

M E M O R A N D U M

TO: Chief Administrative Officer

FROM: City Comptroller

RE: Property Tax Levy Ordinances

DATE: November 22, 2004

I recommend approval by the City Council of the attached three documents that relate to the City's 2004 property tax levy. These documents must be filed with the County Clerk no later than the 2nd Tuesday of December:

- a) Annual Tax Levy Ordinance. This ordinance instructs the County Clerk to levy an amount to produce no more than \$5,636,716.
- b) An Ordinance Abating Tax Levy instructs the County Clerk not to collect certain levies that are already in place because of past debt issues. Because the City has T.I.F. incremental taxes available to satisfy this debt service, the property tax levy is not needed. This action lowers property taxes that would otherwise be collected.
- c) A Resolution Directing the County Clerk to Abate the Tax Levy instructs the County Clerk to reduce the tax levy amount such that the levy rate will remain at \$1.3120.

A property owner of a home valued at \$125,000 will pay to the City 4.3% more (\$25) than last year. This 4.3% increase reflects the average increase in assessed value. Actual property values are expected to increase 7.1%, but changes in state mandated exemptions in the calculation that determine final assessed value (increase in senior citizen and homestead exemptions) has reduced this to 4.3%.

I believe it is necessary to ask current property tax payers to pay 4.3% more, given the current condition of the City budget:

- Last year, City revenues were 1.3% below the previous year
- Due to store closings, sales tax has increased less than 1% over the past 3 years
- State income tax is only 80% of the amount received 3 years ago
- Employee health insurance costs are expected to increase 12-15%
- Employee pension costs increased 18% this year.

Also find attached a worksheet which illustrates certain information concerning the tax levy for the last 10 years. Note that the tax levy rate for the City has gone down from 1.5642 to 1.3120 over the last ten years and the overall property tax rate has also gone down from 8.8556 to 8.5188.

2004 LEVY INFORMATION

levy rate = \$1.3120

	CURRENT AMOUNT	LAST YR. AMOUNT	2 YRS AGO AMOUNT	% CHANGE				
				1 YR.	2 YRS.	3 YRS.	5 YRS.	10 YRS.
GENERAL	\$ 1,422,244	\$ 1,125,143	\$ 1,044,460	26.4%	18.1%	7.8%	1.0%	-2.0%
PENSIONS	\$ 2,096,700	\$ 1,881,104	\$ 1,679,479	11.5%	12.4%	13.4%	11.8%	25.8%
SUBTOTAL, BEFORE LIBRARY	\$ 3,518,944	\$ 3,006,247	\$ 2,723,939	17.1%	14.6%	11.0%	6.3%	4.9%
LIBRARY	\$ 2,117,772	\$ 2,013,091	\$ 1,935,468	5.2%	4.7%	5.4%	6.1%	6.6%
TOTAL	\$ 5,636,716	\$ 5,019,338	\$ 4,659,407	12.3%	10.5%	8.7%	6.2%	5.5%
CITY TAX RATE/300\$ A/V	1.3120	1.3120	1.3178	0.0%	-0.2%	-0.5%	-1.1%	-1.5%
EQUALIZED ASSESSED VALUE	\$ 429,627,768	\$382,571,476	\$353,574,662	12.3%	5.4%	9.3%	7.8%	8.5%
% INCR. ASSESSED VALUE	12.30%	8.20%	8.98%					
% INCR. DUE ANNEXATIONS, & NEW CONSTRUCTION	8.00%	2.90%	3.50%					
% INCR. DUE INCREASE IN VALUE CURRENT PROPERTY	4.30%	5.30%	5.48%					
\$125,000 HOMEOWNER PAYS TO CITY	\$ 601.79	\$ 576.98	\$ 549.08	4.3%				
OVERALL TAX RATE FOR URBANA HOMEOWNER (assumes rest of overlapping governments keep their rate same)	8.5188	8.5188	8.6193	0.0%	-0.6%	-2.4%	-1.6%	-0.4%
CHAMPAIGN:								
CITY TAX RATE	1.3120	1.3120	1.3120	0.0%	0.0%	0.0%	0.6%	-1.1%
OVERALL TAX RATE	7.6551	7.6551	7.6984	0.0%	-0.3%	-1.3%	-1.1%	0.4%
ASSESSED VALUE	\$ 1,037,471,042	\$974,151,213	\$917,869,006	6.5%	6.5%	13.5%	10.8%	10.1%

	<u>Budget</u> <u>Appropriations</u>	<u>To Be</u> <u>Raised By</u> <u>Tax Levy</u>
<u>GENERAL CORPORATE FUND</u>		
For General Corporate Fund Expenditures for Personnel Costs - Police Department	\$1,422,244	\$1,422,244
<u>POLICEMEN'S PENSION FUND</u>		
For State Mandated Pension Requirements	\$1,219,850	\$1,219,850
<u>FIREMEN'S PENSION FUND</u>		
For State Mandated Pension Requirements	\$ 876,850	\$876,850
<u>URBANA FREE LIBRARY TRUST FUND</u>		
For Urbana Free Library Expenditures as Determined by Library Board		
CENTRAL COSTS-CONTRACTUAL	\$ 273,967	\$ 273,967
ADMINISTRATION-WAGES	\$ 167,142	\$ 167,142
ADULT DEPARTMENT:		
Books and Materials	\$ 186,074	\$ 186,074
Wages	<u>363,740</u>	<u>363,740</u>
SUBTOTAL, ADULT	\$ 549,814	\$ 549,814
CHILDREN'S DEPARTMENT:		
Books and Materials	\$ 47,325	\$ 47,325
Wages	<u>250,257</u>	<u>250,257</u>
SUBTOTAL, CHILDREN'S	\$ 297,582	\$ 297,582
ARCHIVES DEPARTMENT:		
Books and Materials	\$ 18,258	\$ 18,258
Wages	<u>180,531</u>	<u>180,531</u>
SUBTOTAL, ARCHIVES	\$ 198,789	\$ 198,789
MAINTENANCE-WAGES	\$ 66,963	\$ 66,963
ACQUISITIONS DEPARTMENT-WAGES	\$ 151,003	\$ 151,003
CIRCULATION DEPARTMENT-WAGES	\$ 412,511	\$ 412,511

TOTAL, ALL LIBRARY
TOTAL AMOUNT

\$2,117,771 \$2,117,771
\$5,636,716

\$5,636,716

ORDINANCE NO. 2004-11-150

ANNUAL TAX LEVY ORDINANCE
OF THE CITY OF URBANA, ILLINOIS FOR THE YEAR
BEGINNING JULY 1, 2004 AND ENDING JUNE 30, 2005

WHEREAS, the City Council of the City of Urbana, Illinois, pursuant to an ordinance previously adopted authorizing the same, did, on the 21st day of June, 2004, that date being before the beginning of the fiscal year of the city commencing on July 1, 2004, and ending on June 30, 2005, adopt the Annual Budget Ordinance for the city for such fiscal year; and

WHEREAS, pursuant to Sections 8-2-9.1 et seq. of the Illinois Municipal Code (65 ILCS 5/8-2-9.1 et seq.) and home rule ordinances previously adopted authorizing the same (Code of Ordinances, City of Urbana, Illinois, Sections 2-113 and 2-132), such passage of the Annual Budget Ordinance by the City Council shall be in lieu of passage of the Annual Appropriation Ordinance otherwise required by the Illinois Municipal Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the total maximum amount of appropriations for all corporate purposes, which are legally made to be collected from the tax levy of the current fiscal year of the City of Urbana, is hereby ascertained to be the sum of Five Million, Six Hundred Thirty Six Thousand, Seven Hundred Sixteen Dollars (\$5,636,716).

Section 2. That the sum of Five Million, Six Hundred Thirty Six Thousand, Seven Hundred Sixteen Dollars (\$5,636,716) being the total of budgeted appropriations heretofore legally made which are to be collected from the tax levy of the current fiscal year of the City of Urbana, Illinois, for all corporate purposes of said City of Urbana, Illinois, is hereby levied upon all of the taxable property in the City of Urbana, Illinois, subject to taxation for the current year;

The specific amounts as levied for the various funds heretofore named are separately included herein by being placed in separate columns under the heading "To Be Raised by Tax Levy" which appears over the same, the tax so levied being for the current fiscal year of the City of Urbana and for the said budgeted appropriation to be collected from said tax levy, the total of which has been ascertained as aforesaid and being as follows:

Section 3. This Annual Tax Levy Ordinance is adopted pursuant to the procedures set forth in the Illinois Municipal Code; provided, however, that any tax rate limitation or any other substantive limitations as to tax levies in the Illinois Municipal Code in conflict with this ordinance shall not be applicable to this ordinance pursuant to Section 6 of Article VII of the Constitution of the State of Illinois.

Section 4. That there is hereby certified to the County Clerk of Champaign County, Illinois, the several sums aforesaid, constituting said total amount of Five Million, Six Hundred Thirty Six Thousand, Seven Hundred Sixteen Dollars (\$5,636,716), which said total amount the City of Urbana requires to be raised by taxation for the current fiscal year of the City, and the City Clerk of the City of Urbana is hereby ordered and directed to file with the County Clerk of Champaign County on or before the time required by law, a certified copy of this ordinance.

Section 5. If any provisions of this ordinance or the application of such provisions to any circumstances is held invalid for any reason whatsoever, the remainder of this ordinance or the application of the provisions to other circumstances shall not be affected hereby.

Section 6. This ordinance shall take effect and be in full force and effect immediately on and after its passage and approval.

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said council.

PASSED by the City Council this ____ day of _____, 2004.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2004.

Tod Satterthwaite, Mayor