

ST. CHARLES  
SINCE 1834

## AGENDA ITEM EXECUTIVE SUMMARY

Title: Public Hearing Proposed 2012 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 (11/19/12)	<input type="checkbox"/>	

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

**Executive Summary:**

The proposed operating levy will be maintained at a consistent dollar amount for the 4<sup>th</sup> straight year. 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 5.2%. 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 2011 if their property valuation has declined by that same 5.2%. 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 2013. 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

*For office use only:*

*Agenda Item Number:*

# **Proposed 2012 Property Tax Levy**



# 2012 Tax Levy

- **2012 levy request = \$22,744,252**
- **Operating levy frozen for 4th straight year (2009-2012)**
- **Anticipated abatement of debt levy**
- **Estimated decrease in city-wide EAV = 5.2%**
- **Prudent pension funding maintained at \$4,066,743.**
  - **Police Pension= \$1,325,000**
  - **Fire Pension= \$1,004,000**
  - **IMRF = \$1,737,743 (paid from general revenues)**

# Equalized Assessed Value Comparison

2011 EAV (actual)	\$1,459,398,426
2012 EAV (estimated)	\$1,384,157,580
Difference	(\$75,240,846)

For the preliminary levy, staff has estimated that the EAV of property in the City of St. Charles will decrease by approximately 5.2%.

# 2012 Proposed Tax Levy

	<b>As Estimated</b>	<b>Actual</b>
	<b><u>2012 Levy</u></b>	<b><u>2011 Levy</u></b>
<b>Estimated Property Tax Levy:</b>		
<b>Operations:</b>	\$ 12,055,117	\$ 12,055,117
<b>Debt Service:</b>	\$ 10,225,987	\$ 9,238,843
<b>Special Service Areas</b>	<u>\$ 463,148</u>	<u>\$ 445,612</u>
<b>Total Tax Levy</b>	<u><u>\$ 22,744,252</u></u>	<u><u>\$ 21,739,572</u></u>

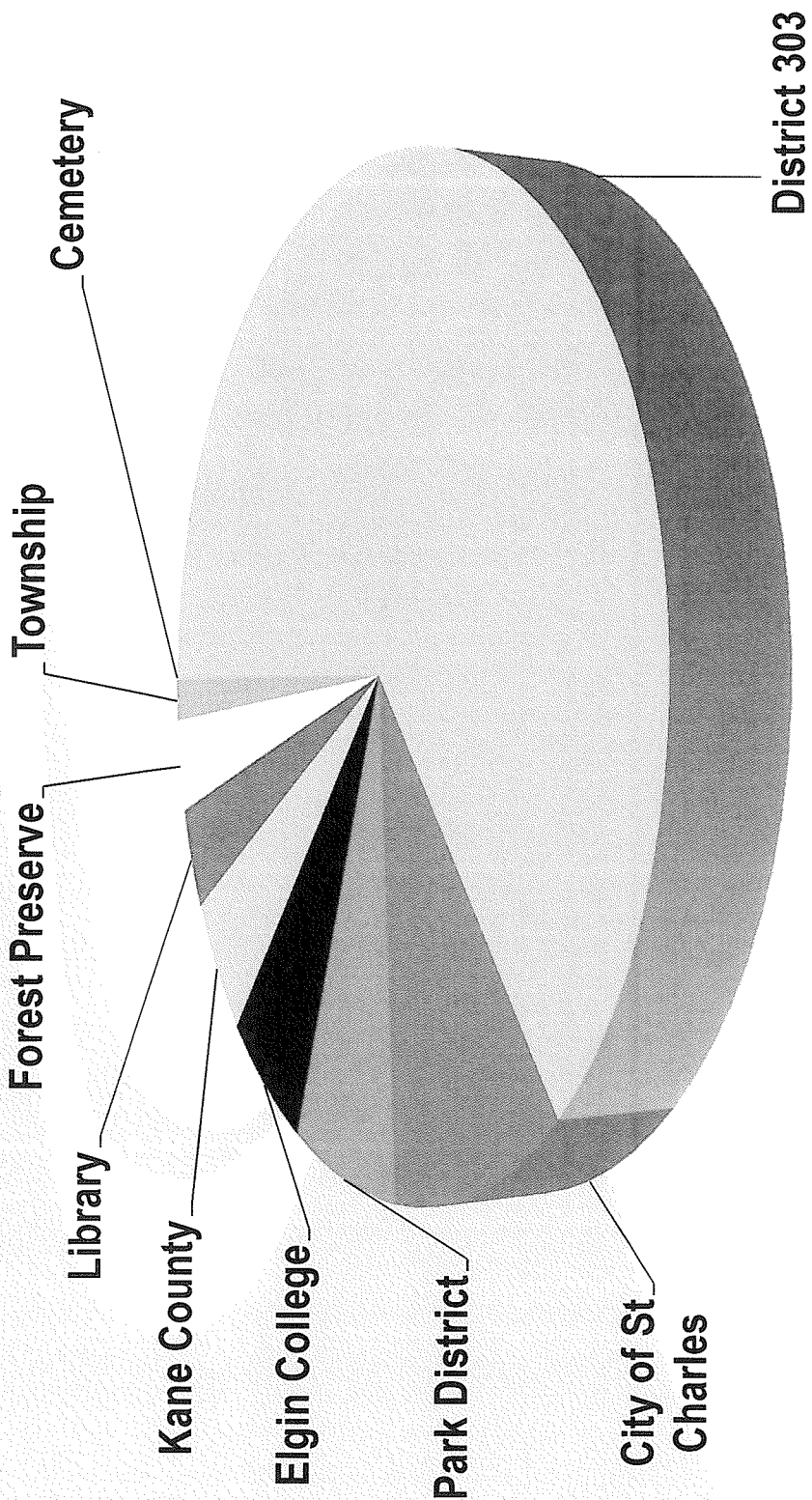
The Operations levy is being held consistent for the fourth year. Debt service amounts are anticipated to be paid from non-property tax revenue streams.

# Levy and Rate Comparison

	Levy
2011 Operating	\$12,055,117
2012 Operating	\$12,055,117
Difference	\$ -0-

Holding the levy will produce a slightly higher tax rate due to the decline in the tax base. On average, the tax paid to the City will remain the same.

# City of St Charles Property Tax Distribution – 2011 Levy



# 2011 Typical Property Tax

## \$300,000 Property

Organization	Rate	Tax Paid
District 303	5.0175	\$5,018
City	.8260	\$826
Park District	.5526	\$553
Elgin College	.4454	\$445
Kane County	.3990	\$399
Library	.2874	\$287
Forest Preserve	.2609	\$261
Township	.1163	\$116
Cemetery	.0138	\$14



# Net Effect of 2012 Levy Due to Change in EAV

Value of Property – 2011 Levy	Tax Paid	Value of Property – 2012 Levy	Tax Paid	Impact
\$200,000	\$545	\$189,600	\$545	\$0
\$250,000	\$681	\$237,000	\$681	\$0
\$300,000	\$818	\$284,400	\$818	\$0

If the value of a property declines by the city-wide average for all properties, the property tax bill will remain the same.

# **2012 Tax Levy - Summary**

- **2012 levy request = \$22,744,252**
- **Operating levy frozen**
- **Anticipated abatement of debt levy**
- **Anticipated decrease in EAV**
- **City portion of tax bill same amount as 2011 on average**
- **Fiscally prudent pension funding maintained at recommended levels**



# **Proposed 2012 Property Tax Levy**

**Questions and  
Public Comment**