

Request for City Council Action

Date: November 17, 2015

Agenda Section: General Business No. 6	Originating Department: Finance
Item: Review of 2015 Proposed Tax Levy, Truth in Taxation Act Determination and Public Library Board's Tax Levy Requirements No. 6.2	Approved:

Background and Summary: The total Municipal Property Tax Levy includes two major purposes, the City Government and the Public Library. Historically, City Government relied on property taxes for pension contributions, street lighting, public benefit for sidewalks and a portion of the debt service for the City Hall/Civic Center Bonds. The property tax is the Public Library's major source of revenue.

The last five years the City abated the debt service, street lighting and public benefit for sidewalk portions of the levy, but levied an actual amount for City Government Purposes, which was applied towards public safety pension obligations. It is recommended that this practice be repeated this year. Police Pension contributions will increase by \$221,260 to a total of \$2,397,203. Fire Pension required contributions will increase by \$77,338 to a total of \$887,372. All of these are mandated expenses, over which the City has limited control. Without the revenue from the property tax levy, spending reductions would be required to balance the General Fund budget.

The attached "Comparative Tax Levy Analysis/Truth in Taxation Act Determination" is presented in compliance with Illinois law and shows that the proposed tax levy for Total City Government Purposes is \$1,035,289 for 2015, an increase of 0.000% over the amount levied in 2014. In 2015 \$279,697 will be used for the Fire Pension Fund with the remaining \$755,592 to the Police Pension Fund. In 2015, the City's General Obligation Bond Ordinances to be levied are \$3,162,150 which the City will fully abate resulting in a \$1,035,289 tax levy for Total City Government Purposes. The City received a letter from the Carbondale Public Library Board dated November 1, 2015 requesting that the City levy \$1,031,949 for the Library's Fiscal Year 2017 operations. This represents a \$30,048 increase over the prior year levy of \$1,001,901 or 2.999%. The City Council, by law, is required to adopt the Library levy. The combined total for the City's share and the Public Library's share of the proposed tax levy is \$2,067,238.

Engineering Approval Obtained	Finance Approval Obtained	Legal Approval Obtained	Approval Obtained	Manager's Approval Obtained
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Council Action: Motion by: _____ 2nd by: _____ to: _____

November 17, 2015

Review of 2015 Proposed Tax Levy, Truth in Taxation Act Determination and Public Library Board's Tax Levy Requirements

The General Fund will subsidize the Fire Pension Fund \$544,718, Police Pension Fund \$1,471,534 and Street Lighting \$191,750. Debt Service Fund for the series 2010A, 2010B, 2011 and 2013 general obligation bonds standing levy will be abated and subsidized by the general fund in the total amount of \$1,628,579. The series 2015 bonds are partially funded in the amount of \$450,000 from Motor Fuel Tax Fund revenues with the remainder of \$284,550 from Local Improvement Fund Revenues. The series 2011 and 2013 general obligation bonds will be funded by the Water & Sewer Fund revenues. The total levy amount required of \$6,638,475 less the corporate replacement tax provision, less the general fund, local improvement fund and water & sewer fund subsidies less provision from motor fuel tax revenues equates to a net levy amount of \$1,035,289.

Illinois law requires taxing bodies to abide by the Truth in Taxation Act that provides for the public taxing body to publish notices and conduct a public hearing when the tax levy being considered exceeds 105% of the extended tax, including any amounts abated by the taxing district prior to such extension of the previous year. Since the proposed 2015 tax levy does not exceed 105% of the prior year, the publication of a notice and the public hearing are not required.

Recommended Action:

It is recommended that the City Council direct staff to submit a Tax Levy Ordinance for the December 8, 2015 City Council meeting containing the recommended Tax Levy and Tax Levy Abatements that will result in a net 2015 Tax Levy in the amount of \$2,067,238 for General Government and Library purposes.

City of Carbondale, Illinois
Comparative Tax Levy Analysis - 2015 Tax Levy for FY 2017 Revenue
Truth In Taxation Act Determination

	2014 Tax Levy-Equalized Assessed			2015 Levy Amount Required	Deduct Grant Funding	Deduct Corp. Replace. Tax (Column 4 X .070948)	Adjust * Down To Off-Set Increase	2015 Proposed Tax Levy			Levy \$ Amount Increase (Decrease)	% Increase (Decrease)	
	Valuation of	297,573,815						Assume Same EAV OF		297,573,815			
	Rate/\$100	2014 Levy Amt.	FY 2016 Revenue					2015 Levy Amt.	Rate/\$100	FY 2017 Revenue			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
CITY GOVERNMENT PURPOSES													
General Fund													
Fire Pension	0.25290	752,564	752,564	887,372		(62,957)	(544,718)	279,697	0.09399	279,697	(472,867)	(62.834) %	
Police Pension	0.09501	282,725	282,725	2,397,203		(170,077)	(1,471,534)	755,592	0.25392	755,592	472,867	167.253 %	
Street Lighting	0.00000	0	0	191,750			(191,750)	0	0.00000	0	0	0.000 %	
Local Improvement Fund:													
Public Benefit	0.00000	0	0	0			0	0	0.00000	0	0	0.000 %	
Debt Service Fund:													
2010 series GO bonds series A police station	0.00000	0	0	248,900			(248,900)	0	0.00000	0	0	0.000	
2010 series GO bonds series B police station	0.00000	0	0	503,490			(503,490)	0	0.00000	0	0	0.000	
2011 series GO bonds Fire Station/Refunding	0.00000	0	0	508,889			(508,889)	0	0.00000	0	0	0.000	
2013 series GO bonds refunding bonds	0.00000	0	0	367,300			(367,300)	0	0.00000	0	0	0.000	
2015 series GO bonds refunding bonds	0.00000	0	0	734,550			(734,550)	0	0.00000	0	0	0.000	
Water & Sewer Fund:													
2011 series GO bonds NWWWTP Improvements	0.00000	0	0	101,933			(101,933)	0	0.00000	0	0	0.000	
2013 series GO bonds IEPA Refunding	0.00000	0	0	697,088			(697,088)	0	0.00000	0	0	0.000	
TOTAL CITY GOVERNMENT PURPOSES	0.34791	1,035,289	1,035,289	6,638,475	0	(233,034)	(5,370,152)	1,035,289	0.34791	1,035,289	0	0.000 %	
PUBLIC LIBRARY PURPOSES													
Library General Operating	0.33669	1,001,901	1,001,901	1,031,949			0	1,031,949	0.34679	1,031,949	30,048	2.999 %	
TOTAL MUNICIPAL TRUTH IN TAXATION	0.68460	2,037,190	2,037,190	7,670,424	0	(233,034)	(5,370,152)	2,067,238	0.69470	2,067,238	30,048	1.475 %	

* Col. 7 adjust down amounts are funded by general revenues and/or reduction in expenditures.

EAV Jackson Cnty.	\$297,213,094
EAV Williamson Cnty.	\$360,721
Toatal EAV City of Carbondale	\$297,573,815