



## CITY OF WASHINGTON, ILLINOIS

### City Council Agenda Communication

**Meeting Date:** December 4, 2023

**Prepared By:** Joanie Baxter, CPA – Finance Director *JJB*  
Jim Snider – City Administrator

**Agenda Item:** Ordinance Levying the Annual 2023 Municipal Property Tax

**Explanation:** A Resolution setting the Tentative Tax Levy for 2023 was approved on November 20, 2023 in the amount of \$2,116,155. This represents an 8.41% increase over the 2022 extended levy and as such, a public hearing is required and will take place on December 4, 2023. 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 \$.53506. This means that based on these assumptions, the CITY PORTION of the tax levy will NOT increase.

The tax levy funds the special levies as required, but please note that most have excess reserves that can be drawn from and as such, the levies for these funds are proposed to stay the same as the current year or be reduced in accordance with anticipated expenses.

The Police Pension Fund required contribution is an increase of \$64,485 over the 2022 levy. In addition, because of a trend of decreasing funded ratios and an attempt to mitigate the significantly increased contributions that are anticipated to be necessary to meet the 90% by 2040 mandated funded ratio, the Police Pension Board requested that the City Council consider an additional contribution to the Fund. Because of the increase in the EAV which allows for additional levy amounts without increasing the tax rate, an additional \$100,000 is proposed to be levied for the Police Pension Fund for the 2023 levy.

Because of the increase in the EAV - the total additional levy that can be added to the total levy without increasing the tax rate is \$164,143. The total increase for Police Pension Fund including the additional levy amount is \$164,485. The decrease in the required IMRF and other levies can be added to the General Fund levy, bringing the total to \$92,900 for General-Corp. Fire and Ambulance levies are proposed to remain unchanged.

**Fiscal Impact:** Funds received as needed for FY24-25 for the special levies with no change in the Fire and Ambulance levies. The General Corp. levy has been increased by \$21,760, which provides the most flexibility in the use of the funds. An additional \$100,000 will be provided for the Police Pension levy in addition to what is required based on the actuarial study.

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

**Action Requested:** Approval during Second Reading on December 18, 2023. Tax Levy must be certified to the County by December 26<sup>th</sup>.

## PRELIMINARY ESTIMATES

### 2023 PROPERTY TAX LEVY--TAXES PAYABLE IN 2024

## 2022 RATE SETTING EAV

**\$ 364,821,153**

**Actual**

### Increase in Rate Setting EAV 2022

to 2023 due to NEW BUILDING

## AND DEVELOPMENT

**\$ 2,595,630**

**Estimated**

### 2023 PROJECTED Rate Setting EAV

**\$ 395,500,000**

## Tentative

per Tazewell Co. as adjusted due to potential BOR reductions

(reported at 396,223,807)

**8.41% Increase in EAV**

**164,143** additional revenue due to increase in EAV

**LEVY**  
**Retirement/Pension Levies**  
 Police Pension  
 Police Pension - extra  
 IMRF  
 SSI/Medicare

Other

**Subtotal**

## **Tort Judgments/Liability**

## Audit

## Civil Defense

## Fire

## Ambulance

## General Corporate Fund

**Subtotal****GRAND TOTAL LEVY****TAX RATE**

## TRUTH IN TAXATION HEARING REQUIRED

**Increase over prior year**

### ESTIMATED ADDITIONAL COST FOR CITY PORTION OF TAXES TO PROPERTY OWNER

**Estimated Increased Cost to Taxpayer with a:**

## 2023 Total Tax Bill of \$1,000

## 2023 Total Tax Bill of \$2,000

## 2023 Total Tax Bill of \$3,000

## 2023 Total Tax Bill of \$4,000

## 2023 Total Tax Bill of \$5,000

## 2023 Total Tax Bill of \$7,500

## 2023 Total Tax Bill of \$10,000

[illegible]

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE LEVYING THE ANNUAL 2023 MUNICIPAL PROPERTY TAX FOR  
THE CITY OF WASHINGTON,  
COUNTY OF TAZEWELL, STATE OF ILLINOIS  
(Taxes paid in 2024)**

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 2023 is the sum of Two Million, One Hundred Sixteen Thousand, One Hundred Fifty-Five Dollars (\$2,116,155) (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 20, 2023, the City did determine the amount it proposed to levy for tax year 2023 and did further determine that said tentative levy did 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 2023 tax levy (taxes paid in 2024) 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 2023 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	\$ 92,900
Fire Fund	\$ 86,061
Ambulance Fund	\$ 174,676
Civil Defense Fund	\$ 4,018
Audit Fund	\$ 30,000
Liability Fund	\$ 115,000
Illinois Municipal Retirement Fund	\$ 348,000
Social Security/Medicare Tax Fund	\$ 335,000
Police Pension Fund	\$ <u>930,500</u>
 TOTAL	 \$ <u>2,116,155</u>

**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 26, 2023. 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 \_\_\_\_\_, 2023 pursuant to a roll call as follows:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk