

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