

MINUTES
FROM THE PUBLIC HEARING OF THE ST. CHARLES CITY COUNCIL
HELD ON MONDAY, DECEMBER 2, 2013
CITY COUNCIL CHAMBERS, IN THE CITY COUNCIL CHAMBERS
2 E. MAIN STREET ST. CHARLES, IL 60174

1. Call To Order At 6:57 P.M.

2. Roll Call.

Present: Stellato, Silkaitis, Payleitner, Lemke, Turner
Bancroft, Martin, Bessner, Lewis

Absent: Krieger

3. Public Hearing concerning the passage of the proposed 2013 tax levy.

○ **Mayor Rogina**

This public hearing concerns the City's proposed 2013 property tax levy. A notice of this public hearing was posted in the Kane County Chronicle on November 20, 2013.

○ **Chris Minick**

The 2013 tax levy will be collected during calendar year 2014. Notice was published, according to State Statute. At the conclusion of today's hearing, all of the statutory requirements to pass this tax levy will have been met. During the during government operations meeting later on we will be requesting an approval of 2013 tax levy and recommend be placed on the December 16, 2013 City Council meeting for final action and ultimate approval.

The 2013 tax levy request is in the amount of \$21.8 million approximately a 6.4 % decline over the 2012 levy. The operating levy has been frozen for five years since 2009. We anticipate we will also a fifth year of decrease in the citywide EAV or taxable value of property in the City. This would be at 4.5%. These two factors/bullets, by freezing the operating levy and having a decrease in the tax base of the City, has an impact of raising the tax rate while keeping the amount of dollars paid by tax payers the same year over year.

Consistent with past practice and Council direction, we anticipate we will abate the debt service portion of the levy. Despite all the challenges talked about on this particular slide, we are able to maintain prudent pension funding with the actuarial recommended levels of approximately \$4.7 million for the next fiscal year.

We are anticipating another decline in the EAV or taxable value of the City. We do anticipate that it will decrease about 4.5 % that equates to \$61.8 million. Taking the EAV of the City to the level \$1.31 billion. EAV is estimated to be one third of the market value of the property in the City. That means that market value of the properties in the City is slightly less than \$4 billion dollars. Breaking down the 2013 tax levy into the individual components. We have the operating component being held consistent at \$12,055,117. This is the area which the City Council has the most discretion. It is part of the levy that operations, primarily the General Fund, and it is being held consistent at \$12 million. The debt service levy is declining from to \$9.3 million from \$10.8 million. This is due to the refinancing that the City did in February 2013 primarily for the First Street development. And the special service area levies are increasing slightly to \$435,000. The total is \$21.8 million, as compared to \$23.3 million for 2012.

We will be abating the debt service portion of the levies. We will be removing those from the property tax levies via a series of resolutions that will pass early in 2014. However, we need to include the debt services portions of the levies in these annual totals.

We are keeping the operating levy consistent. The operating levy has not changed since 2009. So for the fifth consecutive year we will be holding the operating levy at that level. This has provided a very significant tax savings over that period. For instance, an owner of property of \$300,000 in 2009 has saved \$112 over that five-year period.

The next couple of slides look at the distribution of the 2012 levy. Up to this point, we have been talking about the City of St. Charles portion of the levy. This is roughly 10.5%. The majority goes to the school district, roughly 64%, which is comparable to other municipalities. The smaller amounts paid to various others.

The next slide goes through and breaks down what a property tax bill looked like for 2012 collected in 2013 for a \$300,000 market value property. A \$300,000 market value property paid approximately, a little less than, \$8,700 in property taxes in 2012 levy year. Majority went to District 303.

I mentioned the interplay of between the EAV and the rate. This slide goes through and demonstrates what happens and how those two factors interrelate. We look at value of the property for 2012-levy year, which would be calendar year 2013. If you have a \$200,000 market value you paid approximately \$585 in property taxes for the 2012 levy. For 2013, we are holding the amount of the operating levy consistent, we expect about a 4.5% decrease in the tax base of the City. If that \$200,000 property experienced that 4.5% decline in its value, it would have a market value of \$191,000. Even though the tax rate would increase by 4.5% in this scenario, the taxable

value of the property would also decrease by a corresponding 4.5% and there would be no change in amount of property taxes paid to the City by that property. This is all an average. As in individual property owner experience varies, so will that individual property owners tax bill. It is possible that a person could experience an increase in their value or a decline, which may be not as great as 4.5% that we anticipate for the tax base of the City. On average, the City's portion of the tax bill should remain about the same between 2012 and 2013 levies.

To recap:

- 2013 levy request = \$21,814,158 – a 6.4% decline over 2012
 - Operating levy frozen at 12 million for the fifth consecutive year.
 - City portion of tax bill same amount as 2012, on average.
 - Five-year savings of \$112 savings for property valued at \$300,000 in 2009 on the City portion of their tax bill.
 - Anticipated abatement of debt service tax levy.
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- **Alder. Turner**
Chris you and staff have done a great job in keeping the City running at this level. Especially when our costs are increasing. To say we haven't tried to keep our costs down would be a mistake. Because every year we have to cut our costs to keep our budget the same.
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- No public comment
 - No written comments submitted with Clerk's office.

4. Adjournment

Motion By Stellato, seconded by Silkaitis, to adjourn meeting

VOICE VOTE

UNANIMOUS

MOTION CARRIED

Meeting adjourned at 7:10 P.M.

Nancy Garrison, City Clerk