

# 070200

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: William T. Lichter, Village Manager

DATE: March 26, 2007 (COW)(B of T) April 5, 2007

TITLE: 2006 Property Tax Levy Rate Reallocation Report

SUBMITTED BY: Leonard J. Flood, Director of Finance

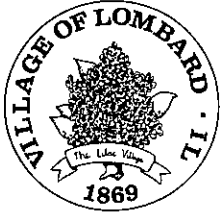
BACKGROUND/POLICY IMPLICATIONS:

A motion to concur with the decision of the Director of Finance as contained in the attached report regarding the Village's 2006 Property Tax Levy. The deadline for advising the Country Clerk regarding any reallocation was Monday, April 2. The information on the extension of the 2006 Property Tax Levy was received on Monday, March 26, 2007.

Review (as necessary):

Village Attorney X \_\_\_\_\_ Date \_\_\_\_\_  
Finance Director X Leonard J. Flood Date 03/26/07  
Village Manager X David A. Hulshberg Date 3/27/07

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 26, 2007

Subject: 2006 Property Tax Levy Rate Reallocation

Today we received the 2006 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 2006 levy, as extended by the County Clerk, by \$81,184 (**Attachment A**).

The 2006 Property Tax Levy filed in December 2005 totaled \$7,344,521. To that amount, the County Clerk added approximately 1% or \$73,445 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 \$7,417,966. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$81,184.

The County Clerk reported that the Village's 2006 EAV was \$1,531,781,067, an increase of \$117,437,778 or 8.3% over the prior year. At the time the levy was prepared, the estimated 2006 EAV was \$1,528,992,204, which was \$2,788,863 or 0.2% lower than the reported actual for 2006. The increase in EAV due to new growth and annexations totaled \$21,159,020 as compared to the estimate of \$23,520,292 which was based on 5 year historical averages. The Village's base EAV increased by \$114,060,667 or 8.2% over the prior year. The original estimate projected an increase in the base EAV of \$108,910,533 or 7.8%. **Attachment B** provides a historical comparison of EAV growth over the last 10 years.

The Village's 2006 tax rate will be **.4789** per \$100 of EAV. That is .0158 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 2006 tax rate is approximately 19.1% 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 2, 2007. Therefore, I am requesting Village Board concurrence with my decision that the entire reduction of \$81,184 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

1,531,781,067

VILLAGE

VILLAGE LEVY

COUNTY CLERK'S EXTENSION

PRIOR TO CAP

CAP WITH CLERK'S

PROPORTIONAL REDUCTION

DIFFERENCE

ATTACHMENT A

FUND DESCRIPTION	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT
CORPORATE	1,466,015	0.0967	1,481,232	0.0957	1,465,914	-0.0010	(15,318)		
IMRF	710,124	0.0469	718,405	0.0464	710,746	-0.0005	(7,659)		
FIREMEN'S PENSION	1,099,815	0.0726	1,112,073	0.0718	1,099,819	-0.0008	(12,254)		
POLICEMEN'S PENSION	1,484,636	0.0979	1,499,614	0.0968	1,482,764	-0.0011	(16,850)		
LIABILITY INSURANCE	1,089,741	0.0719	1,101,351	0.0711	1,089,096	-0.0008	(12,254)		
PUBLIC BENEFIT	764,496	0.0500	765,891	0.0494	756,700	-0.0006	(9,191)		
SOCIAL SECURITY	686,752	0.0453	693,897	0.0448	686,238	-0.0005	(7,659)		
TOTAL SUBJECT TO TAX CAP	7,301,579	0.4813	7,372,462	0.4760	7,291,278	-0.0053	(81,184)		
FIREMEN'S PENSION EXEMPT	42942	0.0029	44,422	0.0029	44,422	0.0000	-		
TOTAL	7,344,521	0.4842	7,416,884	0.4789	7,335,700	-0.0053	(81,184)		

ATTACHMENT A

ATTACHMENT B

Historical Comparison of EAV Growth  
1997-2006

ATTACHMENT B

	Base EAV	Inc. over PY	New Construction	% of Base	Annexations	% of Base	Total % of Base	Total EAV	Inc. over PY
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%
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%
Average Inc. Last 5 years (1)		7.9%		1.3%		0.2%	1.6%		7.9%

Note (1) Average includes Actual Years 2002-2006.

# VILLAGE OF LOMBARD HISTORICAL TAX RATE INFORMATION 1997-2006

<b>LEVY YEAR</b>	<b>TOTAL TAX RATE (1)</b>	<b>VILLAGE ONLY</b>	<b>VILLAGE SHARE OF TOTAL</b>
<b>1997</b>	6.6330	0.5917	8.92%
<b>1998</b>	6.6639	0.5853	8.78%
<b>1999</b>	6.5501	0.5805	8.86%
<b>2000</b>	6.4565	0.5776	8.95%
<b>2001</b>	6.3126	0.5670	8.98%
<b>2002</b>	5.9530	0.5335	8.96%
<b>2003</b>	6.3134	0.5200	8.24%
<b>2004</b>	6.1595	0.4983	8.09%
<b>2005</b>	6.1611	0.4947	8.03%
<b>2006</b>	TBD	0.4789	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.