

**MINUTES FROM THE PUBLIC HEARING OF THE ST. CHARLES CITY COUNCIL
HELD ON MONDAY, DECEMBER 1, 2014 – 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 Raymond Rogina At 6:55 P.M.

2. Roll Call.

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

Absent: None

3. Public Hearing concerning passage of the Proposed 2014 Tax Levy.

- Chris Minnick, Finance Director, presented the following:
State statutes require a public hearing prior to the adoption of the property tax levy ordinances. In addition, state statute requires us to publish notice in a newspaper. We did publish notice on November 19 in the Kane County Chronicle. At the conclusion of tonight's public hearings, we would have taken all the necessary legal steps to adopt the tax levy ordinances for the 2014 tax levy year. This will be collected in 2015. The amount of the levy request is \$21,031,822. The operating levy has been frozen since the 2009 levy year. And we are maintaining that same level this year; six years in a row. We do estimate a decrease in the City-wide EAV (equalized assessed valuation, taxable value of the property within the City) of approximately 3%. We will discuss the impact on the tax rate. And we will discuss that even though there is an increase in tax rate; there will be no impact on the amount the residences actually pay for the City portion of their tax bill. We will also discuss the debt service abatement; we will continue that tradition. In addition, we are still maintaining our prudent pension funding in accordance with actuarial studies that are performed for the City annually for Police and Fire funds.

There are a couple of components of the Tax Levy. The Operations Levy is in the amount of \$12,055,117. That is being held consistent for the sixth consecutive year. Compared to 2013, there is a slight variance due to conditions that the City does not control. There is the debt service levy in the amount of \$8,744,080. We do need to include this as part of initial tax levy request. But the City has a long-standing tradition of in January, Staff will come forward with a series of abatement resolutions. These resolutions will abate that \$8 million dollars from property tax levy and remove from property tax bills. That \$8 million needs to be there initially.

Add all the components of the 2014 proposed levy the result is \$21,031,822. That is \$333,000 (1.5%) lower than the 2013 levy. We anticipate that the EAV will decline about 3% again this year. That 3% decline roughly equals \$40,000,000. This takes the EAV for the City and is an estimate of \$1.2 billion. EAV is one third of the market value of the properties in the City limits. If that \$1.292 billion is correct, then the market value of the property is \$3.876 billion.

We are holding the operating levy consistent at \$12,057,117. When you combine that with the 3% decline in the EAV, you have the result of increasing the rate by about 3%. We anticipate that the City's property tax rate will be .9328 for the 2014 levy year. Up from .9048, which is a function of the algebra. However even with the increase of the rate, what happens is there is also a corresponding decline in the property value. If you look at the 2014 property value compared to the 2013 property value and you look at the amount of taxes paid is consistent.

The 2013 property tax levy the City accounted for about 10% of total of the tax bill. Similar to almost all of Illinois, the school district takes up 60-70%. District 303 accounts for 63.3%.

The breakdown of a property with a market value of \$300,000 paid \$9,250 in property taxes in 2013 levy year. This property would pay \$5900 to school district and \$900 going to the City and remainder being split up among the other districts contained in City limits

In summary,

- 2014 levy request = \$21,031,822 – a 1.56% decrease from 2013 levy
- Operating levy frozen for sixth consecutive year.
- City portion of tax bill same amount as 2013 on average.
- Six-year savings of \$282 savings for a property with a market value at \$300,000 in 2009.
- Anticipated abatement of debt levy.
- **Aldr. Stellato**
Good job once again!
- **Alder. Bessner**
That 3% increase in the EAV is there a trend or pattern, has this bottomed out?
Are we slowly improving?
- **Chris Minnick**
I anticipate that it's going to slowly improve. There is a three-year lag time. The EAV tends to lag what the market experience is. The market tends to recover faster than EAV. Personally I think we have bottomed out. It depends on what happens with the economy and interest rates of the next few years.

No comments have been filed in the Clerk's office.

4. **Adjournment**

Motion By Turner, seconded by Stellato, to adjourn meeting.

VOICE VOTE

UNANIMOUS

MOTION CARRIED

Meeting adjourned at 7:08 P.M.

Nancy Garrison, City Clerk

CERTIFIED TO BE A TRUE COPY OF ORIGINAL

Nancy Garrison, City Clerk