

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 *Dah*

DATE:

April 6, 2010 (COW)(B of T) April 15, 2010

TITLE:

2009 Property Tax Levy Rate Reallocation Report

SUBMITTED BY:

Timothy Sexton, Director of Finance *TJ*

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 2009 Property Tax Levy. The deadline for advising the County Clerk regarding any reallocation was Tuesday, March 30, 2010.

Review (as necessary):

Village Attorney X

Finance Director X

Village Manager X

Date _____
Date 4/6/10
Date 4/6/10

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 6, 2010

Subject: 2009 Property Tax Levy Rate Reallocation

We recently received the 2009 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 2009 levy, as extended by the County Clerk, by \$36,791 (Attachment A).

The 2009 Property Tax Levy filed in December 2009 totaled \$8,165,512. To that amount, the County Clerk added approximately 1% or \$81,655 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 \$8,195,707, after taking into account the lower public benefit levy due to the decline in EAV, which is discussed further below. However, due to the limitations of the property tax cap, the Village must now reduce the levy as extended by \$36,791. This amount is \$6,596 less than the levy that was originally submitted.

The County Clerk reported that the Village's 2009 EAV was \$1,751,968,254, a decrease of \$16,540,243 or -0.9% below the prior year. At the time the levy was prepared, the estimated 2009 EAV was \$1,849,000,000, which was \$97,031,746 or 5.2% higher than the reported actual EAV for 2009. The decrease in EAV is due to a decrease in the base EAV of \$31,571,113, or -1.8% below 2008. This was partially offset by new growth, annexations and disconnections of \$15,030,870 as compared to the estimate of \$18,000,000. The original estimate projected an increase in the base EAV of \$62,491,503 or 3.5%. **Attachment B** provides a historical comparison of EAV growth over the last 10 years.

The Village's 2009 tax rate will be .4657 per \$100 of EAV. That is, .0097 or 2.1% higher than the prior year. As discussed with the Village Board over the last couple years, the reduction in housing prices has finally caught up to the tax levy, as the EAV for 2009 uses home sales from 2006, 2007 and 2008. This trend is very likely to continue through at least the 2012 tax levy. **Attachment C** provides the Village's tax

rate history for the last 10 years. The Village's 2009 tax rate is approximately 19.4% 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 was Tuesday, March 30, 2010. Therefore, I am requesting Village Board concurrence with my decision that the entire reduction of \$36,791 be made proportionally across all levies.

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

2009 TAX LEVY EXTENSION/ PROPORTIONAL REDUCTION

2009 EAV 1,751,968,254

VILLAGE LEVY COUNTY CLERKS EXTENSION PRIOR TO CAP

CAP WITH CLERKS

ATTACHMENT A

FUND DESCRIPTION	VILLAGE LEVY		COUNTY CLERKS EXTENSION PRIOR TO CAP		CAP WITH CLERKS		DIFFERENCE	
	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT	RATE
CORPORATE	463,852	0.0268	469,527	0.0266	466,024	0.0266	-0.0002	(3,504)
IMRF	892,576	0.0515	902,264	0.0513	898,760	0.0513	-0.0002	(3,504)
FIREMEN'S PENSION	1,541,066	0.0889	1,557,500	0.0885	1,550,492	0.0885	-0.0004	(7,008)
POLICEMEN'S PENSION	2,250,146	0.1298	2,274,055	0.1292	2,263,543	0.1292	-0.0006	(10,512)
LIABILITY INSURANCE	1,257,378	0.0725	1,270,177	0.0722	1,264,921	0.0722	-0.0003	(5,256)
PUBLIC BENEFIT	924,500	0.0500	875,984	0.0498	872,480	0.0498	-0.0002	(3,504)
SOCIAL SECURITY	775,823	0.0448	784,882	0.0446	781,378	0.0446	-0.0002	(3,504)
TOTAL SUBJECT TO TAX CAP	8,105,341	0.4643	8,134,389	0.4622	8,097,597	0.4622	-0.0021	(36,791)
FIREMEN'S PENSION EXEMPT	60,171	0.0035	61,319	0.0035	61,319	0.0035	0.0000	-
TOTAL	8,165,512	0.4678	8,195,707	0.4657	8,158,916	0.4657	-0.0021	(36,791)

ATTACHMENT B

**Historical Comparison of EAV Growth
2000-2009**

	Base EAV	Inc. over PY	New Construction	% of Base	Annexations	% of Base	Total % of Base	Total EAV	Inc. over PY
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	0.1%	1.2%	1,768,508,497	7.8%
Estimate 2009	1,736,937,384	-1.8%	15,652,330	0.9%	-621,460	0.0%	0.9%	1,751,968,254	-0.9%
Average Inc. Last 5 Years (1)		4.2%		1.2%		0.1%	1.3%		5.6%

Note (1) Average Includes Actual Years 2005-2009.

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
2009	TBD	0.4657	TBD
2008	5.8555	0.4560	7.79%
2007	6.0154	0.4664	7.75%
2006	6.0824	0.4789	7.87%
2005	6.1611	0.4947	8.03%
2004	6.1595	0.4983	8.09%
2003	6.3134	0.5200	8.24%
2002	5.9530	0.5335	8.96%
2001	6.3126	0.5670	8.98%
2000	6.4565	0.5776	8.95%

**VILLAGE OF LOMBARD
HISTORICAL TAX RATE INFORMATION
2000 - 2009**

