

VILLAGE OF BARTLETT

COMMITTEE AGENDA

OCTOBER 16, 2018

FINANCE & GOLF, CHAIRMAN DEYNE

Proposed 2018 Property Tax Levy



Agenda Item Executive Summary

Item Name Proposed 2018 Property Tax Levy Committee or Board Committee

| Budget Impact | | | |
|----------------|---------------------------------------|----------|--------------|
| Amount: | \$11,150,020 | Budgeted | \$11,042,038 |
| List what fund | General, Police Pension, Debt Service | | |

Executive Summary

The proposed property tax levy for 2018 totals \$11,150,020 and is \$7,217 less than the prior year extended amount. The General corporate levy is 1.78% less than the 2017 extension and is flat from last year's actual levy amount. This is the 7th consecutive year the Village has either reduced or kept this levy flat from the 2011 levy. The Police Pension levy is increasing 12.83% due to investment returns less than expected and a decrease in the assumed rate of future returns. The Debt Service Levy did not have any significant changes from the prior year and is \$70,645 or 2.2% less than the 2017 extended amount.

Attachments (please list)

Finance Department Memo

ACTION REQUESTED

- For Discussion Only
- Resolution
- Ordinance
- Motion

Staff: Todd Dowden, Finance Director Date: October 8, 2018

**Village of Bartlett
Finance Department Memo
2018 - 27**

DATE: October 8, 2018

TO: Paula Schumacher, Village Administrator

FROM: Todd Dowden, Finance Director

SUBJECT: 2018 Proposed Property Tax Levy

Below is a chart showing the proposed 2018 levy compared to the 2017 extension. The proposed property tax levy for 2018 totals \$11,150,020 and is \$7,217 less than the prior year extended amount. The General corporate levy is 1.78% less than the 2017 extension and is flat from last year's actual levy amount. This is the 7th consecutive year the Village has either reduced or kept this levy flat from the 2011 levy. The Police Pension levy is increasing 12.83% due to investment returns in the plan being below the actuarial estimate of 7.25% and the lowering of the assumed rate of return to 7.125%. Fiscal 2018 had an annual rate of return on Pension Investments of 6.06%. There was one duty disability pension added during the year. The Debt Service Levy did not have any significant changes from the prior year and is \$70,645 or 2.2% less than the 2017 extended amount.

| Proposed Levy Compared to Prior Year's Extension | | | | |
|---|--------------------------|---------------------------|--------------------------------|---------------------------|
| | 2018 | | | |
| | Proposed Levy | 2017 Extension | Increase (Decrease) | Percent Change |
| General Corporate | 6,433,094 | 6,549,683 | (116,589) | -1.78% |
| Police Pension | 1,583,071 | 1,403,054 | 180,017 | 12.83% |
| Subtotal | 8,016,165 | 7,952,737 | 63,428 | 0.80% |
| Debt Service | 3,133,855 | 3,204,500 | (70,645) | -2.20% |
| TOTAL | 11,150,020 | 11,157,237 | (7,217) | -0.06% |

Abatements

Currently, there is one abatement being proposed in the amount of \$73,470. The 2017 bond issue requires an estimated payment in the amount of \$43,590 for the Fire District's share of bonds attributable to the construction of the fire station. Also, the amount of \$29,880 is to be transferred from the Brewster Creek TIF Municipal fund to the Debt Service fund to pay for its portion of the bonds. Abatement ordinances will be presented with the final approval of the tax levy on December 4, 2018. The chart below itemizes the proposed debt service levy and abatement for 2018.

| Proposed Debt Service Levy and Abatements | | | |
|--|------------------|---------------------------|------------------|
| Bond Issue | 2018 Levy | Proposed Abatement | Net Levy |
| 2009 GO Bonds | 964,481 | 0 | 964,481 |
| 2012 GO Bonds | 734,819 | 0 | 734,819 |
| 2016 GO Bonds | 1,185,375 | 0 | 1,185,375 |
| 2017 GO Bonds | 322,650 | (73,470) | 249,180 |
| TOTAL | 3,207,325 | (73,470) | 3,133,855 |

2017 Fire Station Refunding – This bond issue was sold in July 2017 to refund the 2007 bonds issued to finance the construction of a fire station on the west side. Abatements are based upon revenues from the Brewster Creek TIF Municipal Account and the Fire District's share of the annual debt service. The issue will mature in 2026.

2016 Police Station Bonds – This bond issue was sold in November 2016. The 2016 bonds are being used to fund the construction of the new Police Station. The final maturity on these bonds will be in 2036.

2012 Road Resurfacing Bonds – This bond issue was sold in 2012. The 2012 bonds were used to fund street improvements and the Village's portion of flood mitigation for Heartwood Farms. The final maturity on these bonds will be in 2030.

2009 Refunding - This bond issue was sold to refund the 2002 and 2005 bonds. The 2002 bonds were used to fund the ball fields, W. Bartlett/Naperville Road bike path, and W. Bartlett Road widening. The 2005 bonds were issued to finance the water meter change out program and most of the construction of the new Village Hall. This issue will be retired 2029.

| Equalized Assessed Value (EAV) History | | | |
|---|---------------|---------------|-----------------|
| Year | EAV | Change | % Change |
| 2008 | 1,347,150,829 | | |
| 2009 | 1,366,342,294 | 19,191,465 | 1.42% |
| 2010 | 1,273,382,727 | (92,959,567) | -6.80% |
| 2011 | 1,188,318,865 | (85,063,862) | -6.68% |
| 2012 | 1,097,765,218 | (90,553,647) | -7.62% |
| 2013 | 959,330,352 | (138,434,866) | -12.61% |
| 2014 | 950,037,843 | (9,292,509) | -0.97% |
| 2015 | 957,991,785 | 7,953,942 | 0.84% |
| 2016 | 1,051,280,552 | 93,288,767 | 9.74% |
| 2017 | 1,079,697,040 | 28,416,488 | 2.70% |
| *2018 | 1,126,064,920 | 46,367,880 | 4.29% |
| *Estimate | | | |

Equalized Assessed Value (EAV)

Above is a chart showing the actual EAV for the last 10 years along with the estimate for 2018. The overall EAV estimate for 2018 assumes that EAV will increase by 4.29%.

In DuPage County, the estimate for EAV is an increase of 5%. In 2017, EAV increased in DuPage County by 4.30%.

The estimate for Cook County assumes a 3% increase in EAV. Last year was the year after the tri-annual assessment and the EAV decreased by 0.28%. The 2016 assessments for the county resulted in a 17.12% increase.

Estimated Tax Rates

Below is a chart showing an estimate of the 2018 Cook County rate. The rate is anticipated to decrease in Cook County by 1.23 cents.

| Estimated 2018 Property Tax Rate - Cook County | | | | |
|---|-------------------|-----------------------|----------------------|-----------------|
| Burden | 38.75% | | | |
| EAV | 392,274,051 | | | |
| | Total Levy | Loss Allowance | County Burden | Tax Rate |
| General Corporate | 6,433,094 | 192,993 | 2,567,609 | 0.6545 |
| Police Pension | 1,583,071 | 47,492 | 631,843 | 0.1611 |
| Subtotal | 8,016,165 | 240,485 | 3,199,452 | 0.8156 |
| Debt Service | 3,133,855 | 156,693 | 1,275,087 | 0.3251 |
| TOTAL | 11,150,020 | 397,178 | 4,474,539 | 1.1407 |
| | | | 2017 Rate | 1.1530 |
| | | | Rate Decrease | (0.0123) |

The chart below shows the estimated 2018 tax rate for DuPage County. The DuPage County tax rate is anticipated to decrease by 2.82 cents.

| Estimated 2018 Property Tax Rate - DuPage County | | | | |
|---|-------------------|-----------------------|----------------------|-----------------|
| Burden | 61.03% | | | |
| EAV | 730,307,165 | | | |
| | Total Levy | Loss Allowance | County Burden | Tax Rate |
| General Corporate | 6,433,094 | 64,331 | 3,965,378 | 0.5430 |
| Police Pension | 1,583,071 | 15,831 | 975,810 | 0.1336 |
| Subtotal | 8,016,165 | 80,162 | 4,941,188 | 0.6766 |
| Debt Service | 3,133,855 | 31,339 | 1,931,718 | 0.2645 |
| TOTAL | 11,150,020 | 111,501 | 6,872,906 | 0.9411 |
| | | | 2017 Rate | 0.9693 |
| | | | Rate Decrease | (0.0282) |

Burden percentage is based on the 2017 rate.

The chart below shows the total EAV for the entire Village along with the total levy for all funds (General, Police Pension and Debt Service). The proposed dollar levy along with the estimate for the 2018 EAV will decrease the combined rate 1.25 cents.

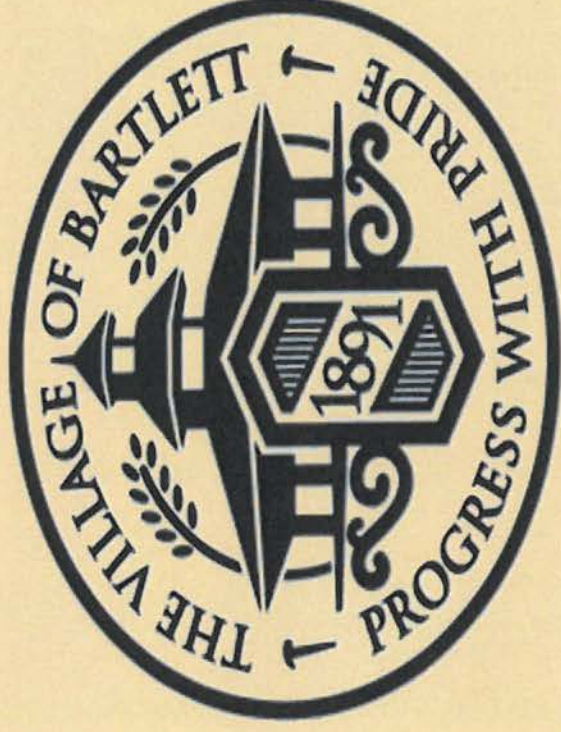
| Estimated 2018 Property Tax Rate - Total | | | |
|---|-------------------|------------------|-----------------|
| EAV | 1,126,064,920 | | |
| | | Loss | |
| | Total Levy | Allowance | Tax Rate |
| General Corporate | 6,433,094 | 64,331 | 0.5770 |
| Police Pension | 1,583,071 | 15,831 | 0.1420 |
| Subtotal | 8,016,165 | 80,162 | 0.7190 |
| Debt Service | 3,133,855 | 31,339 | 0.2811 |
| TOTAL | 11,150,020 | 111,501 | 1.0001 |
| | | 2017 Rate | 1.0126 |
| | | Rate Decrease | (0.0125) |

Schedule

In order to comply with state statute regarding deadlines to file a tax levy with the County Clerk's office of each county, I am recommending the time table below. The schedule includes a public hearing on November 06, 2018. The Village is not required to hold a public hearing because our increase over the prior year's extension is less than 5%. However, the Village has traditionally held a public hearing to allow for public input and I recommend we continue to do so.

| | |
|--------------------------------------|----------|
| Advertise public hearing | 10/24/18 |
| Hold public hearing | 11/06/18 |
| Village Board reviews estimated levy | 11/06/18 |
| Adopt levy | 12/04/18 |
| File levy - on or before | 12/25/18 |

Village of Bartlett



2018 Property Tax Levy

Village of Bartlett

2018 Property Tax Levy Background

- Village levies a Property Tax for 3 purposes:
 - ✓ To help fund General Fund operating expenditures
 - ✓ To pay for Principal and Interest on General Obligation Bonds
 - ✓ To pay for the Villages contribution to the Police Pension Fund

- Village is a multi-county municipality and levies a tax that is distributed to 3 counties.
 - ✓ Cook (38.75% of “burden”)
 - ✓ DuPage (61.03% of “burden”)
 - ✓ Kane (0.22% of “burden”)

Village of Bartlett

2018 Property Tax Levy Background

- The current years budget process drives the tax levy. The following chart shows the timeline for this tax levy:

| Date | Levy Cycle |
|----------------------------------|---|
| April 2018 | Village Board approves budget |
| May 1, 2018 | Budget year begins |
| Fall 2018 | Village Board conducts public hearing and approves tax levy |
| March 2019 through December 2019 | Village receives Cook County taxes |
| June 2019 through November 2019 | Village receives DuPage and Kane County taxes |

- The tax levy **MUST** be filed with the County Clerks office by no later than 4th Tuesday in December.

2018 Property Tax Levy



Proposed Levy Compared to Prior Year's Extension

2018

| | Proposed Levy | 2017 Extension | Increase (Decrease) | Percent Change |
|-------------------|-------------------|-------------------|------------------------|-------------------|
| General Corporate | 6,433,094 | 6,549,683 | (116,589) | -1.78% |
| Police Pension | 1,583,071 | 1,403,054 | 180,017 | 12.83% |
| Subtotal | 8,016,165 | 7,952,737 | 63,428 | 0.80% |
| Debt Service | 3,133,855 | 3,204,500 | (70,645) | -2.20% |
| TOTAL | 11,150,020 | 11,157,237 | (7,217) | -0.06% |

Village of Bartlett

2018 Property Tax Levy



Proposed Levy Compared to Prior Year's Levy

2018

| | Proposed Levy | 2017 Levy | Increase (Decrease) | Percent Change |
|-------------------|-------------------|-------------------|------------------------|-------------------|
| General Corporate | 6,433,094 | 6,433,094 | 0 | 0.00% |
| Police Pension | 1,583,071 | 1,377,155 | 205,916 | 14.95% |
| Subtotal | 8,016,165 | 7,810,249 | 205,916 | 2.64% |
| Debt Service | 3,133,855 | 3,122,938 | 10,917 | 0.35% |
| TOTAL | 11,150,020 | 10,933,187 | 216,833 | 1.98% |

Village of Bartlett

2018 Property Tax Levy



Proposed Debt Service Levy and Abatements

2018

Proposed Levy Proposed Abatement

Bond Issue Net Levy

| | | | |
|---------------|-----------|----------|-----------|
| 2009 GO Bonds | 964,481 | 0 | 964,481 |
| 2012 GO Bonds | 734,819 | 0 | 734,819 |
| 2016 GO Bonds | 1,185,375 | 0 | 1,185,375 |
| 2017 GO Bonds | 322,650 | (73,470) | 249,180 |

TOTAL 3,207,325 (73,470) 3,133,855

Village of Bartlett

2018 Property Tax Levy



Levy History

| Year | General | Police Pension | Debt Service |
|------|-----------|----------------|--------------|
| 2008 | 6,760,000 | 987,605 | 1,117,706 |
| 2009 | 6,973,100 | 1,031,575 | 995,582 |
| 2010 | 6,973,100 | 1,129,933 | 1,008,495 |
| 2011 | 7,058,094 | 1,235,728 | 1,003,677 |
| 2012 | 7,058,094 | 1,208,649 | 1,524,538 |
| 2013 | 6,558,094 | 1,152,526 | 1,680,000 |
| 2014 | 6,433,094 | 1,231,270 | 1,680,000 |
| 2015 | 6,433,094 | 1,152,049 | 1,680,334 |
| 2016 | 6,433,094 | 1,254,636 | 2,866,547 |
| 2017 | 6,433,094 | 1,377,155 | 3,122,938 |
| 2018 | 6,433,094 | 1,583,071 | 3,133,855 |

Village of Bartlett

2018 Police Pension Tax Levy



| Levy History | | |
|---------------------|-----------------------|----------------------|
| Year | Police Pension | Annual Return |
| 2008 | 987,605 | 5.20% |
| 2009 | 1,031,575 | 2.60% |
| 2010 | 1,129,933 | 2.80% |
| 2011 | 1,235,728 | 4.60% |
| 2012 | 1,208,649 | 9.20% |
| 2013 | 1,152,526 | 8.90% |
| 2014 | 1,231,270 | 7.70% |
| 2015 | 1,152,049 | 7.25% |
| 2016 | 1,254,636 | 4.18% |
| 2017 | 1,377,155 | 7.75% |
| 2018 | 1,583,071 | 6.06% |

Village of Bartlett

2018 Property Tax Levy



Equalized Assessed Value (EAV) History

| Year | EAV | Increase | % Change |
|-------|---------------|---------------|----------|
| 2008 | 1,347,150,829 | | |
| 2009 | 1,366,342,294 | 19,191,465 | 1.42% |
| 2010 | 1,273,382,727 | (92,959,567) | -6.80% |
| 2011 | 1,188,318,865 | (85,063,862) | -6.68% |
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| 2013 | 959,330,352 | (138,434,866) | -12.61% |
| 2014 | 950,037,843 | (9,292,509) | -0.97% |
| 2015 | 957,991,785 | 7,953,942 | 0.84% |
| 2016 | 1,051,280,552 | 93,288,767 | 9.74% |
| 2017 | 1,079,697,040 | 28,416,488 | 2.70% |
| *2018 | 1,126,064,920 | 46,367,880 | 4.29% |

*Estimate

Village of Bartlett

2018 Property Tax Levy



Cook County

| Estimated 2018 Property Tax Rate - Cook County | | County | |
|--|-------------------|----------------|------------------------|
| | Burden | Loss Allowance | Burden |
| | 38.75% | | |
| EAV | 392,274,051 | | |
| | Total Levy | Allowance | Tax Rate |
| General Corporate | 6,433,094 | 192,993 | 0.6545 |
| Police Pension | 1,583,071 | 47,492 | 0.1611 |
| Subtotal | 8,016,165 | 240,485 | 0.8156 |
| Debt Service | 3,133,855 | 156,693 | 0.3251 |
| TOTAL | 11,150,020 | 397,178 | 1.1407 |
| | | | 2017 Rate 1.1530 |
| | | | Rate Decrease (0.0123) |

Rate Estimate

Village of Bartlett

2018 Property Tax Levy



DuPage County

| Estimated 2018 Property Tax Rate - DuPage County | | | | | |
|--|-------------------|----------------|------------------|---------------|--|
| Burden | 61.03% | | | | |
| EAV | 730,307,165 | | | | |
| | Total Levy | Loss Allowance | County Burden | Tax Rate | |
| General Corporate | 6,433,094 | 64,331 | 3,965,378 | 0.5430 | |
| Police Pension | 1,583,071 | 15,831 | 975,810 | 0.1336 | |
| Subtotal | 8,016,165 | 80,162 | 4,941,188 | 0.6766 | |
| Debt Service | 3,133,855 | 31,339 | 1,931,718 | 0.2645 | |
| TOTAL | 11,150,020 | 111,501 | 6,872,906 | 0.9411 | |
| | | | 2017 Rate | 0.9693 | |
| | | | Rate Increase | (0.0282) | |

Rate Estimate

Village of Bartlett



2018 Property Tax Levy

Estimated 2018 Property Tax Rate - Total

| | | | |
|-------------------|-------------------|------------------|-----------------|
| EAV | 1,126,064,920 | | |
| | | Loss | |
| | | Allowance | Tax Rate |
| General Corporate | 6,433,094 | 64,331 | 0.5770 |
| Police Pension | 1,583,071 | 15,831 | 0.1420 |
| Subtotal | 8,016,165 | 80,162 | 0.7190 |
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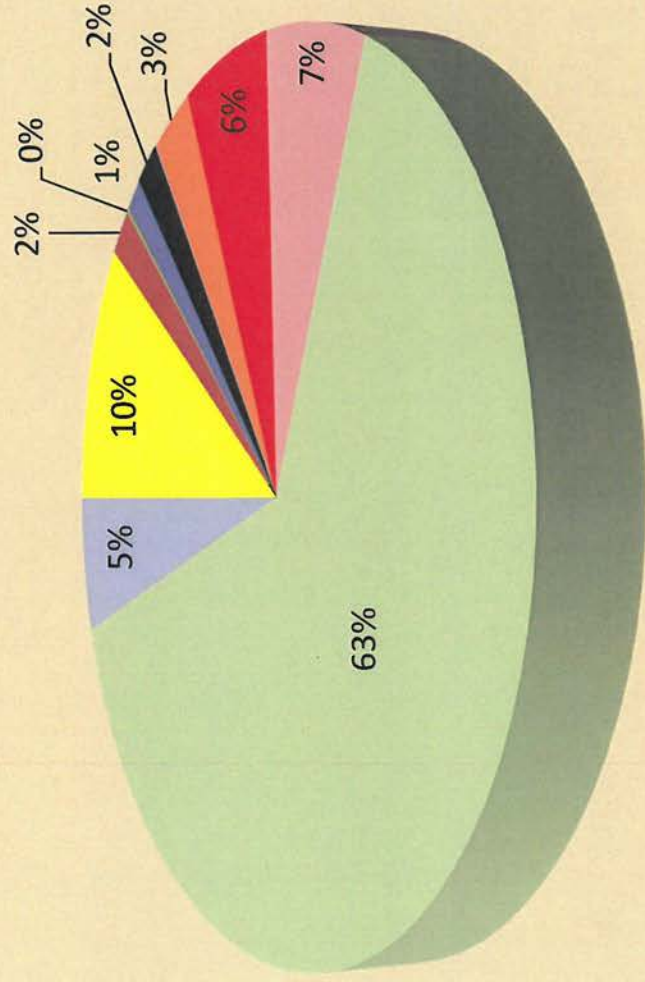
Rate Estimate

Village of Bartlett

2018 Property Tax Levy



DuPage Tax Rates

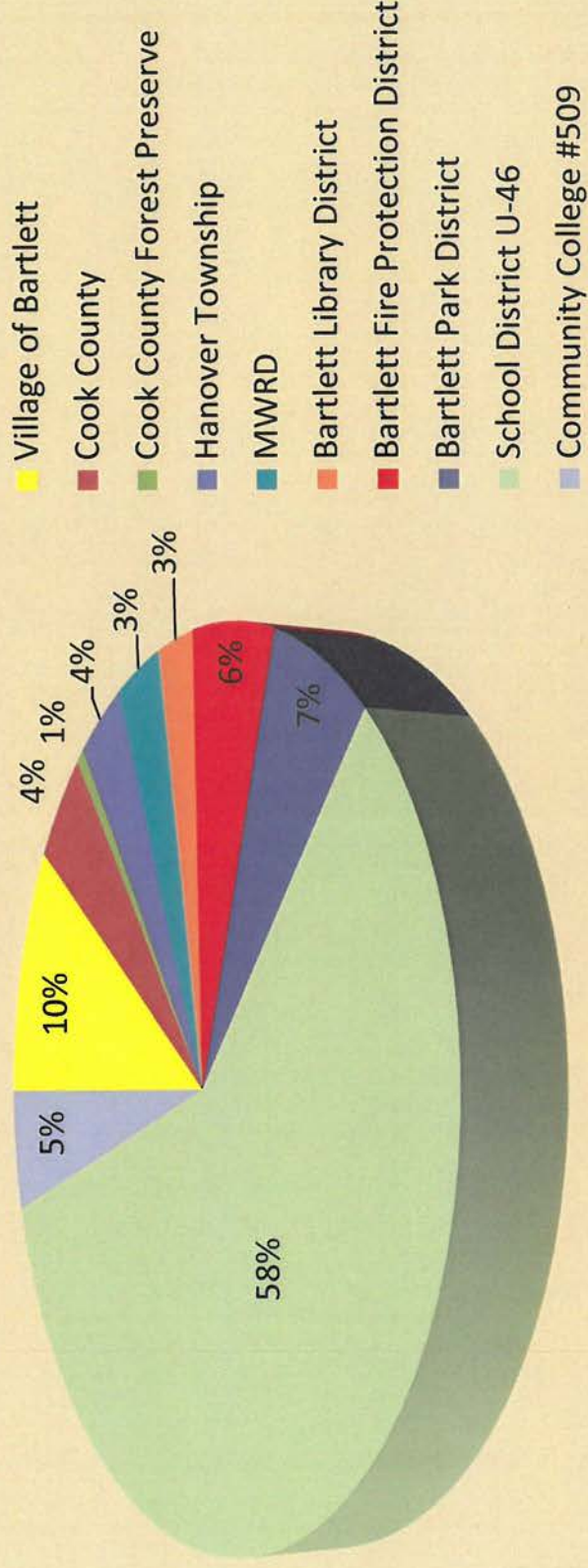


Village of Bartlett

2018 Property Tax Levy



Cook Tax Rates



Village of Bartlett

2018 Property Tax Levy



Advertise public hearing – 10/24/18

Hold public hearing – 11/06/18

Village Board reviews estimated levy – 11/06/18

Adopt levy – 12/04/18

File levy – 12/25/18

Village of Bartlett