

**VILLAGE OF LIBERTYVILLE  
2014 TAX LEVY PUBLIC HEARING**

**INFORMATION GUIDE**

**Tax Levy Process**

In order to collect a property tax, government agencies in the State of Illinois are required to establish a "tax levy". The tax levy is a projection of the monies the government agency obtains through the annual property tax. The Libertyville Village Board adopts a property tax levy by ordinance, and files the ordinance with the Lake County Clerk by the last Tuesday in December. The funds identified in the tax levy and collected through the property tax are utilized by the Village, along with other revenue sources, to fund the Village Budget.

One of the more difficult aspects to understand regarding the property tax system in Illinois pertains to its timing. The Village's 2014 tax levy will be incorporated in the property tax bills property owners receive in 2015, and will be used by the Village to fund a portion of the 2015-2016 Village Budget (the Village operates on a May 1 through April 30 fiscal/budget year). The tax levy ordinance adopted by the Village is filed with the Lake County Clerk, whose office determines the "tax rate" needed to raise the dollars levied by the Village. The Village levies in dollars rather than a specific tax rate. As a result, the Village does not receive any additional dollars if the assessed valuation of property in the Village increases or decreases. Rather, the amount of the Village tax levy remains the same, and is spread over a greater or lesser total assessed valuation of property (which results in a decrease or increase in the actual Village tax rate). For the 2014 tax levy, the total assessed valuation is expected to increase approximately 1% which should lower the increase in the actual tax rate since the dollar amount of the levy is spread over a larger assessed valuation.

It is difficult to determine the amount of a tax levy due to the fact that the actual dollars collected from the 2014 tax levy are not received until fiscal year 2015-16, for which the Village has not yet considered an annual budget. In order to determine an accurate projection of dollars needed by the tax levy, the Village Board and Staff utilize a long term financial plan, and have already begun general discussions for the preparation of the 2015-16 Village Budget.

The property tax rate is determined by the Lake County Clerk and appears on the property owner's property tax bill. The tax rate is applied to the property's assessed valuation, which determines the amount of money the taxpayer pays to the Village of Libertyville and other taxing agencies. Property owners in the Village of Libertyville will note that the Village is only one of many taxing bodies which appear on the annual property tax bill.

**Proposed 2014 Village Tax Levy**

After reviewing optional levies, the Village Board is considering a 2014 net tax levy in the amount of \$7,287,734 which would include a levy of \$143,000 for the Village's payment to the Special Recreation Association. Legislation was passed in 2003 which allowed this portion to be levied outside the tax cap. This proposed tax levy represents a 6.6% increase over the extended 2013 Village property tax levy of \$6,834,426. The Village Staff anticipates that the estimated 2014 levy would result in a property tax rate of \$0.692. The increase includes funding for repayment of the road bonds that were issued in 2012, 2013 and 2014.

TAX LEVY COMPARISON – 2013 & 2014

FUND	2013 EXTENDED LEVY			2014 PROPOSED	
	LEVY	EXTENSION	RATE	LEVY	RATE
CORPORATE	845,000	845,151	0.081	835,000	0.079
FIRE	825,000	824,283	0.079	815,000	0.077
STREETS/BRIDGES*	825,000	521,698	0.050	815,000	0.077
PARKS	375,000	375,623	0.036	374,000	0.035
RECREATION	375,000	375,623	0.036	374,000	0.035
IMRF/FICA	380,000	375,623	0.036	375,000	0.036
Sub-Total General Fund	3,625,000	3,318,001	0.318	3,588,000	0.340
POLICE PENSION	1,352,000	1,356,415	0.130	1,480,000	0.140
FIRE PENSION	1,137,000	1,137,302	0.109	1,180,000	0.112
Sub-Total Pensions	2,489,000	2,493,717	0.239	2,660,000	0.252
less Township R & B abatement				304,000	0.029
Sub-total General & Pensions (Tax Cap)	6,114,000	5,811,718	0.557	5,944,000	0.564
TWP ROAD/BRIDGE	0	0	0.000	304,000	0.029
SRA	143,000	146,075	0.014	143,000	0.014
BONDS(See Below)	3,531,800	3,531,800	0.338	3,590,492	0.341
GROSS LEVY (Truth In Taxation)	9,788,800	9,489,593	0.909	9,981,492	0.947
BOND ABATEMENT	2,655,347	2,655,347	0.254	2,389,758	0.227
TWP ROAD/BRIDGE	302,134	0	0.000	304,000	0.029
NET VILLAGE LEVY	6,831,319	6,834,246	0.655	7,287,734	0.692

\* For comparison purposes, the Township levies are combined.

BONDS	2013		2014	
	Levy	Extended	Levy	Extended
Sports Complex (2004 Refunding)	261,273	0	0	0
Water/Sewer (2006 Alt Revenue)	333,833	0	0	0
Adler Pool ( 2008 Ltd Tax Refunding)	213,378	213,378	217,853	217,853
Sports Complex (2010A Refunding)	548,255	0	546,005	0
Sports Complex (2010B Taxable Refunding)	331,713	0	331,613	0
Sports Complex (2010C Refunding)	581,755	0	586,975	0
Sales Tax (2010D-Bolander Refunding)	76,590	0	75,190	0
Road Bonds (2012A GO Bond)	299,325	299,325	305,425	305,425
Water/Sewer (2012B Alt Revenue)	245,900	0	247,700	0
Road Bonds (2013A GO Bond)	353,053	353,053	355,488	355,488
Water/Sewer (2013B Alt Revenue)	286,725	0	288,175	0
Water/Sewer (2014A Alt Revenue)	0	0	314,100	0
Road Bonds (2014B GO Bond)	0	0	321,968	321,968
Non collection addition 1% & rounding	0	10,697	0	0
	3,531,800	876,453	3,590,492	1,200,734

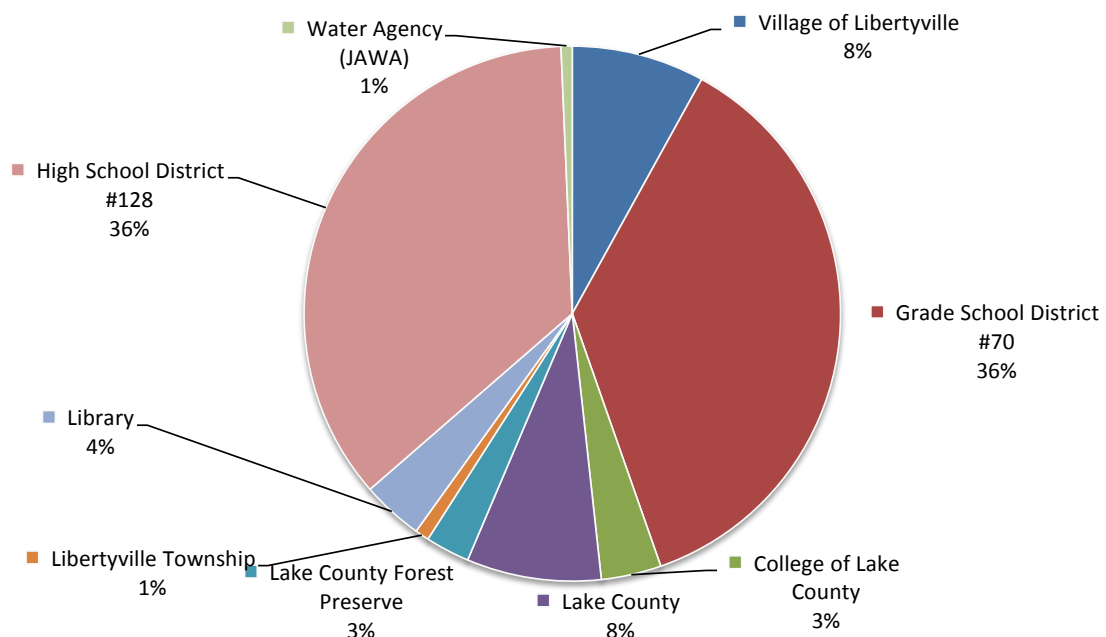
In attempting to determine the 2014 property tax levy, the Village Board has taken the following items into consideration:

- An increase of approximately 1% in the equalized assessed valuation of property within the Village.
- Requirements of the tax cap legislation.
- Projections contained in the Village Five Year Financial Plan.
- A desire to maintain General Fund balances and to maintain current service levels to Village taxpayers.

Due to the fact that the gross 2014 estimated tax levy of \$9,981,492, which includes the township portion of the road and bridge levy, represents an increase greater than 5% compared to the 2013 gross levy (\$9,489,593), the Village is required to hold a public hearing and provide notice as required by the State of Illinois Truth-in-Taxation Act. Once the township road and bridge levy and the alternate revenue bonds are abated, the actual increase will be 6.6%. The Village Board has scheduled a Public Hearing at 8:00 p.m. on Tuesday, November 25, 2014 to discuss the 2014 tax levy and obtain public input.

### **Distribution of Your Property Tax Dollars**

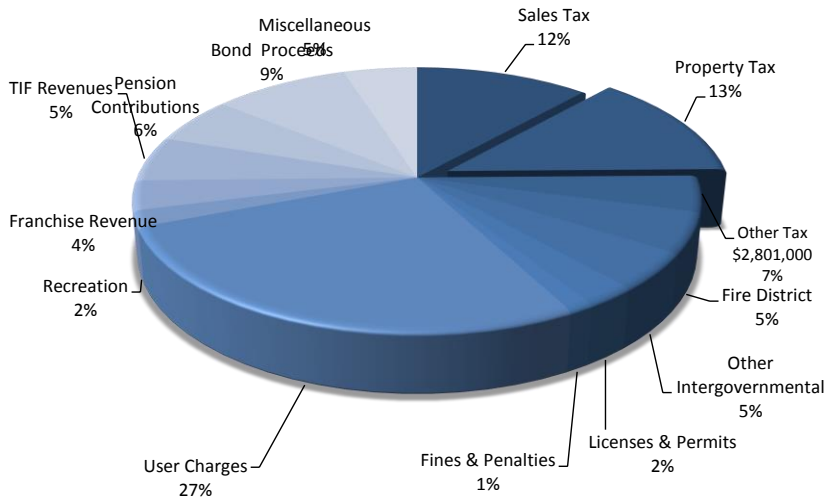
The Village of Libertyville is only one of many governmental taxing agencies which appear on a homeowner's real estate tax bill. As the following chart indicates, the Village's share of a homeowner's real estate tax bill is approximately 8% (based upon 2013 tax rates which were paid in calendar year 2014). The taxes for the other taxing bodies are distributed directly to them by the Lake County Treasurer. The Village does not have any input or decision making authority on the amount of taxes levied for these other taxing bodies.



**Village Revenues**

Real estate taxes represent one of many sources of revenue that are utilized to fund Village operations. In addition to receiving revenues from the tax levy, other major sources of revenue received and utilized by the Village include:

**2014-15 Budgeted Revenues**



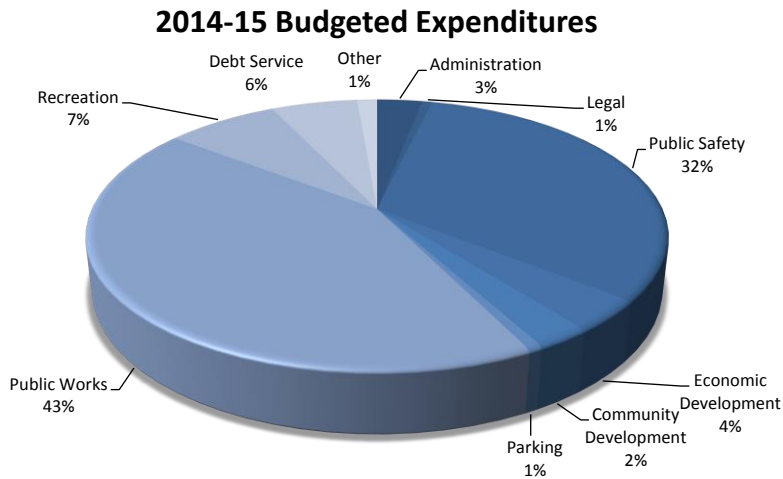
Sales Tax	\$6,370,000
Property Tax	\$7,167,220
Other Tax	\$2,403,725
Fire District	\$2,646,485
Other Intergovernmental	\$2,466,715
Licenses & Permits	\$1,358,000
Fines & Penalties	\$685,500
User Charges	\$14,697,660
Recreation	\$1,065,500
Franchise Revenue	\$1,964,000
TIF Revenues	\$3,000,000
Pension Contributions	\$3,162,500
Bond Proceeds	\$5,000,000
Miscellaneous	\$2,704,515
<b>Total Revenues</b>	<b>\$54,691,820</b>

Revenues received from real estate taxes represent approximately 13% of all Village revenues. In order to put the property tax levy in perspective, the estimated 2014 levy of \$7.3 million is less than half of the \$18.9 million it costs the Village to provide Police and Fire services.

**Total Village Expenditures**

The Village adopts an annual budget which is based on a fiscal year of May 1 through April 30. Village operations and services are organized by various funds contained within the Budget. These funds include the General Fund, Enterprise Funds, Debt Service, Capital Projects, and Pension Funds.

The General Fund includes Village operations such as Administration, Public Works (which includes Highways and Bridges and Engineering), Police, Fire, Parks and Recreation, and Community Development Departments. Enterprise Funds are established to account for the financing of self-supporting Village activities, which render services generally on a user-charge basis. The Village Enterprise Funds include services such as water, sewer and wastewater treatment and the Libertyville Sports Complex. Other funds include employee pension funds, capital projects funds (for capital improvements such as building improvements, infrastructure improvements, recreation facilities), and debt service funds (to pay for principal and interest associated with bonds).



Administration	\$1,788,120
Legal	\$394,000
Public Safety	\$18,976,645
Economic Development	\$2,209,000
Community Development	\$1,546,030
Parking	\$402,320
Public Works	\$25,343,090
Recreation	\$4,437,885
Debt Service	\$3,438,030
Other	\$795,860
<b>Total Expenditures</b>	<b>\$59,330,980</b>

Those Village services which are funded in part by real estate taxes include:

- public safety services (including police protection, fire protection and paramedic service, provided on a 24 hour a day basis and within a specific response time);
- public works construction and maintenance (streets, sidewalks, storm sewers, street lights, traffic signals, snow plowing);
- Parks and recreation services (construction and maintenance of playgrounds, operation and maintenance of two pools and Village golf course, recreation programs for all ages, and tree planting and tree maintenance service).

### How Much Do We Pay and How Do We Compare?

While both the tax levy and budgeting process can be complicated and somewhat difficult to understand, homeowners often focus on how these processes impact the dollar amount of their real estate tax bill. Based upon the estimated 2014 Village tax levy, the following comparison illustrates the impact of the 2014 levy and the amount of tax a Libertyville property owner will pay to the Village:

#### **IMPACT ON A LIBERTYVILLE HOMEOWNER**

(Assumes a 1% increase in the Equalized Assessed Valuation)

EAV is Approximately 1/3 Market Value

2013 EAV	2013 VILLAGE TAX	2014 ESTIMATE EAV	2014 EST TAX	DOLLAR INCREASE	% CHANGE
\$75,000	\$491	\$75,750	\$524	\$33	6.6%
\$100,000	\$655	\$101,000	\$698	\$43	6.6%
\$133,333	\$873	\$134,666	\$931	\$58	6.6%
\$200,000	\$1,310	\$202,000	\$1,397	\$87	6.6%

*The proposed 2014 Village tax levy will result in a 6.6% increase to a typical property owner's tax bill for the Village of Libertyville that will be paid in 2015 (does not include schools and other taxing bodies).*

In comparing to surrounding communities, the Village of Libertyville's tax rate compares very favorably. The following table compares Libertyville's 2013 tax rate (taxes paid in 2014) to surrounding communities noting several communities have a separate park and/or fire protection districts. Also shown is the amount of property tax paid for Village services on property with a value of \$400,000. Even with the tax increase approved to fund the road bonds, the Village's tax rate will still be one of the lowest of the surrounding communities.

Community	Village Rate	Fire District	Park District	Total Tax Rate	Taxes Paid on a \$400,000 Home
Mundelein	\$ 1.573	-	\$ 0.492	\$ 2.065	\$ 2,746
Grayslake	\$ 0.648	\$ 0.819	\$ 0.544	\$ 2.011	\$ 2,675
Deerfield	\$ 0.784	\$ 0.637	\$ 0.585	\$ 2.006	\$ 2,668
Buffalo Grove	\$ 0.983	-	\$ 0.537	\$ 1.520	\$ 2,022
Highland Park	\$ 0.785	-	\$ 0.497	\$ 1.282	\$ 1,705
Lake Forest	\$ 1.248	-	\$ -	\$ 1.248	\$ 1,660
Lake Bluff	\$ 0.751	.	\$ 0.481	\$ 1.232	\$ 1,639
Antioch	\$ 1.077	\$ -	\$ -	\$ 1.077	\$ 1,432
Vernon Hills	\$ -	\$ 0.597	\$ 0.445	\$ 1.042	\$ 1,386
Lincolnshire	\$ 0.241	\$ 0.786	-	\$ 1.027	\$ 1,366
<b>Libertyville</b>	<b>\$ 0.655</b>	-	-	<b>\$ 0.655</b>	<b>\$ 871</b>
Gurnee	-	-	\$ 0.514	\$ 0.514	\$ 684

## Extended Property Tax Levy

### 2009 Through 2013

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General/Corporate	\$ 782,453	\$ 809,254	\$ 851,636	\$ 885,033	\$ 845,151
Streets & Bridges	479,568	478,196	532,272	524,464	521,698
Fire Protection	694,112	747,947	792,494	830,402	824,283
Parks & Recreation	656,252	711,163	733,353	742,991	751,246
Pensions	2,549,284	2,587,161	2,578,564	2,698,805	2,869,340
Debt Service	189,303	220,706	224,737	327,790	876,453
Special Recreation	151,443	159,399	165,596	163,895	146,075
<b>Total Extended Levy</b>	<b>\$ 5,502,415</b>	<b>\$ 5,713,826</b>	<b>\$ 5,878,652</b>	<b>\$ 6,173,380</b>	<b>\$ 6,834,246</b>

