

090214

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: David A. Hulseberg, Village Manager *John*

DATE: April 8, 2009 (COW)(B of T) April 16, 2009

TITLE: 2008 Property Tax Levy Rate Reallocation Report

SUBMITTED BY: Timothy Sexton, 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 2008 Property Tax Levy. The deadline for advising the Country Clerk regarding any reallocation was Monday, March 30, 2009.

Review (as necessary):

Village Attorney X _____
Finance Director X *Timothy Sexton*
Village Manager X *David A. Hulseberg*

Date _____
Date 4/9/09
Date 4/9/09

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: David A. Hulseberg
Village Manager

From: Timothy Sexton
Director of Finance

Date: April 8, 2009

Subject: 2008 Property Tax Levy Rate Reallocation

We recently received the 2008 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 2008 levy, as extended by the County Clerk, by \$152,092 (Attachment A).

The 2008 Property Tax Levy filed in December 2008 totaled \$8,127,595. To that amount, the County Clerk added approximately 1% or \$88,895 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 \$8,216,490. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$152,092. This amount is \$63,196 less than the levy that was originally submitted.

The County Clerk reported that the Village's 2008 EAV was \$1,768,508,497, an increase of \$127,374,456 or 7.8% over the prior year. At the time the levy was prepared, the estimated 2008 EAV was \$1,743,102,779, which was \$25,405,718 or 1.4% lower than the reported actual EAV for 2008. The increase in EAV due to new growth and annexations totaled \$20,751,400 as compared to the estimate of \$34,178,486. The Village's base EAV increased by \$106,623,056 or 6.5% over the prior year. The original estimate projected an increase in the base EAV of \$67,790,253 or 4.1%. Attachment B provides a historical comparison of EAV growth over the last 10 years.

The Village's 2008 tax rate will be .4560 per \$100 of EAV. That is .0104 or 2.2% lower than the prior year. Attachment C provides the Village's tax rate history for the last 10 years. The Village's 2008 tax rate is approximately 21.5% 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 was Monday, March 30, 2009. Therefore, I am requesting Village Board concurrence with my decision that the entire reduction of \$152,092 be made proportionally across all levies.

c. Finance Committee

Department Heads

Rhonda Heabel, Assistant Director of Finance

Brian Koehler, Management Analyst

090214

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: David A. Huliseberg, Village Manager *John*

DATE: April 8, 2009 (COW)(B of T) April 16, 2009

TITLE: 2008 Property Tax Levy Rate Reallocation Report

SUBMITTED BY: Timothy Sexton, Director of Finance

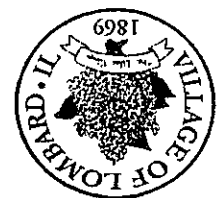
BACKGROUND/POLICY IMPLICATIONS:

A motion to concur with the decision of the Director of Finance as contained in the attached report regarding the Village's 2008 Property Tax Levy. The deadline for advising the County Clerk regarding any reallocation was Monday, March 30, 2009.

Review (as necessary):

Village Attorney X	_____	Date	_____
Finance Director X	<i>Timothy Sexton</i>	Date	4/9/09
Village Manager X	<i>David A. Huliseberg</i>	Date	4/9/09

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: David A. Hulseberg
Village Manager

From: Timothy Sexton
Director of Finance

Date: April 8, 2009

Subject: 2008 Property Tax Levy Rate Reallocation

We recently received the 2008 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 2008 levy, as extended by the County Clerk, by \$152,092 (**Attachment A**).

The 2008 Property Tax Levy filed in December 2008 totaled \$8,127,595. To that amount, the County Clerk added approximately 1% or \$88,895 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 \$8,216,490. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$152,092. This amount is \$63,196 less than the levy that was originally submitted.

The County Clerk reported that the Village's 2008 EAV was \$1,768,508,497, an increase of \$127,374,456 or 7.8% over the prior year. At the time the levy was prepared, the estimated 2008 EAV was \$1,743,102,779, which was \$25,405,718 or 1.4% lower than the reported actual EAV for 2008. The increase in EAV due to new growth and annexations totaled \$20,751,400 as compared to the estimate of \$34,178,486. The Village's base EAV increased by \$106,623,056 or 6.5% over the prior year. The original estimate projected an increase in the base EAV of \$67,790,253 or 4.1%. **Attachment B** provides a historical comparison of EAV growth over the last 10 years.

The Village's 2008 tax rate will be .4560 per \$100 of EAV. That is .0104 or 2.2% lower than the prior year. **Attachment C** provides the Village's tax rate history for the last 10 years. The Village's 2008 tax rate is approximately 21.5% 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 was Monday, March 30, 2009. Therefore, I am requesting Village Board concurrence with my decision that the entire reduction of \$152,092 be made proportionally across all levies.

c. Finance Committee

Department Heads
Rhonda Heabel, Assistant Director of Finance
Brian Koehler, Management Analyst

2008 TAX LEVY EXTENSION/ PROPORTIONAL REDUCTION

ATTACHMENT A

2008 EAV 1,768,508,497

VILLAGE

FUND DESCRIPTION	AMOUNT	RATE	VILLAGE LEVY		COUNTY CLERKS EXTENSION PRIOR TO CAP		CAP WITH CLERKS PROPORTIONAL REDUCTION		DIFFERENCE	
			AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	AMOUNT
CORPORATE	1,357,438	0.0776	1,372,363	0.0760	1,344,066	-0.0016	(28,296)			
IMRF	797,140	0.0456	806,440	0.0448	792,292	-0.0008	(14,148)			
FIREMEN'S PENSION	1,154,168	0.0660	1,167,216	0.0648	1,145,994	-0.0012	(21,222)			
POLCEMEN'S PENSION	1,712,424	0.0978	1,729,601	0.0960	1,697,768	-0.0018	(31,833)			
LIABILITY INSURANCE	1,439,858	0.0823	1,455,482	0.0808	1,428,955	-0.0015	(26,528)			
PUBLIC BENEFIT	871,550	0.0498	880,717	0.0489	864,801	-0.0009	(15,917)			
SOCIAL SECURITY	749,952	0.0429	758,690	0.0421	744,542	-0.0008	(14,148)			
TOTAL SUBJECT TO TAX CAP	8,082,530	0.4620	8,170,509	0.4534	8,018,418	-0.0086	(152,092)			
FIREMEN'S PENSION EXEMPT	45,065	0.0026	45,981	0.0026	45,981	0.0000	-			
TOTAL	8,127,595	0.4646	8,216,490	0.4560	8,064,399	-0.0086	(152,092)			

ATTACHMENT B

**Historical Comparison of EAV Growth
1999-2008**

	Base EAV	Inc. over PY	New Construction	% of Base	Annexations	% of Base	Total % of Base	Total EAV	Inc. over PY
Actual 1999	912,051,407	2.4%	15,462,265	1.7%	1,248,290	0.1%	1.8%	928,761,962	4.3%
Actual 2000	959,725,030	3.3%	19,464,418	2.0%	1,086,440	0.1%	2.1%	980,275,888	5.5%
Actual 2001	1,032,615,161	5.3%	16,802,620	1.6%	484,760	0.0%	1.7%	1,049,902,541	7.1%
Actual 2002	1,133,736,219	8.0%	15,814,040	1.4%	2,498,990	0.2%	1.6%	1,152,049,249	9.7%
Actual 2003	1,210,390,279	5.1%	14,797,760	1.2%	5,586,440	0.5%	1.7%	1,230,774,479	6.8%
Actual 2004	1,314,201,845	6.8%	21,918,090	1.7%	2,967,450	0.2%	1.9%	1,339,087,385	8.8%
Actual 2005	1,396,561,379	4.3%	15,522,320	1.1%	2,259,590	0.2%	1.3%	1,414,343,289	5.6%
Actual 2006	1,510,622,046	6.8%	18,944,540	1.3%	2,214,480	0.1%	1.4%	1,531,781,067	8.3%
Actual 2007	1,611,611,152	5.2%	29,522,890	1.8%	0	0.0%	1.8%	1,641,134,041	7.1%
Actual 2008	1,747,757,097	6.5%	19,814,840	1.1%	936,560	0.0%	1.2%	1,768,508,497	7.8%
Average Inc. Last 5 years (1)		5.9%		1.4%		0.1%	1.5%		7.5%

Note (1) Average includes Actual Years 2004-2008.

NOTE (1) This table is based on tax code 6011. There are 30 tax codes in Lombard and 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.

YEAR	TOTAL TAX RATE (1)	VILLAGE ONLY	VILLAGE SHARE OF TOTAL
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	6.1611	0.4947	8.03%
2006	6.0824	0.4789	7.87%
2007	6.0154	0.4664	7.75%
2008	TBD	0.4560	TBD

**VILLAGE OF LOMBARD
HISTORICAL TAX RATE INFORMATION
1999-2008**