

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – **November 12, 2015**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Thursday, November 12, 2015 at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Steve Christensen, Chairman
Trustee Mark Dewart, Member
Trustee Barbara Ankenman, Member

Others Present: Kathleen O'Hara, Village Board President
R. Drew Irvin, Village Administrator
Susan Griffin, Finance Director
Marlene Scheibl, Assistant Finance Director

II. Approval of Minutes

Member Dewart moved to approve the minutes of the October 31, 2015 meeting as presented; seconded by Member Ankenman and approved unanimously on a voice vote.

III. Business Items

1. Discussion Regarding 2015 Property Tax Levy Estimates

Director Griffin presented amended 2015 property tax levy schedules without the CPI factor. She noted that the CPI factor for the 2015 property tax levy is 0.8%, down from 1.5% for 2014. The EAV for 2015 is projected at 107% of the 2014 amount and new construction is estimated as \$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. 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. 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.

A levy based on estimated new construction only is estimated at \$4,047,083 (including the Library portion) representing a .583% increase. This does not assume the Library would levy this lesser amount. 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. The forfeiture of the \$25,345 tax dollars for this tax levy would result in the loss of approximately \$32,000 next year and \$49,000 the following year. Discussion ensued regarding the property tax levy amount. President O'Hara remarked that there continues to be uncertainty regarding the impact to municipal shared revenues as the State has not passed a FY15-16 budget and the Senate will not be back in session until after the holidays. Director Griffin said that sales tax revenue is expected to exceed property tax revenue for the first time since 2008-09; however, with 80% of the sales tax revenue from auto sales this source can have a significant impact on the Village finances in a downturn. Member Dewart commented that the Village has a list of important capital projects exceeding \$10 million. Chairman Christensen noted there is still a long way to go to fund the Police Pension Plan. President O'Hara said if the levy is based only on new construction without the CPI factor, the Village will lose out on approximately \$106,000 over 3

years. President O'Hara said based on the volatility of the state and the projects that need to be done the Village needs to prioritize those projects based on available funds. VA Irvin said for two years the Village has been focused on lowering reliance on the property tax by promoting the location of sales tax generating businesses into the community. Chairman Christensen stated the Village should hold off on foregoing any levy dollars until there is a better understanding of capital needs. VA opined that capital projects financing doesn't get any lower because the cost of construction always increases.

Member Dewart made a motion to recommend to the Village Board to affirm the estimated levy as read in the first reading; seconded by Member Ankenman and all members voted aye.

IV. Next Meeting

The next meeting will be scheduled as needed.

V. Adjournment

Member Dewart made a motion to adjourn the meeting at 7:10 PM; seconded by Member Ankenman and all members voted aye.

Respectfully submitted,

Marlene Scheibl
Assistant Director of Finance