



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Motion to Approve Estimated Amount of 2012 Property Tax Levy in the amount of \$22,452,396
Presenter:	Chris Minick, Finance Director

Please check appropriate box:

X	Government Operations (10/15/2012)	Government Services
	Planning & Development	City Council
	Public Hearing	

Estimated Cost:	N/A	Budgeted:	YES		NO	
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If NO, please explain how item will be funded:

Executive Summary:

The City needs to prepare a preliminary estimate of property tax revenue each year. The estimate should be announced at a public meeting and passed by the Corporate Authorities. State statutes further require a public hearing in December regarding the property tax levy. Staff will make a complete presentation of the proposed property tax levy prior to the public hearing in December. Tonight's requested action merely sets the amounts to be used in the notice of publication of the public hearing and does not obligate the City to a specific tax levy amount. The amount of the levy can be changed from the preliminary estimate until finalized in the spring of 2013. The value on which the tax rate is figured (EAV) of the City is expected to decrease by approximately 5.16% for the 2012 tax levy.

The levy amount presented represents a 4.76% increase from the prior year, due to an increase in the debt service portion of the levy. Although the debt service levy must be included in this estimate, the City has traditionally abated this amount and paid for bond debt service from non-property tax revenue streams. Staff anticipates a similar process for the 2012 levy. If this occurs, the \$9.934 million amount will be removed from the final levy. The City will be making the debt payments on the bonds issued from the Red Gate Road Bridge from the special levy that was established for that purpose in the late 1990's. **No additional tax revenue or tax increases are included in the 2012 levy to pay for the Red Gate Road Bridge bonds.**

The dollar amount of the operations levy is consistent with the prior year. CPI/inflation for the 2012 tax levy was measured at 3%. Non-home rule units are required to limit the increase in their levy to CPI. As a home rule community, the City has no such restriction. For 2012, the City has taken the conservative measure of holding the amount of the operational tax levy at the **same level** since the 2009 levy.

Attachments: *(please list)*

Summary Comparison of 2011 and Estimated 2012 Levies

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve estimated amount of 2012 Property Tax Levy in the amount of \$22,452,396.

For office use only:

Agenda Item Number: 6b

City of St Charles
2012 Property Tax Levy
Comparison of Estimated 2012 and 2011 Tax Levies
October, 2012

	<u>As Estimated 2012 Levy</u>		<u>Actual 2011 Levy</u>	
Equalized Assessed Valuation	\$ 1,384,157,580		\$ 1,459,398,426	(1)
Change in EAV	-5.16%			
The estimated property tax levy consists of:				
Operations:	\$ 12,055,117		\$ 12,055,117	
Debt Service:	\$ 9,934,131	(2)	\$ 8,931,122	(2)
Special Service Areas	<u>\$ 463,148</u>		<u>\$ 445,612</u>	
 Total Tax Levy	 <u>\$ 22,452,396</u>		 <u>\$ 21,431,851</u>	
Change In Levy Amounts	4.76%			

(1) - 2012 Amount is estimated.

(2) - Note that the City traditionally abates all debt service levies for General Obligation Bonds outstanding. These amounts are paid from General City revenue streams. These amounts were abated for the 2011 tax levy but are included for comparison purposes. It is anticipated that these amounts will be abated as part of the 2012 levy. It is the City's intent to pay the debt service costs for the bonds issued to construct the Red Gate Road Bridge from the existing tax levy established for that purpose.