



**CITY OF WASHINGTON, ILLINOIS**  
**Committee of the Whole Agenda Communication**

**Meeting Date:** November 10, 2025

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

**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 3<sup>rd</sup> 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 a lower tax rate being applied against a 9.5% equalization factor increase:

2025 Property Tax Bill	City of Washington portion of property tax bill (6.17%)	4.13% proposed increase	Estimated increase of City of Washington portion
\$1,000.00	\$61.70	\$64.25	\$2.55
\$2,000.00	\$123.40	\$128.50	\$5.10
\$3,000.00	\$185.10	\$192.74	\$7.64
\$4,000.00	\$246.80	\$256.99	\$10.19
\$5,000.00	\$308.50	\$321.24	\$12.74
\$7,500.00	\$462.75	\$481.86	\$19.11
\$10,000.00	\$617.00	\$642.48	\$25.48

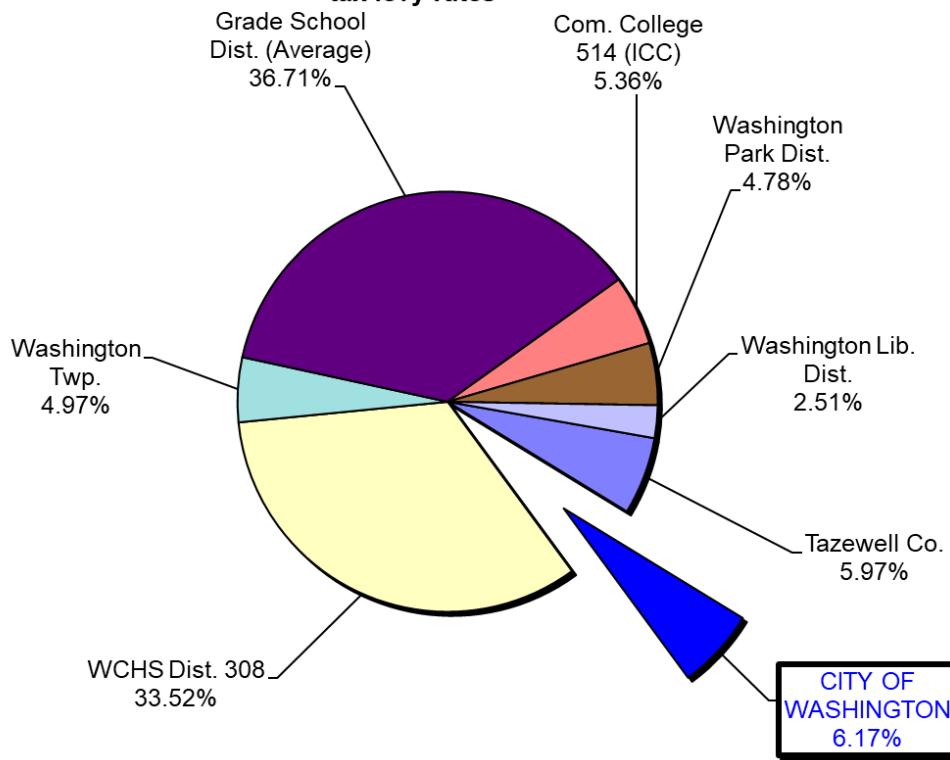
## Historical Tax Rates, Equalized Assessed Valuation and Property Tax Distribution

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	0.0045	0.3105	0.0000	0.0657	0.1526	0.0150	0.0000	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	0.0012	0.0647	0.0795	0.0639	0.0333	0.0111	0.0000	0.0000	0.0000	0.0000	0.3755	
09	0.1132	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	0.0000	0.3906	
10	0.1113	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	0.0000	0.4103	
11	0.1189	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	0.0000	0.4173	
12	0.1178	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	0.0000	0.4212	
13	0.1153	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	0.0000	0.4192	
14	0.0863	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	0.0000	0.4195	
15	0.1070	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	0.0000	0.4253	
16	0.0570	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	0.0000	0.4211	
17	0.0562	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	0.0000	0.4402	
18	0.0965	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	0.0000	0.4729	
19	0.0000	0.0000	0.0000	0.0247	0.0501	0.0000	0.0012	0.0990	0.0846	0.1762	0.0287	0.0083	0.0000	0.0000	0.0000	0.0000	0.4728	
20	0.0000	0.0000	0.0000	0.0246	0.0499	0.0000	0.0012	0.1034	0.0903	0.1879	0.0286	0.0083	0.0000	0.0000	0.0000	0.0000	0.4942	
21	0.0285	0.0000	0.0000	0.0245	0.0497	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	0.0011	0.1014	0.0918	0.2100	0.0315	0.0082	0.0000	0.0000	0.0000	0.5351		
23	0.0236	0.0000	0.0000	0.0218	0.0443	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	0.0009	0.0835	0.0828	0.1998	0.0298	0.0073	0.0000	0.0000	0.0000	0.5355		

### Tax Levy Equalized Assessed Valuation (EAV)

			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)	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%

Property Tax Distribution - Based on final 2024 tax levy rates



## 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**