

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)
X _____ Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: March 29, 2005 (COW)(B of T) April 7, 2005

TITLE: 2004 Property Tax Levy Rate Reallocation Report

SUBMITTED BY: Leonard J. Flood, Director of Finance

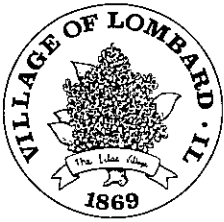
BACKGROUND/POLICY IMPLICATIONS:

A motion to concur with the recommendation of the Director of Finance as contained in the attached report regarding the Village's 2004 Property Tax Levy. The deadline for advising the County Clerk regarding any reallocation was Monday, April 4. The information was received on Monday, March 28, 2005.


Review (as necessary):

Village Attorney	<u>X</u>	_____	Date	_____
Finance Director	<u>X</u>	<u>Leonard J. Flood</u>	Date	<u>3/30/05</u>
Village Manager	<u>X</u>	<u>Leonard J. Flood</u>	Date	<u>3/30/05</u>

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 29, 2005

Subject: 2004 Property Tax Levy Rate Reallocation

Yesterday, we received the 2004 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 2004 levy, as extended by the County Clerk, by \$49,546 (**Attachment A**).

The 2004 Property Tax Levy filed in December 2004 totaled \$6,651,520. To that amount, the County Clerk added approximately 1% or \$66,515 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 \$6,722,219. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$49,546.

The County Clerk reported that the Village's 2004 EAV was \$1,339,087,385, an increase of \$108,312,906 or 8.8% over the prior year. At the time the levy was prepared, the estimated 2004 EAV was \$1,313,379,967, which was \$25,707,418, or 1.9% lower than reported. The increase in EAV due to new growth and annexations totaled \$24,885,540 as compared to the estimate of \$20,683,149. The Village's base EAV increased by \$103,811,566 or 8.6% over the prior year. The original estimate projected an increase in the base EAV of \$82,306,539 or 6.8%. **Attachment B** provides a historical comparison of EAV growth over the last 10 years.

The Village's 2004 tax rate will be **.4983** per \$100 of EAV. That is .0217 or 4.2% 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 15.1% lower than it was 10 years ago.

The Village received the information from the DuPage County Clerk's office on Monday, March 28, 2005. Since the deadline for advising the reallocation is Monday, April 4, 2005, I will be requesting Village Board concurrence with my decision that the entire reduction of \$49,546 be made proportionally across all levies. The net impact on revenues across all funds in the FYE 2006 Proposed Village Budget is an increase of \$21,153.

c. Finance Committee
Department Heads
Tim Sexton, Assistant Director of Finance
Rhonda Heabel, Management Analyst

2004 TAX LEVY EXTENSION/ PROPORTIONAL REDUCTION

2004 EAV 1,339,087,385

ATTACHMENT A

VILLAGE

FUND DESCRIPTION	VILLAGE LEVY		COUNTY CLERK'S EXTENSION PRIOR TO CAP		CAP WITH CLERK'S PROPORTIONAL REDUCTION		DIFFERENCE	
	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE
CORPORATE	1,171,710	0.0884	1,183,753	0.0878	1,175,719	-0.0006	(8,035)	
IMRF	559,420	0.0422	565,095	0.0419	561,078	-0.0003	(4,017)	
FIREMEN'S PENSION	1,176,190	0.0888	1,189,110	0.0881	1,179,736	-0.0007	(9,374)	
POLICEMEN'S PENSION	1,401,030	0.1057	1,415,415	0.1049	1,404,703	-0.0008	(10,713)	
LIABILITY INSURANCE	1,402,680	0.1058	1,416,754	0.1050	1,406,042	-0.0008	(10,713)	
PUBLIC BENEFIT	328,340	0.0248	332,094	0.0246	329,415	-0.0002	(2,678)	
SOCIAL SECURITY	586,550	0.0443	593,216	0.0440	589,198	-0.0003	(4,017)	
TOTAL SUBJECT TO TAX CAP	6,625,920	0.5000	6,695,437	0.4963	6,645,891	-0.0037	(49,546)	
FIREMEN'S PENSION EXEMPT	25600	0.0020	26,782	0.0020	26,782	0.0000	-	
TOTAL	6,651,520	0.5020	6,722,219	0.4983	6,672,672	-0.0037	(49,546)	

ATTACHMENT B

**Historical Comparison of EAV Growth
1995-2004**

	Base EAV	Inc. over PY	New Construction	% of Base	Annexations	% of Base	Total % of Base	Total EAV	Inc. over PY
Actual 1995	776,287,348	5.3%	7,747,807	1.0%	596,380	0.1%	1.1%	784,631,535	4.4%
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%
Average Inc. Last 5 years (1)		7.6%		1.6%		0.2%	1.8%		7.6%

Note (1) Average includes Actual Years 2000-2004.

ATTACHMENT C

**VILLAGE OF LOMBARD
HISTORICAL TAX RATE INFORMATION
1995-2004**

LEVY YEAR	TOTAL TAX RATE (1)	VILLAGE ONLY	VILLAGE SHARE OF TOTAL
1995	6.7709	0.5871	8.67%
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	TBD	0.4983	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.