

080179

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 24, 2008 (COW)(B of T) April 3, 2008

TITLE: 2007 Property Tax Levy Rate Reallocation Report

SUBMITTED BY: Timothy Sexton, Director of Finance

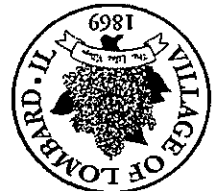
BACKGROUND/POLICY IMPLICATIONS:

A motion to concur with the decision of the Director of Finance as contained in the attached report regarding the Village's 2007 Property Tax Levy. The deadline for advising the Country Clerk regarding any reallocation was Monday, March 31. The information on the extension of the 2007 Property Tax Levy was received on Monday, March 24, 2008.

Review (as necessary):

Village Attorney X _____
Finance Director X _____
Village Manager X _____
Date 3/24/08
Date 3/24/08

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: Timothy Sexton
Director of Finance

Date: March 24, 2008

Subject: 2007 Property Tax Levy Rate Reallocation

Today we received the 2007 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 2007 levy, as extended by the County Clerk, by \$36,105 (**Attachment A**).

The 2007 Property Tax Levy filed in December 2007 totaled \$7,612,360. To that amount, the County Clerk added approximately 1% or \$77,994 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 \$7,690,354. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$36,105.

The County Clerk reported that the Village's 2007 EAV was \$1,641,134,041, an increase of \$109,352,974 or 7.1% over the prior year. At the time the levy was prepared, the estimated 2007 EAV was \$1,636,046,230, which was \$5,087,811 or 0.3% lower than the reported actual EAV for 2007. The increase in EAV due to new growth and annexations totaled \$29,522,890 as compared to the estimate of \$20,995,657 which was based on 5 year historical averages. The Village's base EAV increased by \$100,989,106 or 6.7% over the prior year. The original estimate projected an increase in the base EAV of \$104,428,527 or 6.9%. **Attachment B** provides a historical comparison of EAV growth over the last 10 years.

The Village's 2007 tax rate will be .4638 per \$100 of EAV. That is .0151 or 3.2% lower than the prior year. **Attachment C** provides the Village's tax rate history for the last 10 years. The Village's 2007 tax rate is approximately 20.8% 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, March 31, 2008. Therefore, I am requesting Village Board concurrence with my decision that the entire reduction of \$36,105 be made proportionally across all levies.

c. Finance Committee

Department Heads

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

2007 TAX LEVY EXTENSION/ PROPORTIONAL REDUCTION

2007 EAV 1,641,134.041

ATTACHMENT A

VILLAGE	FUND DESCRIPTION	VILLAGE		COUNTY CLERKS		CAP WITH CLERKS		DIFFERENCE	
		LEVY	RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	AMOUNT
	CORPORATE	1,198,275	0.0738	1,211,157	0.0733	1,202,951	-0.0005	(8,206)	
	IMRF	764,184	0.0471	772,974	0.0469	769,692	-0.0002	(3,282)	
	FIREMEN'S PENSION	1,067,891	0.0658	1,079,866	0.0655	1,074,943	-0.0003	(4,923)	
	POLICEMEN'S PENSION	1,473,955	0.0908	1,490,150	0.0904	1,483,585	-0.0004	(6,565)	
	LIABILITY INSURANCE	1,536,337	0.0946	1,552,513	0.0942	1,545,948	-0.0004	(6,565)	
	PUBLIC BENEFIT	818,023	0.0500	820,567	0.0498	817,285	-0.0002	(3,282)	
	SOCIAL SECURITY	711,999	0.0439	720,458	0.0437	717,176	-0.0002	(3,282)	
	TOTAL SUBJECT TO TAX CAP	7,570,664	0.4660	7,647,685	0.4638	7,611,580	-0.0022	(36,105)	
	FIREMEN'S PENSION EXEMPT	41696	0.0026	42,669	0.0026	42,669	0.0000	-	
	TOTAL	7,612,360	0.4686	7,690,354	0.4664	7,654,249	-0.0022	(36,105)	

ATTACHMENT B

Historical Comparison of EAV Growth 1998-2007

	Base EAV	Inc. over PY	New Construction	% of Base	Annexations	% of Base	Total % of Base	Total EAV	Inc. over PY
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%
Actual 2006	1,510,622,046	8.2%	18,944,540	1.3%	2,214,480	0.1%	1.4%	1,531,781,067	8.3%
Actual 2007	1,611,611,152	6.7%	29,522,890	1.8%	0	0.0%	1.8%	1,641,134,041	7.1%
Average Inc. Last 5 years (1)		7.3%		1.4%		0.2%	1.6%		7.3%

Note (1) Average Includes Actual Years 2003-2007.

VILLAGE OF LOMBARD
HISTORICAL TAX RATE INFORMATION
1998-2007

LEVY	TOTAL TAX	VILLAGE ONLY	VILLAGE SHARE OF TOTAL
YEAR	RATE (1)	ONLY	TOTAL
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	6.1611	0.4947	8.03%
2006	6.0824	0.4789	7.87%
2007	TBD	0.4638	TBD

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.