

VILLAGE OF LAKE BLUFF

FINANCE COMMITTEE

Thursday, November 12, 2015
6:00 PM

VILLAGE HALL BOARD ROOM
40 E. CENTER AVE, LAKE BLUFF, IL

AGENDA

I. Call to Order – Roll Call

Trustee Steve Christensen, Chairman
Trustee Mark Dewart, Member
Trustee Barbara Ankenman, Member

II. Approval of Minutes – October 31, 2015

III. Non-Agenda Items and Visitors

The Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

IV. Business Items

1. Discussion Regarding 2015 Property Tax Levy Estimates and Police Pension Actuarial Recommendation

V. Informational Items

VI. Adjournment

The Village of Lake Bluff is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the facilities, are requested to contact R. Drew Irvin at 847-234-0774 or TDD number 847-234-2153 promptly to allow the Village of Lake Bluff to make reasonable accommodations.

VILLAGE OF LAKE BLUFF

MEMORANDUM

TO: Chairman and Finance Committee Members
Kathleen O'Hara, Village President
R. Drew Irvin, Village Administrator

CC: Marlene Scheibl, Assistant Finance Director

FROM: Susan Griffin, Finance Director

DATE: November 10, 2015

SUBJECT: 2015 Property Tax Levy Estimate without CPI factor



Levy Estimates and Rates

The CPI factor is 0.8% down from 1.5% last year, the EAV for 2015 is projected at 107% of the 2014 amount and new construction is estimated at \$2.976 million based on preliminary data from the Lake County Assessor. The new construction represents a portion of the Target development partly because the businesses opened in late July 2015.

Levy Calculation and Estimates – Attachments A and B

Attachment A shows the calculation of the tax levy based on the maximum non-referendum tax levy which takes into account the CPI factor and estimated new construction.

The estimated maximum amount (under the Property Tax Limitation Act - PTELL) that could be levied is \$4,079,460 (including the Library portion) representing a 1.388% increase. While the Village is not legally limited by the tax caps since becoming home rule, the Village Board passed a resolution pledging to not increase the aggregate levy in excess of the amount that is allowed under the PTELL.

Part III, of Attachment A details the new dollars received, the percentage increase, and the tax rate changes compared to the 2014 extension. Under the estimated levy, the Village would realize \$43,717 and the Library \$12,130 for a total of \$55,847 new dollars while the **blended** tax rate would decrease from \$.839 to \$.795 per \$100 of EAV.

Attachment B shows the calculation of the tax levy based on estimated new construction only. The estimated levy amount under this scenario is \$4,047,083 (including the Library portion) representing a .583% increase. Please note that this does not assume that the Library would levy this lesser amount.

Part III, of Attachment A details the new dollars received, the percentage increase, and the tax rate changes compared to the 2014 extension. Under this estimated levy, the Village would realize \$18,372 new dollars foregoing \$25,345 tax dollars from the PTELL levy amount and the **blended** tax rate would decrease from \$.839 to \$.7886 per \$100 of EAV.

Special Levies and Levy Breakdown by Fund/Purpose – Attachments B

Attachment C shows the breakdown of the levy by fund/purpose with a comparison to previous years based on the PTELL levy. The shaded column shows the effect of the 2015 levy on the Village funds. Of the total new dollars projected under this allocation scenario, the General fund would realize \$26,527 or 1.22% increase over the 2014 extension.

The Police Pension Fund's levy requirement is levy consistent with the actuary's recommendation. The 2015 actuarial valuation calculates a recommended minimum Village contribution of \$650,024 up 1.5% from the contribution last year of \$640,595.

The Illinois Municipal Retirement Fund and Social Security levy allocations are based on a projection of the costs for FY2016-17 less usage of some of the excess fund balance reserves. The levy amounts of \$152,000 and \$195,700 respectively.

The total increase in the pension levies is \$17,190 or slightly less than the new dollars realized under the levy calculated using the new construction but not the CPI factor.

Library Property Tax Levy

The Library Board has not formally submitted its levy request yet; however, their Finance Committee met and agreed to recommend the PTELL levy amount of \$886,048 which represents a 1.388% increase over the 2014 tax extension

VILLAGE OF LAKE BLUFF

10-Nov-15

2015 PROPERTY TAX LEVY PRELIMINARY LEVY

I. Calculation of 2015 Estimated EAV & Historical Data

	2010	2011	2012	2013	2014	2015 Estimated
Village EAV	\$561,955,086	527,046,786	484,191,545	463,295,419	458,754,118	\$491,784,414
Sanctuary EAV	<u>\$23,944,748</u>	<u>24,208,168</u>	<u>22,308,618</u>	<u>20,968,093</u>	<u>20,764,619</u>	<u>\$21,387,558</u>
Total Village EAV	\$585,899,834	\$551,254,954	\$506,500,163	\$484,263,512	\$479,518,737	\$513,171,972
Shield's Township EAV	\$2,223,203,731	\$2,060,162,776	\$1,926,914,557	\$1,781,099,584	\$1,690,026,662	\$1,639,325,862
Village % of Township	26.35%	26.76%	26.29%	27.19%	28.37%	31.30%
New Construction Value Annexed Property	\$3,063,550	\$3,106,704	\$967,961	\$2,877,031	\$1,378,812	\$2,976,000
Property Tax Extension	\$3,506,600	\$3,573,377	\$3,694,381	\$3,789,757	\$3,862,737	
Sanctuary Extension	<u>\$136,964</u>	<u>\$150,333</u>	<u>\$156,160</u>	<u>\$157,470</u>	<u>\$160,876</u>	
Total Village Extension	\$3,643,564	\$3,723,710	\$3,850,542	\$3,947,227	\$4,023,613	\$0
Tax Rate	0.624	0.678	0.763	0.818	0.842	0.000
Sanctuary Rate	0.572	0.621	0.700	0.751	0.775	0.000

II. Calculation of Maximum Tax Levy**A. Tax Cap Calculation - PTELL MAXIMUM****YEAR 2015 ESTIMATE**

	<u>CPI Factor 0.8%</u>	0.80%	
STEP 1: Prior year Extension less debt * CPI factor			
2014 Extension	\$4,023,613	\$4,055,802	
STEP 2: Tax Rate Maximum=New Extension (less debt) Divided by Estimated EAV less New Construction		\$510,195,972	
Maximum Tax Rate with CPI (Step 1 divided by Step 2)		0.7949 PTELL Limiting Rate	
STEP 3: Rate * Total EAV = Total levy (less debt)		\$4,079,460	MAXIMUM
STEP 4: Total Maximum Levy		\$4,079,460	1.388% % Increase
STEP 5: Add G.O. Debt Payments	ABATED	\$0	
STEP 6: Total Maximum Levy & Tax Rate		\$4,079,460	0.7949

III. Comparison 2014 & 2015 Levy - VILLAGE**A. PTELL Maximum**

	2014 Tax Ext	2015 Tax Max	2015 Estimate	\$ Change	% Change
Levy Before Debt	\$3,149,695	\$3,193,412	\$3,193,412	\$43,717	1.388%
Debt Levy	\$0	\$0		\$0	
Abatement	\$0	\$0		\$0	
Total Levy	\$3,149,695	\$3,193,412	\$3,193,412	\$43,717	1.388%

IV. Library Levy Estimates					
	2014 Extension	2015 Max	2015 Estimate	\$ Increase	% Change
Amount Allowed per Tax Cap	\$873,918	\$886,048	\$886,048	\$12,130	1.388%
TOTAL LEVY	\$4,023,613	\$4,079,460	\$4,079,460	\$55,847	1.388%

VILLAGE OF LAKE BLUFF

10-Nov-15

2015 PROPERTY TAX LEVY PRELIMINARY LEVY

WITH NO CPI FACTOR

I. Calculation of 2015 Estimated EAV & Historical Data

	2010	2011	2012	2013	2014	2015 Estimated
Village EAV	\$561,955,086	527,046,786	484,191,545	463,295,419	458,754,118	\$491,784,414
Sanctuary EAV	<u>\$23,944,748</u>	<u>24,208,168</u>	<u>22,308,618</u>	<u>20,968,093</u>	<u>20,764,619</u>	<u>\$21,387,558</u>
Total Village EAV	\$585,899,834	\$551,254,954	\$506,500,163	\$484,263,512	\$479,518,737	\$513,171,972
Shield's Township EAV	\$2,223,203,731	\$2,060,162,776	\$1,926,914,557	\$1,781,099,584	\$1,690,026,662	\$1,639,325,862
Village % of Township	26.35%	26.76%	26.29%	27.19%	28.37%	31.30%
New Construction Value Annexed Property	\$3,063,550	\$3,106,704	\$967,961	\$2,877,031	\$1,378,812	\$2,976,000
Property Tax Extension	\$3,506,600	\$3,573,377	\$3,694,381	\$3,789,757	\$3,862,737	
Sanctuary Extension	<u>\$136,964</u>	<u>\$150,333</u>	<u>\$156,160</u>	<u>\$157,470</u>	<u>\$160,876</u>	
Total Village Extension	\$3,643,564	\$3,723,710	\$3,850,542	\$3,947,227	\$4,023,613	\$0
Tax Rate	0.624	0.678	0.763	0.818	0.842	0.000
Sanctuary Rate	0.572	0.621	0.700	0.751	0.775	0.000

II. Calculation of Maximum Tax Levy**A. Tax Cap Calculation - PTELL MAXIMUM****YEAR 2015 ESTIMATE**

		CPI Factor 0.8%	0.00%
STEP 1: Prior year Extension less debt * CPI factor			
	2014 Extension	\$4,023,613	\$4,023,613
STEP 2: Tax Rate Maximum=New Extension (less debt) Divided by Estimated EAV less New Construction		\$510,195,972	
Maximum Tax Rate with CPI (Step 1 divided by Step 2)		0.7886 PTELL Limiting Rate	
STEP 3: Rate * Total EAV = Total levy (less debt)		\$4,047,083	MAXIMUM
STEP 4: Total Maximum Levy		\$4,047,083	0.583% % Increase
STEP 5: Add G.O. Debt Payments	ABATED	\$0	0.583% % Increase
STEP 6: Total Maximum Levy & Tax Rate		\$4,047,083	0.7886

III. Comparison 2014 & 2015 Levy - VILLAGE**A. PTELL Maximum**

	2014 Tax Ext	2015 Tax Max	2015 Estimate	\$ Change	% Change
Levy Before Debt	\$3,149,695	\$3,168,067	\$3,168,067	\$18,372	0.583%
Debt Levy	\$0	\$0		\$0	
Abatement	\$0	\$0		\$0	
Total Levy	\$3,149,695	\$3,168,067	\$3,168,067	\$18,372	0.583%

IV. Library Levy Estimates					
	2014 Extension	2015 Max	2015 Estimate	\$ Increase	% Change
Amount Allowed per Tax Cap	\$873,918	\$879,016	\$879,016	\$5,098	0.583%
TOTAL LEVY	\$4,023,613	\$4,047,083	\$4,047,083	\$23,470	0.583%

**VILLAGE OF LAKE BLUFF
COMPARISON OF PROPERTY TAX LEVIES 2011-2015**



FUND TITLE	PROPERTY TAX 2011 EXT (FY12-13)	PROPERTY TAX 2012 EXT (FY13-14)	PROPERTY TAX 2013 EXT (FY14-15)	PROPERTY TAX 2014 EXT (FY15-16)	PROPERTY TAX 2015 EXT (FY16-17)	\$ INC/(DEC) 2014 Extension to 2015 Levy	% INC/(DEC)	% of Total Levy
01 General Fund	\$1,932,133	\$2,087,921	\$2,160,295	\$2,169,085	\$2,195,612	\$26,527	1.22%	49.53%
Debt Service Abatement	\$0	\$0	\$0	\$0	\$0	\$0	N/A	0.00%
General Fund Total Tax	\$1,932,133	\$2,087,921	\$2,160,295	\$2,169,085	\$2,195,612	\$26,527	1.22%	49.53%
07 IL Municipal Retirement	192,939	172,210	150,122	150,003	152,000	\$1,997	1.33%	7.47%
14 Social Security Fund	242,552	197,535	179,177	190,004	195,700	\$5,696	3.00%	8.56%
16 Liability Insurance Fund	0	0	0	0	0	\$0	N/A	0.00%
62 Police Pension Fund	551,255	557,150	605,329	640,603	650,100	\$9,497	1.48%	11.68%
Subtotal-Village	\$2,918,879	\$3,014,816	\$3,094,923	\$3,149,695	\$3,193,412	\$43,717	1.39%	77.24%
80 Library Fund	744,267	763,094	777,654	797,398	807,598	\$10,200	1.28%	20.90%
80 Library IMRF	32,887	40,704	41,925	42,975	44,050	\$1,075	2.50%	1.07%
80 Library FICA	27,677	31,927	32,725	33,545	34,400	\$855	2.55%	0.78%
39 1998 G.O. Bond & Interest	0	0	0	0	0	\$0	N/A	0.00%
Library	\$804,831	\$835,725	\$852,304	\$873,918	\$886,048	\$12,130	1.39%	22.76%
TOTAL EXTENSION/LEVY	\$3,723,710	\$3,850,541	\$3,947,227	\$4,023,613	\$4,079,460	\$55,847	1.39%	100.00%

Residential property represents 90.6% of the total EAV of the Village.
Commercial, industrial, farm and railroad property combined EAV represents 9.4%.

