



CITY OF WASHINGTON, ILLINOIS
Committee of the Whole Agenda Communication

Meeting Date: November 10, 2025

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

Agenda Item: 2025 Tax Levy Discussion

Explanation: Discussion of the tax levy for the 2025 levy payable in 2026 will take place at the Committee of the Whole meeting. In addition, the following schedule will be followed:

Review Proposed Tax Levy	November 10, 2025
Resolution for Tentative Tax Levy	November 17, 2025
First Reading of Tax Levy Ordinance	December 1, 2025
Truth-In-Taxation Hearing, if needed	December 8, 2025
Second Reading and Adoption	December 15, 2025
Deadline to File Tax Levy Ordinance	December 23, 2025

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 2026-27.

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. As part of the tax levy discussion, the Police Pension levy as recommended by the Police Pension Board will also be determined. If anyone has questions that would be helpful to have answered before the meeting – please feel free to contact me.

Proposed Tax Levy 2025 – Items to Note

- Property taxes typically account for about 8-10% of total **governmental** revenues. The largest share (over 68%) of the City's proposed 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 2024 taxes payable in 2025, the City received, on average, approximately **6.17%** 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 75.6% of the total property taxes paid.
- The tentative total equalized assessed valuation (EAV) for 2025 as indicated by the Tazewell County Supervisor of Assessments is **\$474,566,809**. Staff is adjusting this figure for potential Board of Review disputes based on historical data to **\$474,000,000**. As adjusted, this represents a **10.49% increase in the EAV** compared to the 2024 final EAV of \$429,006,947. The additional revenue that can be generated because of this increase in the EAV is \$240,935.
- This is the third consecutive year of an over 8% increase in the EAV and thus I reached out to April Morgan with the Township Assessor's Office to discuss. April indicated that once again, an equalization factor has been applied as required by the State of Illinois. The main driving force behind the increase continues to be the real estate market in which houses are being purchased well over the asking price, in turn increasing the values. Values are reviewed and equalized on a 3-year lookback period, so this real estate dynamic is continuing to affect values which as a result has increased the City's overall EAV. As a result, there have been equalization factors applied for the first time in a decade or so with the last three years being 2.5%, 7.03%, and 7.79%. The equalization factor applied this year is 9.5% with the other approximately 1.0% increase in the EAV being from new development. April did tell me that notices only go out to residents for the quadrennial reassessment as was done last year, or if an individual property has a reassessment.
- The special funds, including the Police Pension Fund, require a net increase of \$94,901.
- The total for the Fire & Ambulance contract for FY26-27 is \$1,297,506. The 2024 extended levy included \$470,921 for Fire and Ambulance and \$92,966 for General Corp.
- An abatement ordinance will be included to abate the taxes that would be levied for the new Stormwater Management bond issue in the amount of \$477,250. The debt service for these bonds will be paid with alternative revenue, namely the .5% Home Rule Sales Tax enacted for this purpose.

Police Pension Fund Actuarial Study Results

The preliminary results of the actuarial study were reviewed with the Police Pension Board on November 3rd by Foster & Foster. The interest rate assumption of 6.75% remains unchanged for another year and Foster & Foster indicated that it is a conservative assumption. Other assumptions also remained unchanged. The FY24-25 interest yield based on a 5-year smoothed actuarial rate was 6.47% compared to 4.79% in the prior year. The fund had a very favorable market value interest rate of 8.45% as compared to the assumption, however, the effect of the 5-year smoothing reduces the actuarial interest rate. Using the 5-year smoothing is beneficial to help offset the years when the interest yield fell short of the assumption as it has in several of the recent years, but as a result of the smoothing, the losses are carried forward and a percentage recognized each year over the five-year period. The percent funded increased from 57.5% to 61.7% and the unfunded liability decreased \$519,950 which is a positive trend. A City contribution of \$915,272 is required and the Board approved the recommendation. This can be reduced by approximately \$25,000 in anticipated personal property replacement tax for a **recommended tax levy of \$890,000 for the Police Pension Fund**. This is an increase over the prior year extended levy of \$32,673.

Tax Levy Options

Four different options are shown as indicated:

Option 1 – Fully funds all the special levies, keeps the General Corp. levy the same, and adds an additional \$146,034 in the Fire and Ambulance levy. The tax rate remains unchanged at \$.53554 and the levy increases \$240,935 resulting in a 10.49% increase in the levy and thus requiring a Truth-In-Taxation hearing. Note that this option would result in 47.5% of the fire and ambulance contract being paid by the fire and ambulance levy with the remainder (\$680,551) coming from other General Fund sources.

Option 2 – Fully funds all the special levies and keeps the General Corp, Fire and Ambulance levies unchanged. The tax rate decreases to \$.50473 and the levy increases \$94,901 resulting in a 4.13% increase in the levy and thus a Truth-In-Taxation hearing is not required. Note that this option would result in 36.3% of the fire and ambulance contract being paid by the levy with the remainder (\$826,585) coming from other General Fund sources.

Option 3 – The levy increase is equal to new development of .99%. This option results in a levy increase of \$22,745 and would not increase the City's portion of the property tax. The special levies are fully funded, resulting in a decrease to the General Corp. of \$72,156 and the Fire and Ambulance levies are unchanged. The tax rate decreases to \$.48950 and the levy increases \$22,745 resulting in a .99% increase in the levy and thus a Truth-In-Taxation hearing is not required. Note that this option would result in 36.3% of the fire and ambulance contract being paid by the levy with the remainder (\$826,585) coming from other General Fund sources.

Option 4 – The levy amount is unchanged from the prior year. This option fully funds the special levies and thus the decrease of \$94,901 is taken from the General Corp., Fire and Ambulance levies. The tax rate decreases to \$.48471 and there is a 0% increase in the levy and thus a Truth-In-Taxation hearing is not required. Note that this option would result in 36.1% of the fire and ambulance contract being paid by the levy with the remainder (\$828,520) coming from other General Fund sources.

Recommendation: Staff recommends that at a minimum, the special levies are fully funded and the General, Fire and Ambulance levies are not decreased as shown in Option 2. This equates to a 4.13% increase and would result in an increase in the City portion of property taxes as follows in light of the 9.5% increase due to the equalization factor:

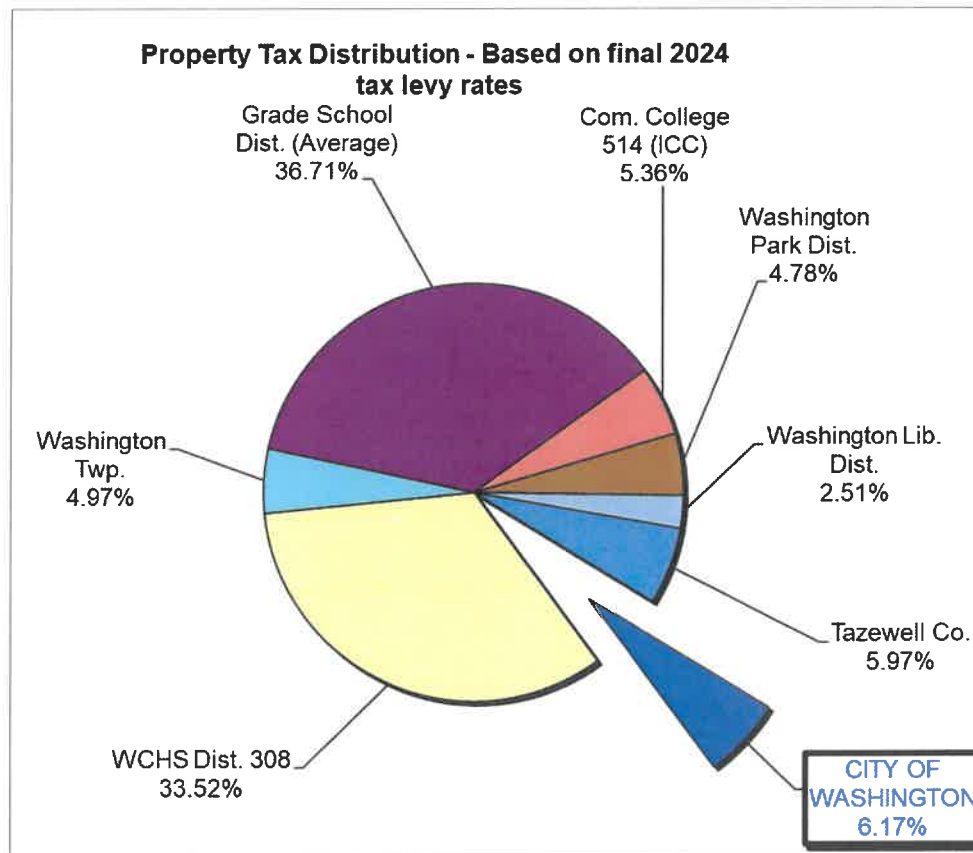
2025 Property Tax Bill	City of Washington portion of property tax bill (6.17%)	9.5% equalization factor increase	Estimated increase of City of Washington portion
\$1,000.00	\$61.70	\$67.56	\$5.86
\$2,000.00	\$123.40	\$135.12	\$11.72
\$3,000.00	\$185.10	\$202.68	\$17.58
\$4,000.00	\$246.80	\$270.25	\$23.45
\$5,000.00	\$308.50	\$337.81	\$29.31
\$7,500.00	\$462.75	\$506.71	\$43.96
\$10,000.00	\$617.00	\$675.62	\$58.62

Historical Tax Rates, Equalized Assessed Valuation and Property Tax Distribution

CITY OF WASHINGTON WASHINGTON, ILLINOIS																	
MUNICIPAL PROPERTY TAX RATE COMPARISON 1981 - 2024																	
TAX YR	GEN.	STREETS	POLICE	FIRE	AMB.	CEM.	WRKG CASH	EMA	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	0.0988	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	0.1958	0.0270	0.0100	0.0000	0.0000	0.0017	0.5347
22	0.0195	0.0000	0.0000	0.0236	0.0479	0.0000	0.0000	0.0011	0.1014	0.0918	0.2100	0.0315	0.0082	0.0000	0.0000	0.0000	0.5361
23	0.0236	0.0000	0.0000	0.0218	0.0443	0.0000	0.0000	0.0010	0.0883	0.0850	0.2360	0.0292	0.0076	0.0000	0.0000	0.0000	0.5368
24	0.0217	0.0000	0.0000	0.0384	0.0713	0.0000	0.0000	0.0009	0.0835	0.0828	0.1998	0.0298	0.0073	0.0000	0.0000	0.0000	0.5355

Tax Levy Equalized Assessed Valuation (EAV)

			<u>Increase/(Decrease)</u> <u>from prior yr. EAV</u>
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)	364,821,153	Actual	3.8%
2023 RATE SETTING EAV (FY24-25)	394,272,725	Actual	8.1%
2024 RATE SETTING EAV (FY25-26)	429,006,947	Actual	8.8%
2025 RATE SETTING EAV (FY26-27)	474,000,000	Estimated	10.5%



PRELIMINARY ESTIMATES

FOR REVIEW AND DISCUSSION PURPOSES ONLY
2025 PROPERTY TAX LEVY--TAXES PAYABLE IN 2026
CITY OF WASHINGTON, ILLINOIS

2024 RATE SETTING EAV \$ 429,006,947 Actual

2025 PROJECTED Rate Setting EAV \$ 474,000,000 Tentative per Tazewell Co. as adjusted due to potential BOR reductions
(reported at 474,566,809)

10.49% Increase in EAV
9.50% Equalization Factor

240,935 additional revenue due to increase in EAV
22,745 additional revenue from increase in new development

LEVY	2024 Extension	Tax rate remains unchanged (Total levy amount increase is equal to the increase in the special levies plus an increase of \$240,935 in the Fire/Amb levy)		Special levies fully funded (Total levy amount increase is equal to the increase in the special levies with no change to General Corp. and Fire/Amb levies)		Levy increase equal to new development (Total levy amount increase is equal to the increase in new development, resulting in a decrease of \$72,156 to the General Corp. levy)		Levy amount unchanged (All special levies funded with no change in overall levy, resulting in a decrease of \$94,901 to the General Corp. and Fire/Amb levies)	
		2025 Tax Levy	Proposed Change 24 to 25	2025 Tax Levy	Proposed Change 24 to 25	2025 Tax Levy	Proposed Change 24 to 25	2025 Tax Levy	Proposed Change 24 to 25
Retirement/Pension Levies									
Police Pension	857,327	890,000	32,673	890,000	32,673	890,000	32,673	890,000	32,673
IMRF	358,006	375,000	16,994	375,000	16,994	375,000	16,994	375,000	16,994
SSI/Medicare	355,003	390,000	34,997	390,000	34,997	390,000	34,997	390,000	34,997
	1,570,336	1,655,000	84,664	1,655,000	84,664	1,655,000	84,664	1,655,000	84,664
Other									
Tort Judgments/Liability									
Audit	128,016	137,500	9,484	137,500	9,484	137,500	9,484	137,500	9,484
Civil Defense	31,232	32,000	768	32,000	768	32,000	768	32,000	768
Fire	4,033	4,018	(15)	4,018	(15)	4,018	(15)	4,018	(15)
Ambulance	164,825	234,478	69,653	164,825	-	164,825	-	164,090	(735)
General Corporate Fund	306,096	382,477	76,381	306,096	-	306,096	-	304,896	(1,200)
	92,966	92,966	-	92,966	-	20,810	(72,156)	-	(92,966)
	727,168	883,439	156,271	737,405	10,237	665,249	(61,919)	642,504	(84,664)
GRAND TOTAL LEVY	\$ 2,297,504	\$ 2,538,439	\$ 240,935	\$ 2,392,405	\$ 94,901	\$ 2,320,249	\$ 22,745	\$ 2,297,504	\$ -
TAX RATE	\$0.53554	\$0.53554 (Est.)		\$0.50473 (Est.)		\$0.48950 (Est.)		\$0.48471 (Est.)	
TRUTH-IN-TAXATION HEARING REQUIRED			YES		NO		NO		NO
Increase over prior year			10.49%		4.13%		0.99%		0.00%