

060162

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION

For Inclusion on Board Agenda

Resolution or Ordinance (Blue) \_\_\_\_\_ *Waiver of First Requested*  
Recommendations of Boards, Commissions & Committees (Green)  
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: March 27, 2006 (COW)(B of T) April 6, 2006

TITLE: 2005 Property Tax Levy Rate Reallocation Report

SUBMITTED BY: Leonard J. Flood, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

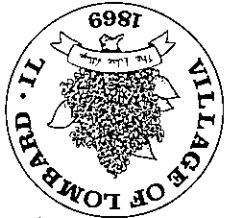
A motion to concur with the decision of the Director of Finance as contained in the attached report regarding the Village's 2005 Property Tax Levy. The deadline for advising the Country Clerk regarding any reallocation was Monday, April 3. The information on the extension of the 2005 Property Tax Levy was received on Monday, March 27, 2005.

Review (as necessary):  
Village Attorney X  
Finance Director X  
Village Manager X

*Long*

Date \_\_\_\_\_  
Date \_\_\_\_\_  
Date 03/27/06

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



To: William T. Lichter  
Village Manager

From: Leonard J. Flood  
Director of Finance

Date: March 27, 2006

Subject: 2005 Property Tax Levy Rate Reallocation

Today we received the 2005 Property Tax Rates for the Village of Lombard from DuPage County. In order to comply with the Property Tax Extension Limitation Act (Tax Cap), the Village has been advised that it must reduce its 2005 levy, as extended by the County Clerk, by \$107,490 (Attachment A).

The 2005 Property Tax Levy filed in December 2005 totaled \$7,032,082. To that amount, the County Clerk added approximately 1% or \$72,164 to the total for what is called "loss and costs" which represents the amount expected to be uncollectible. This amount is added in accordance with the provisions of state statute. Therefore, the Village's levy as extended totaled \$7,104,246. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$107,490.

The County Clerk reported that the Village's 2005 EAV was \$1,414,343,289, an increase of \$75,255,904 or 5.6% over the prior year. At the time the levy was prepared, the estimated 2005 EAV was \$1,439,534,647, which was \$25,191,358 or 1.8% higher than the reported actual for 2005. The increase in EAV due to new growth and annexations totaled \$17,781,191 as compared to the estimate of \$25,453,461 which was based on 5 year historical averages. The Village's base EAV increased by \$82,359,534 or 6.3% over the prior year. The original estimate projected an increase in the base EAV of \$99,879,340 or 7.6%. Attachment B provides a historical comparison of EAV growth over the last 10 years.

The Village's 2004 tax rate will be .4947 per \$100 of EAV. That is .0036 or 0.7% lower than the prior year. Attachment C provides the Village's tax rate history for the last 10 years. The Village's 2004 tax rate is approximately 15.4% lower than it was 10 years ago.

The deadline for advising the DuPage County Clerk's office of our tax rate reallocation to comply with the provision of the tax cap is Monday, April 3, 2006. Therefore, I am requesting Village Board concurrence with my decision that the entire reduction of \$107,490 be made proportionally across all levies.

c. Finance Committee

Department Heads

Tim Sexton, Assistant Director of Finance

Rhonda Heabel, Management Analyst

2005 TAX LEVY EXTENSION/ PROPORTIONAL REDUCTION

2005 EAV 1,414,343,289

VILLAGE LEVY

COUNTY CLERKS EXTENSION

CAP WITH CLERKS

**ATTACHMENT A**

FUND DESCRIPTION	AMOUNT	RATE	PRIOR TO CAP		PROPORTIONAL REDUCTION		DIFFERENCE	
			AMOUNT	RATE	AMOUNT	RATE	AMOUNT	AMOUNT
CORPORATE	1,200,038	0.0857	1,212,092	0.0844	1,193,706	-0.0013	(18,386)	
IMRF	671,011	0.0480	678,885	0.0473	668,984	-0.0007	(9,900)	
FIREMEN'S PENSION	1,110,395	0.0793	1,121,574	0.0781	1,104,602	-0.0012	(16,972)	
POLICEMEN'S PENSION	1,473,137	0.1052	1,487,889	0.1036	1,465,260	-0.0016	(22,629)	
LIABILITY INSURANCE	1,573,807	0.1124	1,589,722	0.1107	1,565,678	-0.0017	(24,044)	
PUBLIC BENEFIT	359,880	0.0257	363,486	0.0253	357,829	-0.0004	(5,657)	
SOCIAL SECURITY	600,459	0.0429	606,753	0.0422	596,853	-0.0007	(9,900)	
TOTAL SUBJECT TO TAX CAP	6,988,727	0.4992	7,060,402	0.4916	6,952,912	-0.0076	(107,490)	
FIREMEN'S PENSION EXEMPT	43355	0.0031	43,845	0.0031	43,845	0.0000	-	
TOTAL	7,032,082	0.5023	7,104,246	0.4947	6,996,756	-0.0076	(107,490)	

## Historical Comparison of EAV Growth 1996-2005

ATTACHMENT B

	Base EAV	Inc. over PY	New Construction	% of Base	Annexations	% of Base	Total % of Base	Total EAV	Inc. over PY
Actual 1996	805,568,355	3.8%	11,428,980	1.4%	205,310	0.0%	1.4%	817,202,645	4.2%
Actual 1997	836,786,792	3.9%	10,572,480	1.3%	846,400	0.1%	1.4%	848,205,672	3.8%
Actual 1998	872,161,787	4.2%	11,504,040	0.3%	6,605,830	0.8%	2.1%	890,271,657	5.0%
Actual 1999	912,051,407	4.6%	15,462,265	1.7%	1,248,290	0.1%	1.8%	928,761,962	4.3%
Actual 2000	959,725,030	5.2%	19,464,418	2.0%	1,086,440	0.1%	2.1%	980,275,888	5.5%
Actual 2001	1,032,615,161	7.6%	16,802,620	1.6%	484,760	0.0%	1.7%	1,049,902,541	7.1%
Actual 2002	1,133,736,219	9.8%	15,814,040	1.4%	2,498,990	0.2%	1.6%	1,152,049,249	9.7%
Actual 2003	1,210,390,279	6.8%	14,797,760	1.2%	5,586,440	0.5%	1.7%	1,230,774,479	6.8%
Actual 2004	1,314,201,845	8.6%	21,918,090	1.7%	2,967,450	0.2%	1.9%	1,339,087,385	8.8%
Actual 2005	1,396,561,379	6.3%	15,522,320	1.1%	2,259,590	0.2%	1.3%	1,414,343,289	5.6%
Average Inc. Last 5 years (1)		<b>7.8%</b>		<b>1.4%</b>		<b>0.2%</b>	<b>1.6%</b>		<b>7.6%</b>

Note (1) Average includes Actual Years 2001-2005.

**VILLAGE OF LOMBARD  
HISTORICAL TAX RATE INFORMATION  
1996-2005**

<b>YEAR</b>	<b>TOTAL TAX RATE (1)</b>	<b>VILLAGE ONLY</b>	<b>TOTAL VILLAGE SHARE OF</b>
1996	6.6077	0.5862	8.87%
1997	6.6330	0.5917	8.92%
1998	6.6639	0.5853	8.78%
1999	6.5501	0.5805	8.86%
2000	6.4565	0.5776	8.95%
2001	6.3126	0.5670	8.98%
2002	5.9530	0.5335	8.96%
2003	6.3134	0.5200	8.24%
2004	6.1595	0.4983	8.09%
2005	TBD	0.4947	TBD

NOTE (1) This table is based on tax code 6011. There are 30 tax codes in Lombard; each receives a different property tax bill depending on whether the area is included within a given taxing district's boundaries. This tax code was selected as an example only.