CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: December 1, 2025

Prepared By: Joanie Baxter, CPA – Finance Director

Agenda Item: Ordinance Levying the Annual 2025 Municipal Property Tax

Explanation: A Resolution setting the Tentative Tax Levy for 2025 was approved on November 17, 2025 in the amount of $2,392,405. This represents a 4.13% increase over the 2024 extended levy and as such, it was determined that a Truth-in-Taxation hearing was not required.

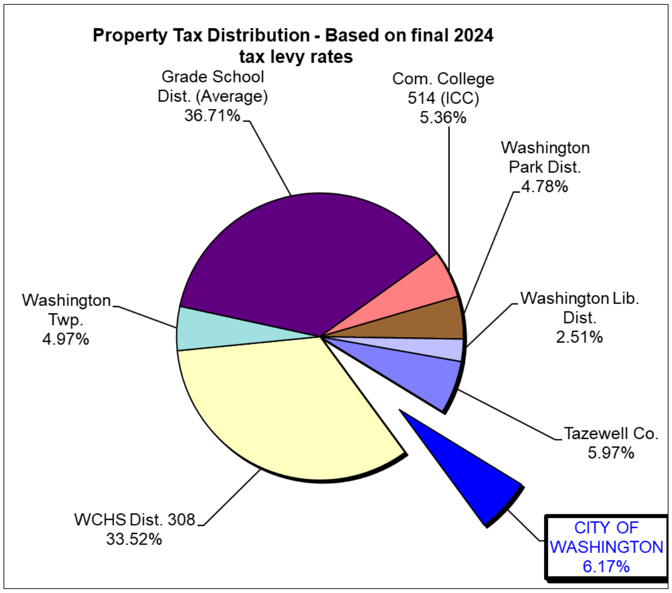
The proposed tax levy funds the special levies as required, including the Police Pension Fund while keeping the General Corp levy unchanged. The total increase required for the special levies is $94,901 which is the overall increase proposed for the 2025 tax levy. The increase of 4.13% in the levy is less than the equalization factor of 9.5% applied to all properties and as a result, the tax rate is projected to decrease from $.53554 per $1,000 in assessed valuation to $.50473.

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**	**240,935**	**additional revenue due to increase in EAV**
	9.50%	**Equalization Factor**	**22,745**	**additional revenue from increase in new development**

LEVY		2024 Extension	2025 Tax Levy	Proposed Change 24 to 25
			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)*	
Retirement/Pension Levies				
Police Pension		857,327	890,000	32,673
IMRF		358,006	375,000	16,994
SSI/Medicare		355,003	390,000	34,997
		1,570,336	1,655,000	84,664
Other	Subtotal			
Tort Judgments/Liability		128,016	137,500	9,484
Audit		31,232	32,000	768
Civil Defense		4,033	4,018	(15)
Fire		164,825	164,825	-
Ambulance		306,096	306,096	-
General Corporate Fund		92,966	92,966	-
		727,168	737,405	10,237
	Subtotal			
GRAND TOTAL LEVY		$ 2,297,504	$ 2,392,405	$ 94,901
TAX RATE		$0.53554	$0.50473 (Est.)	
TRUTH-IN-TAXATION HEARING REQUIRED				NO
Increase over prior year				4.13%

Note that this option continues to rely on the General Fund for $826,585 or 63.7% of the Fire and Ambulance contract. In addition, the Police Pension Fund is 61.7% funded and has a $7.2M unfunded liability. It may be advisable to provide additional funding in the future either from the tax levy or from other General Fund sources, but in either case, it is important to take advantage of the assessed valuation increase.

The City's portion is 6.17% of the overall tax bill based on 2024 final rates as depicted below:



Fiscal Impact: Funds received as needed for FY26-27 for the special levies with no change in the General Corp, Fire and Ambulance levies.

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

Action Requested: First Reading on December 1, 2025 with Second Reading and approval scheduled for December 15, 2025. The tax levy must be certified to the County by December 23rd.

Below is the impact of the 3.14% increase on property tax bills in which the City of Washington represents 6.17% of the overall bill (based on the 2024 rates). The remainder of the increase up to the proposed 4.13% is due to new development which will not increase the property taxes due.

2024 Property Tax Bill	City of Washington portion of property tax bill (6.17%)	4.13% proposed increase	3.14% effective increase*	Estimated increase of City of Washington portion
$1,000.00	$61.70	$64.25	$63.64	$1.94
$2,000.00	$123.40	$128.50	$127.27	$3.87
$3,000.00	$185.10	$192.74	$190.91	$5.81
$4,000.00	$246.80	$256.99	$254.55	$7.75
$5,000.00	$308.50	$321.24	$318.19	$9.69
$7,500.00	$462.75	$481.86	$477.28	$14.53
$10,000.00	$617.00	$642.48	$636.37	$19.37

* effective increase is actual increase less the amount allocated to new development that will not increase taxes for existing property owners

Date Prepared: 11/19/2025

ORDINANCE NO. _______

AN ORDINANCE LEVYING THE ANNUAL 2025 MUNICIPAL PROPERTY TAX FOR THE CITY OF WASHINGTON, COUNTY OF TAZEWELL, STATE OF ILLINOIS (Taxes paid in 2026)

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 2025 is the sum of Two Million, Three Hundred Ninety-Two Thousand, Four Hundred Five Dollars ($2,392,405) (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 17, 2025, the City did determine the amount it proposed to levy for tax year 2025 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 2025 tax levy (taxes paid in 2026) 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 2025 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	$ 92,966
Fire Fund	$ 164,825
Ambulance Fund	$ 306,096
Civil Defense Fund	$ 4,018
Audit Fund	$ 32,000
Liability Fund	$ 137,500
Illinois Municipal Retirement Fund	$ 375,000
Social Security/Medicare Tax Fund	$ 390,000
Police Pension Fund	$ 890,000
TOTAL	$2,392,405

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 23, 2025. 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 ________________, 2025 pursuant to a roll call as follows:

Ayes: ____

Nays: ____

APPROVED this ________ day of ____________________, 2025.

____
Mayor

ATTEST:

____
City Clerk