

**MINUTES FROM THE PUBLIC HEARING OF THE ST. CHARLES CITY COUNCIL
HELD ON MONDAY, DECEMBER 5, 2011 – 6:55 P.M.
CITY COUNCIL CHAMBERS, IN THE CITY COUNCIL CHAMBERS
2 E. MAIN STREET ST. CHARLES, IL 60174**

1. **Call To Order By Mayor Donald DeWitte At 6:55 P.M.**
2. **Roll Call.**
Present: Stellato, Monken, Carrignan, Payleitner,
Turner, Rogina, Martin, Krieger, Bessner, Lewis
Absent: None
3. **Public Hearing concerning passage of the proposed 2011 tax levy.**

Presentation by Finance Director Chris Minick:

A. Proposed 2011 Property Tax Levy

B. 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)

C. Equalized Assessed Value

- 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%.

D. 2011 Tax Levy

	<u>As Estimated 2011 Levy</u>	<u>Actual 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.

E. 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.

F. City of St. Charles Property tax Distribution - 2010 Tax Levy

- District 303 63%
- City 11%
- Park District 8%
- Elgin Community College 6%
- Kane County 5%
- Library 4%
- Forest Preserve 3%
- Township 1%
- Cemetery 0%

G. 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

H. Net Effect of 2011 Levy Due to Change in Rate

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

I. 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.

J. 2011 Tax Levy - Summary

- 2011 levy request = \$21,765,031
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K. Proposed 2011 Property Tax Levy

- Questions and Public Comment

- Alder. Bessner asked how do numbers compare with other communities and what they are doing every year?
- Chris Minick responded that it runs the gamut. Communities calculate their EAVs in different ways. Some communities are tax cap. The tax cap for 2010 allowed a CPI of 1.5% to the property tax levy. Most of the overlapping districts (school district, park district, community college, etc.) for 2010 levy took advantage of the of the CPI increase to increase their operating levies by that 2.7% amount. Where we held ours consistent. When you combine that with the increase of the EAV of taxable base of the value of the property in the districts that had the effect of driving the rate up quite a bit more than the City's.
- Alder. Rogina asked, if a person lives in St. Charles and their dollar value of their property taxes go does not go up, but their EAV goes down, they could make a philosophical argument that their property tax rate went up. Is that correct?
- Chris Minick responded, that would be the practical impact. As individual property tax situations vary so will their impact of the property tax levy. Certain individuals, in fact most of the individuals that had questions for me, that I assisted last spring, most of the individuals that I talked to had the amount of property tax dollars that they paid to the City decline, as compared to increase. But it is possible, based on the individual situation and the particular property, that the City portion of the property tax bill could increase slightly.
- Mayor Dewitte stated, is it fair to say that even though the City's levy remains consistent last year, and even in a handful of those specific concerns that I was a part of from specific residents, even though the City's levy remain consistent (or those residents paid less than the previous year), their entire tax bill could of in fact increase based on the decisions made by other government entities that chose to take the consumer price index rate of inflation and build that in to their levy.
- Chris Minick responded, that is correct.
- Mayor DeWitte stated, it is a confusing issue, I will be the first to admit, but the key is to look at those two lines on your tax bill, one that says City and one that says City Pensions and combine those two numbers and you compare those to last year. Last year, if your house dropped in value 6.5%, you paid the same amount in taxes last year that you paid in the previous year. If your house dropped more than 6.5% you paid less. But if it didn't drop 6.5%, you probably paid a little more than you did the previous year.
- Alder. Turner, it should be noted that we do not do the assessments, that is done by the Township.
- Chris Minick responded that is correct. The City does not have and role in that particular process.

4. Adjournment

Motion By Carrignan, Seconded By Stellato, To Adjourn Meeting

VOICE VOTE

UNANIMOUS

MOTION CARRIED

Meeting adjourned at 7:12 P.M.

Nancy Garrison, City Clerk

CERTIFIED TO BE A TRUE COPY OF ORIGINAL

Nancy Garrison, City Clerk