



CITY OF WASHINGTON, ILLINOIS
Committee of the Whole Agenda Communication

Meeting Date: November 14, 2022

Prepared By: Joanie Baxter, Finance Director
Jim Snider, City Administrator

Agenda Item: 2022 Tax Levy Discussion

Explanation: Discussion of the tax levy for the 2022 levy payable in 2023 will take place at the Committee of the Whole meeting. In addition, the following schedule will be followed:

Review Proposed Tax Levy	November 14, 2022
Resolution for Tentative Tax Levy	November 21, 2022
First Reading of Tax Levy Ordinance	December 5, 2022
Truth-In-Taxation Hearing, if required	December 12, 2022
Second Reading and Adoption	December 19, 2022
Deadline to File Tax Levy Ordinance	December 27, 2022

Please see attached for additional information in regard to the tax levy options.

Fiscal Impact: Necessary funding of the special levies including Police Pension, IMRF, Social Security/Medicare, Audit, Liability, Civil Defense as well as the Fire/Ambulance and General Corp levies in the General Fund. These are funds to be received in FY 2023-24.

Recommendation/Committee Discussion Summary: N/A

Action Requested: The Committee of the Whole is requested to reach a consensus as to the total tax levy to recommend for City Council approval. As part of the tax levy discussion, the Police Pension levy as recommended by the Police Pension Board will also be determined.

Proposed Tax Levy 2022 – Items to Note

- Property taxes typically account for less than 10% of total budgeted revenues (6.2% for FY22-23) – See Chart 1. The largest share (over 70%) of the City’s property tax levy is committed to retirement and pension benefit costs. Other levies include: liability insurance; audit services; emergency management, fire and ambulance and General Corp.
- For 2021 taxes payable in 2022, the City received, on average, approximately 5.92% of the total amount of property taxes paid by Washington residents. The City’s relative share varies slightly by elementary school district. Schools, including WCHS, grade schools and ICC received an average of about 76% of the total property taxes paid. See Chart 2.
- The tentative total equalized assessed valuation (EAV) for 2022 as indicated by the Tazewell County Supervisor of Assessments is **\$365,581,268**. Staff is adjusting this figure for potential Board of Review disputes to **\$365,000,000**. This represents a 3.88% increase in the EAV compared to the prior year EAV of \$351,363,677 and is the biggest increase since 2016.
- The special levies require an **increase in the tax levy of \$51,778**. This increase is due to increases in two of the three pension levies – \$21,989 increase for Police Pension, \$21 decrease for IMRF and \$14,978 increase for Social Security/Medicare. The Liability Insurance levy also increased by \$19,991 with decreases of \$5,031 in the Audit and Civil Defense levies, respectively.

Tax Levy Recommendation

Historically, the City has levied a tax for fire and ambulance which fully funded the contractual costs associated with these services. When Home Rule was adopted in 1998, the levy was changed to a General levy, even though the funds continued to be earmarked for the fire and ambulance contract. In recent years, two separate levies were established for Fire and Ambulance and this approach is continued with the current levy discussion. Contractual increases of \$18,521 are reflected in the calculations; however, only about 24% of the contract is funded through the tax levy.

Recommendation: It is the recommendation of Staff to take full advantage of the increase in the assessed valuation and levy accordingly. As such, the recommendation is to increase the overall levy equal to the increase in EAV with no change in overall tax rate. This would result in all special levies being fully funded as well as Fire and Ambulance levies and the Revenue Recapture remaining intact (this amount could change pending notification from Tazewell County expected November 15th). An additional amount of \$21,062 would be available to add to the General Corp levy. The total levy would increase by \$72,840 over the prior year and the tax rate would be projected to remain unchanged at \$.53476. **This results in an overall increase of 3.88% over the prior year levy amount and thus a Truth-in-Taxation Hearing is NOT required.**

Police Pension Fund Actuarial Study Results

The preliminary results of the actuarial study were reviewed with the Police Pension Board on November 7th by Jason Franken of Foster & Foster. The interest rate assumption of 6.75% remained unchanged as it is slightly lower than the one used by IPOPIF. Other assumptions were updated due to consolidation. The FY2021-22 interest yield based on a 5-year smoothed actuarial rate was 5.26% compared to 6.74% in the prior year. Even though the fund didn’t end up with a very favorable position at the end of the fiscal year, because of the 5-year smoothing, the effect of the actual yield based on the market value of -2.89% is minimized. The percent funded improved slightly from 61.2% to 62.4%. A total City contribution of \$742,087 is required and the Board approved the recommendation. This can be reduced by approximately \$32,000 in anticipated personal property replacement tax for a **recommended tax levy of \$710,100 for the Police Pension Fund.**

Historical Tax Rates

CITY OF WASHINGTON WASHINGTON, ILLINOIS																		
MUNICIPAL PROPERTY TAX RATE COMPARISON 1981 - 2022																		
TAX YR	GEN.	STREETS	POLICE	FIRE	AMB.	CEM.	WRKG CASH	ESDA	IMRF	SSI/ MC	POLICE PEN.	LIA. INS.	AUDIT	PUBLIC BENEFIT	BOND & INT.	REVENUE RECAP.	TOTAL RATE	
81	0.1819	0.0750	0.0655	0.0942	0.0000	0.0219	0.0000	0.0048	0.1862	0.0000	0.0917	0.0785	0.0096	0.0437	0.0994	0.0000	0.9524	
82	0.1875	0.0750	0.0657	0.0945	0.0000	0.0219	0.0000	0.0044	0.1713	0.0000	0.0920	0.0613	0.0111	0.0500	0.1084	0.0000	0.9431	
83	0.1204	0.0750	0.0750	0.1500	0.0000	0.0250	0.0462	0.0209	0.1908	0.0000	0.0971	0.0647	0.0099	0.0500	0.1155	0.0000	1.0405	
84	0.1875	0.0750	0.0750	0.1500	0.0000	0.0250	0.0480	0.0050	0.2089	0.0000	0.0803	0.0709	0.0102	0.0500	0.1284	0.0000	1.1142	
85	0.1875	0.0750	0.0750	0.1500	0.0000	0.0250	0.0493	0.0052	0.2682	0.0000	0.0822	0.0907	0.0121	0.0500	0.1419	0.0000	1.2121	
86	0.1875	0.0750	0.0750	0.1500	0.0000	0.0250	0.0500	0.0053	0.2655	0.0000	0.0897	0.1489	0.0130	0.0500	0.1558	0.0000	1.2907	
87	0.1875	0.0750	0.0750	0.1500	0.0000	0.0250	0.0500	0.0054	0.2594	0.0000	0.0588	0.1567	0.0140	0.0000	0.0000	0.0000	1.0568	
88	0.1875	0.0750	0.0750	0.1496	0.1484	0.0250	0.0500	0.0054	0.2699	0.0000	0.0592	0.1607	0.0145	0.0000	0.0000	0.0000	1.2202	
89	0.1875	0.0748	0.0748	0.1500	0.1476	0.0247	0.0000	0.0053	0.3064	0.0000	0.1096	0.1658	0.0154	0.0000	0.0000	0.0000	1.2619	
90	0.1875	0.0750	0.0750	0.1500	0.1500	0.0174	0.0000	0.0051	0.3299	0.0000	0.0827	0.1612	0.0157	0.0000	0.0000	0.0000	1.2495	
91	0.1833	0.0734	0.0734	0.1433	0.1845	0.0000	0.0000	0.0045	0.3105	0.0000	0.0657	0.1526	0.0150	0.0000	0.0000	0.0000	1.2062	
92	0.1728	0.0658	0.0658	0.1275	0.1591	0.0000	0.0000	0.0040	0.3061	0.0000	0.0764	0.1426	0.0144	0.0000	0.0000	0.0000	1.1345	
93	0.1810	0.0724	0.0724	0.1203	0.1451	0.0000	0.0000	0.0037	0.2721	0.0000	0.0816	0.1234	0.0138	0.0000	0.0000	0.0000	1.0858	
94	0.1787	0.0715	0.0715	0.1427	0.1371	0.0000	0.0000	0.0033	0.2495	0.0000	0.0398	0.1317	0.0112	0.0000	0.0000	0.0000	1.0370	
95	0.1802	0.0721	0.0721	0.1439	0.1307	0.0000	0.0000	0.0031	0.2179	0.0000	0.0308	0.1121	0.0109	0.0000	0.0000	0.0000	0.9738	
96	0.1692	0.0658	0.0658	0.1310	0.1192	0.0000	0.0000	0.0028	0.1960	0.0000	0.0404	0.0880	0.0104	0.0000	0.0000	0.0000	0.8886	
97	0.1514	0.0582	0.0582	0.1167	0.1063	0.0000	0.0000	0.0025	0.1914	0.0000	0.0370	0.0695	0.0108	0.0000	0.0000	0.0000	0.8020	
98	0.1032	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0023	0.1674	0.0000	0.0187	0.0586	0.0098	0.0000	0.0000	0.0000	0.3600	
99	0.0868	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0022	0.1755	0.0000	0.0202	0.0617	0.0103	0.0000	0.0000	0.0000	0.3567	
00	0.0798	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0020	0.1464	0.0000	0.0451	0.0584	0.0103	0.0000	0.0000	0.0000	0.3420	
01	0.0888	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0018	0.1316	0.0000	0.0518	0.0494	0.0090	0.0000	0.0000	0.0000	0.3424	
02	0.1008	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0019	0.1519	0.0000	0.0638	0.0484	0.0087	0.0000	0.0000	0.0000	0.3756	
03	0.0972	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0019	0.1465	0.0000	0.0616	0.0467	0.0085	0.0000	0.0000	0.0000	0.3624	
04	0.0898	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0018	0.1694	0.0000	0.0641	0.0431	0.0079	0.0000	0.0000	0.0000	0.3761	
05	0.0747	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0016	0.0769	0.0851	0.0586	0.0374	0.0080	0.0000	0.0000	0.0000	0.3423	
06	0.0891	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0015	0.0713	0.0870	0.0520	0.0336	0.0079	0.0000	0.0000	0.0000	0.3424	
07	0.1193	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0013	0.0687	0.0850	0.0545	0.0307	0.0112	0.0000	0.0000	0.0000	0.3706	
08	0.1220	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0012	0.0647	0.0795	0.0639	0.0333	0.0111	0.0000	0.0000	0.0000	0.3755	
09	0.1132	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0012	0.0721	0.0721	0.0888	0.0329	0.0103	0.0000	0.0000	0.0000	0.3906	
10	0.1113	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0011	0.0894	0.0762	0.0865	0.0356	0.0101	0.0000	0.0000	0.0000	0.4103	
11	0.1189	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0011	0.0958	0.0793	0.0793	0.0330	0.0099	0.0000	0.0000	0.0000	0.4173	
12	0.1178	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0011	0.0949	0.0785	0.0864	0.0327	0.0098	0.0000	0.0000	0.0000	0.4212	
13	0.1153	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0011	0.0977	0.0743	0.0941	0.0272	0.0096	0.0000	0.0000	0.0000	0.4192	
14	0.0863	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0011	0.1061	0.0839	0.1061	0.0257	0.0103	0.0000	0.0000	0.0000	0.4195	
15	0.1070	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0010	0.0995	0.0754	0.1101	0.0226	0.0097	0.0000	0.0000	0.0000	0.4253	
16	0.0570	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0010	0.1034	0.0786	0.1456	0.0262	0.0093	0.0000	0.0000	0.0000	0.4211	
17	0.0562	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0010	0.1077	0.0833	0.1539	0.0299	0.0083	0.0000	0.0000	0.0000	0.4402	
18	0.0965	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0010	0.0990	0.0847	0.1536	0.0299	0.0083	0.0000	0.0000	0.0000	0.4729	
19	0.0000	0.0000	0.0000	0.0247	0.0501	0.0000	0.0000	0.0012	0.0990	0.0846	0.1762	0.0287	0.0083	0.0000	0.0000	0.0000	0.4728	
20	0.0000	0.0000	0.0000	0.0246	0.0499	0.0000	0.0000	0.0012	0.1034	0.0903	0.1879	0.0286	0.0083	0.0000	0.0000	0.0000	0.4942	
21	0.0285	0.0000	0.0000	0.0245	0.0497	0.0000	0.0000	0.0012	0.1053	0.0911	0.1968	0.0270	0.0100	0.0000	0.0000	0.0017	0.5347	

Tax Levy Equalized Assessed Valuation (EAV)

			Increase/(Decrease) from prior yr. EAV
2002 RATE SETTING EAV	\$ 154,342,545	Actual	
2003 RATE SETTING EAV	167,136,747	Actual	8.3%
2004 RATE SETTING EAV	176,947,970	Actual	5.9%
2005 RATE SETTING EAV	201,006,532	Actual	13.6%
2006 RATE SETTING EAV	223,223,855	Actual	11.1%
2007 RATE SETTING EAV	250,528,233	Actual	12.2%
2008 RATE SETTING EAV	270,622,000	Actual	8.0%
2009 RATE SETTING EAV	291,456,522	Actual	7.7%
2010 RATE SETTING EAV	296,446,874	Actual	1.7%
2011 RATE SETTING EAV	302,711,642	Actual	2.1%
2012 RATE SETTING EAV	305,649,264	Actual	1.0%
2013 RATE SETTING EAV	312,276,092	Actual	2.2%
2014 RATE SETTING EAV	292,078,141	Actual	-6.5%
2015 RATE SETTING EAV	331,654,600	Actual	13.5%
2016 RATE SETTING EAV	343,361,222	Actual	3.5%
2017 RATE SETTING EAV	348,171,597	Actual	1.4%
2018 RATE SETTING EAV	348,418,651	Actual	0.1%
2019 RATE SETTING EAV (FY20-21)	348,552,322	Actual	0.0%
2020 RATE SETTING EAV (FY21-22)	349,930,355	Actual	0.4%
2021 RATE SETTING EAV (FY22-23)	351,363,677	Actual	0.4%
2022 RATE SETTING EAV (FY23-24)	365,581,268	Estimated	4.0%

PRELIMINARY ESTIMATES

FOR REVIEW AND DISCUSSION PURPOSES ONLY

2022 PROPERTY TAX LEVY--TAXES PAYABLE IN 2023

CITY OF WASHINGTON, ILLINOIS

2021 RATE SETTING EAV \$ 351,363,677 Actual

Increase in Rate Setting EAV 2021
to 2022 due to NEW BUILDING
AND DEVELOPMENT

\$ 971,450 Estimated

2022 PROJECTED Rate Setting EAV

\$ 365,000,000

Tentative

per Tazewell Co. as adjusted due to potential BOR reductions
(reported at 365,581,268)**3.88% Increase in EAV**

72,922 additional revenue due to increase in EAV

260,712	Total Fire & Amb. Levy
1,077,882	Total Fire & Amb. Contract
817,170	Other Sources
18,521	Incr. in contract

		2021	Tax rate remains unchanged (Total levy amount increase is equal to the increase in the special levies and Fire/Ambulance levy remains unchanged; additional \$21,062 for General Fund levy due to increase in EAV)	
LEVY	Extension		2022 Tax Levy	Proposed Change 21 to 22
<u>Retirement/Pension Levies</u>				
Police Pension	688,111		710,100	21,989
IMRF	370,021		370,000	(21)
SSI/Medicare	320,022		335,000	14,978
	1,378,154		1,415,100	36,946
<u>Other</u>				
Tort Judgments/Liability	95,009		115,000	19,991
Audit	35,031		30,000	(5,031)
Civil Defense	4,146		4,018	(128)
Fire	86,049		86,049	-
Ambulance	174,663		174,663	-
General Corporate Fund	100,033		121,095	21,062
Revenue Recapture	5,938		5,938	-
	500,869		536,763	35,894
GRAND TOTAL LEVY	\$ 1,879,023		\$ 1,951,863	\$ 72,840
TAX RATE	\$0.53478		\$0.53476 (Est.)	
TRUTH IN TAXATION HEARING REQUIRED				NO
Increase over prior year				3.88%

Estimated Increased Cost to Taxpayer with a:

ESTIMATED ADDITIONAL COST FOR CITY PORTION OF TAXES TO PROPERTY OWNER
PER EACH \$1,000 IN TOTAL 2022 PROPERTY TAXES PAID ==>

\$ (0.00)

Estimated Increased Cost to Taxpayer with a:

2022 Total Tax Bill of \$1,000	\$ (0.00)
2022 Total Tax Bill of \$2,000	\$ (0.00)
2022 Total Tax Bill of \$3,000	\$ (0.01)
2022 Total Tax Bill of \$4,000	\$ (0.01)
2022 Total Tax Bill of \$5,000	\$ (0.01)
2022 Total Tax Bill of \$7,500	\$ (0.02)
2022 Total Tax Bill of \$10,000	\$ (0.02)

Chart 1
Budgeted Revenues by Major Revenue Source
FY22-23

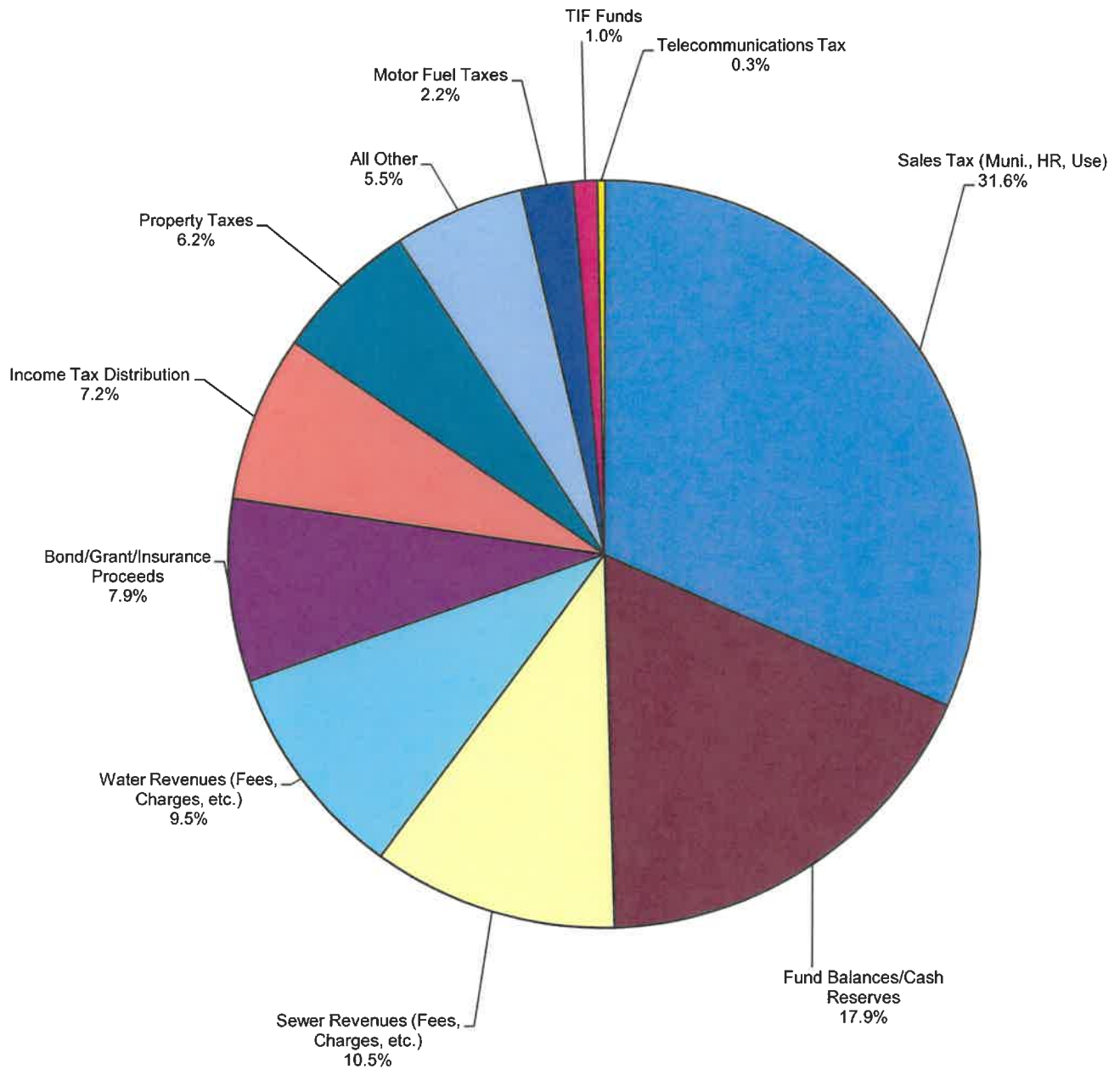


Chart 2

PROPERTY TAX DISTRIBUTION AMONG TAXING BODIES 2021 TAX RATES

<u>Taxing Body</u>	<u>Tax Rate</u>	<u>Percent of Total</u>	<u>Share/ \$1,000 in Taxes Paid</u>
Tazewell Co.	\$ 0.55443	6.13%	\$ 61.34
CITY OF WASHINGTON	0.53478	5.92%	59.16
WCHS Dist. 308	2.98690	33.04%	330.44
Washington Twp.	0.47107	5.21%	52.11
Grade School Dist. (Average)	3.35505	37.12%	371.17
Com. College 514 (ICC)	0.48799	5.40%	53.99
Washington Park Dist.	0.41555	4.60%	45.97
Washington Lib. Dist.	0.23343	2.58%	25.82
	\$ 9.03920	100.00%	\$ 1,000.00

