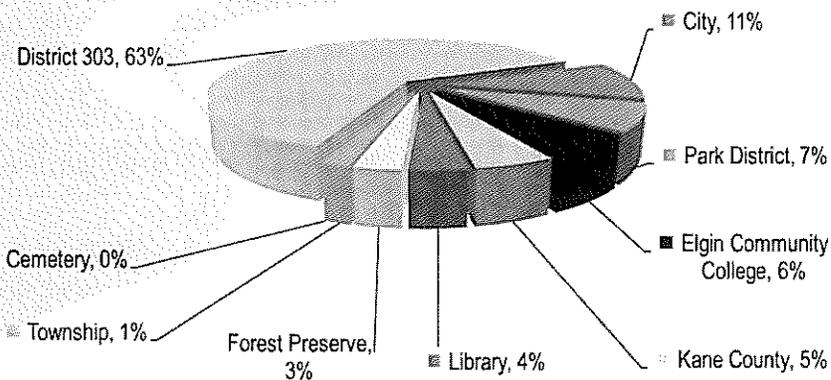
The levy for operations is being held at the 2009 amount. Debt service amounts are anticipated to be paid from non-property tax revenue streams.

Levy and Rate Comparison

	Levy	Rate/\$100 EAV
2010 Operating	\$12,055,117	.7785
2011 Operating	\$12,055,117	.8152
Difference	\$ -0-	.0367

Holding the levy will produce a slightly higher tax rate due to the decline in EAV. On average, a resident's tax bill to the City should remain the same.

City of St Charles Property Tax Distribution – 2010 Levy



2010 Typical Property Tax \$300,000 Property

Organization	Rate	Tax Paid
District 303	4.6040	\$4,604
City	.7785	\$779
Park District	.5550	\$555
Elgin College	.4407	\$441
Kane County	.3730	\$373
Library	.2654	\$265
Forest Preserve	.2201	\$220
Township	.1075	\$108
Cemetery	.0128	\$13

Net Effect of 2011 Levy Due to Change in Rate

Value of Property	Impact
\$200,000	\$24
\$250,000	\$30
\$300,000	\$36

If a property's value remains consistent with 2010 levels, a 4.5% change in the tax rate would impact its tax bill in the amounts as reflected above.

Net Effect of 2011 Levy Due to Change in EAV

Value of Property – 2010 Levy	Impact
\$200,000	- \$24
\$250,000	- \$30
\$300,000	- \$36

EAV is expected to decrease 4.5%. If this occurs and the City's tax rate was consistent, the property tax bill would decrease in the amounts reflected above.

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**Proposed 2011
Property Tax Levy**

Questions and
Public Comment