



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: December 5, 2022

Prepared By: Joanie Baxter, CPA – Finance Director *JB*

Agenda Item: First Reading – Ordinance Levying the Annual 2022 Municipal Property Tax

Explanation: A Resolution setting the Tentative Tax Levy for 2022 was approved on November 21, 2022 in the amount of \$1,951,863 which is a 3.88% increase over the 2021 extended levy. As such, a public hearing is not required. This increase is equal to the projected increase in the Equalized Assessed Valuation (EAV) and thus the tax rate is anticipated to remain unchanged at \$.53476.

The levy included an amount for Police Pension that was determined by the actuarial study completed in early November. At this time, the audit was not complete but in order to have discussion by the Police Pension Board and the City Council in regard to the levy – we used preliminary numbers. Last week we were notified of a prior period adjustment that was required due to a different interpretation and application of a GASB standard by the new auditors that affected the Police Pension Fund and as such, the actuarial numbers had to be recalculated. The result is that the Police Pension Fund levy needs to be increased by \$55,900 in order to meet required funding under the Standard and as such, the General Corp. levy will be reduced by \$55,900 as well in order to keep the total levy amount unchanged at \$1,951,863.

The effect of making this adjustment to the Police Pension Fund will be to recognize contribution revenue at a later time which will essentially frontload rather than backload the pension liability requirements.

Please note that the overall levy is only increasing \$72,840 and special levies are increasing \$107,678, thus the need to decrease the General Corp. levy accordingly.

Fiscal Impact: Funds received as needed for FY23-24 for the special levies and Fire and Ambulance levy. The General Corp. levy has been decreased by \$34,838 due to the elimination of the Revenue Recapture levy (\$5,938) and the reduction as a result of the required increase to the Police Pension Fund levy (\$28,900).

Recommendation/Committee Discussion Summary: Committee of the Whole concurred with Staff recommendation and City Council approved Truth-In-Taxation Resolution.

Action Requested: Approval during Second Reading on December 19th. Tax Levy must be certified to the County by December 27th.

REVISED FROM AMENDED ACTUARIAL RESULTS
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)

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

3.88% Increase in EAV

72,922 additional revenue due to increase in EAV

LEVY

Retirement/Pension Levies

Police Pension	688,111
IMRF	370,021
SSI/Medicare	320,022
	<u>1,378,154</u>

Other

Subtotal

Tort Judgments/Liability	95,009
Audit	35,031
Civil Defense	4,146
Fire	86,049
Ambulance	174,663
General Corporate Fund	100,033
Revenue Recapture	5,938
	<u>500,869</u>

Subtotal

GRAND TOTAL LEVY \$ 1,879,023

TAX RATE \$0.53478

TRUTH IN TAXATION HEARING REQUIRED

Increase over prior year

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)

Tax rate remains unchanged (Total levy amount increase is equal to the increase in the special levies and Fire/Ambulance levy remains unchanged; General Fund levy decreases \$28,900 levy due to increase in EAV)		
2022 Tax Levy	Proposed Change 21 to 22	
766,000	77,889	
370,000	(21)	
335,000	14,978	
<u>1,471,000</u>	<u>92,846</u>	
115,000	19,991	
30,000	(5,031)	
4,018	(128)	
86,049	-	
174,663	-	
71,133	(28,900)	
-	(5,938)	
<u>480,863</u>	<u>(20,006)</u>	
\$ 1,951,863	\$ 72,840	1,951,863
\$0.53476 (Est.)		
	NO	
	3.88%	

ORDINANCE NO. _____

**AN ORDINANCE LEVYING THE ANNUAL 2022 MUNICIPAL PROPERTY TAX FOR
THE CITY OF WASHINGTON,
COUNTY OF TAZEWELL, STATE OF ILLINOIS
(Taxes paid in 2023)**

WHEREAS, the City of Washington, Tazewell County, Illinois, an Illinois home rule unit of government (the “City”) has adopted the municipal budgeting process as set forth in Sections 8-2-9.1 through 8-2-9.9 of the Illinois Municipal Code (65 Illinois Compiled Statutes 5/8-2-9.1 through 5/8-2-2.9) and

WHEREAS, the City has determined that the total amount to be levied and collected for tax year 2022 is the sum of One Million, Nine Hundred Fifty-One Thousand, Eight Hundred Sixty-Three Dollars (\$1,951,863) (the “Levied Amount”), said sum to be levied upon all real property subject to taxation within the City, and

WHEREAS, the City Council of the City (the “Council”) finds that it is necessary that the Levied Amount be levied so that the City can meet its budget and properly provide for its necessary financial obligations, and

WHEREAS, on or about November 21, 2022 the City did determine the amount it proposed to levy for tax year 2022 and did further determine that said tentative levy did not require a public hearing in compliance with Section 4 through Section 7 of the Illinois Truth-in-Taxation Act.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS, an Illinois home rule unit of government, as follows:

Section 1. Determination of Total Amount to be Levied. The total amount of money legally required for all corporate purposes and to be collected from the 2022 tax levy (taxes paid in 2023) is hereby ascertained to be the Levied Amount.

Section 2. Adoption of Levy for the Fiscal Year. The Levied Amount, being the amount legally required and to be collected from the 2022 tax levy for all Corporate purposes of said City, be, and the same is hereby levied upon all of the taxable property within the City subject to taxation for the current year, the specific amounts levied for the various funds hereinafter named and in total being as follows:

General Corporate Fund	\$ 71,133
Fire Fund	\$ 86,049
Ambulance Fund	\$ 174,663
Civil Defense Fund	\$ 4,018
Audit Fund	\$ 30,000
Liability Fund	\$ 115,000
Illinois Municipal Retirement Fund	\$ 370,000
Social Security/Medicare	\$ 335,000
Police Pension Fund	\$ 766,000
 TOTAL	 \$1,951,863

Section 3. Authorization for Levy and Assessment of Tax. The Levied Amount ascertained as aforesaid, be, and the same is hereby levied and assessed upon all property subject to taxation within the City according to the value of said property as the same is assessed and equalized for State and County purposes for the current year.

Section 4. City Clerk to Certify a Copy of Ordinance to County Clerk. The City Clerk of the City is hereby authorized and directed to certify a copy of this ordinance to the County Clerk of Tazewell County, Illinois on or before December 27, 2022. Further there is hereby certified to the County Clerk, the several sums aforesaid, constituting in total the Levied Amount as specified hereinabove, which said Levied Amount the City requires to be raised by taxation.

Section 5. Home Rule Authority. This tax levy ordinance is adopted pursuant to the procedures set forth in the Illinois Municipal Code; provided, however, any tax rate limitation or any other substantive limitation 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 of 1970.

Section 6. Effective Date. This ordinance shall be effective immediately upon its passage and approval.

ADOPTED this _____ day of _____, 2022 pursuant to a roll call as follows:

Ayes: _____

Nays: _____

APPROVED this _____ day of _____, 2022.

Mayor

ATTEST:

City Clerk