

M E M O R A N D U M

TO: Chief Administrative Officer
FROM: City Comptroller
RE: Property Tax Levy Ordinances
DATE: October 24, 2005

I recommend approval by the City Council of the attached ordinance and resolution to levy the City's 2005 property tax. These documents must be filed with the County Clerk no later than the 2nd Tuesday of December:

- a) Annual Tax Levy Ordinance. This ordinance instructs the County Clerk to levy an amount to produce no more than \$6,286,372.
- b) A Resolution Directing the County Clerk to Abate the Tax Levy instructs the County Clerk to reduce the tax levy amount such that the levy rate will remain at \$1.3120.

Based on information provided by the Cunningham Township Assessor, I estimate that a property owner of a home valued at \$125,000 will pay to the City 6% more (\$34) than last year. This 6% increase reflects the average increase in the value of their property.

I estimate the total increase in property tax revenues will be 9.9%. As mentioned above, 6% of that is being levied against current property owners and the other 3.9% is being generated from new construction and annexations being added to the tax rolls. While an increase of 6% on current property tax bills is larger than usual, I believe it is merited in that:

- Utility tax in the last 2 years had decreased \$215,000 (impact of U/I utilizing more Abbott power).
- Due to store closings, sales tax has increased about 1% per year over the past 3 years
- The amount received in 05 from State income tax was less than the amount received 5 years ago
- Employee health insurance costs are expected to increase 12% for next year's budget
- Employee pension costs have increased approx. 15% annually over the past 5 years.
- The City rate will stay the same at 1.31 (same as the City of Champaign). This City rate has been reduced from 1.4853 (12%) from 10 years ago.
- The City has identified a number of goals and service improvements that is desired. Many of these goals will require additional resources.
- The City's ability to affect the total amount of property taxes a homeowner pays is limited in that the City only accounts for 15% of the total property tax bill (School District is 53%).

- The overall tax rate paid by Urbana homeowners has decreased approximately 8% over the last 8 years and the difference in the overall rates between Champaign and Urbana has also been decreasing (currently 10%).

ORDINANCE NO. 2005-10-148

ANNUAL TAX LEVY ORDINANCE
OF THE CITY OF URBANA, ILLINOIS FOR THE YEAR
BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006

WHEREAS, the City Council of the City of Urbana, Illinois, pursuant to an ordinance previously adopted authorizing the same, did, on the 6th day of June, 2005, that date being before the beginning of the fiscal year of the city commencing on July 1, 2005, and ending on June 30, 2006, adopt the Annual Budget Ordinance for the city for such fiscal year; and

WHEREAS, pursuant to Sections 8-2-9.1 et seq. of the Illinois Municipal Code (65 ILCS 5/8-2-9.1 et seq.) and home rule ordinances previously adopted authorizing the same (Code of Ordinances, City of Urbana, Illinois, Sections 2-113 and 2-132), such passage of the Annual Budget Ordinance by the City Council shall be in lieu of passage of the Annual Appropriation Ordinance otherwise required by the Illinois Municipal Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the total maximum amount of appropriations for all corporate purposes, which are legally made to be collected from the tax levy of the current fiscal year of the City of Urbana, is hereby ascertained to be the sum of Six Million, Two Hundred Eighty Six Thousand, Three Hundred Seventy Two Dollars (\$6,286,372).

Section 2. That the sum of \$6,286,372 being the total of budgeted appropriations heretofore legally made which are to be collected from the tax levy of the current fiscal year of the City of Urbana, Illinois, for all corporate purposes of said City of Urbana, Illinois, is hereby levied upon all of the taxable property in the City of Urbana, Illinois, subject to taxation for the current year;

The specific amounts as levied for the various funds heretofore named are separately included herein by being placed in separate columns under the heading "To Be Raised by Tax Levy" which appears over the same, the tax so levied being for the current fiscal year of the City of Urbana and for the said budgeted appropriation to be collected from said tax levy, the total of which has been ascertained as aforesaid and being as follows:

	<u>Budget Appropriations</u>	<u>To Be Raised By Tax Levy</u>
<u>GENERAL CORPORATE FUND</u>		
For General Corporate Fund Expenditures for Personnel Costs - Police Department	\$1,692,426	\$1,692,426
<u>POLICEMEN'S PENSION FUND</u>		
For State Mandated Pension Requirements	\$1,366,230	\$1,366,230
<u>FIREMEN'S PENSION FUND</u>		
For State Mandated Pension Requirements	\$ 982,070	\$982,070
<u>URBANA FREE LIBRARY TRUST FUND</u>		
For Urbana Free Library Expenditures as Determined by Library Board		
CENTRAL COSTS-CONTRACTUAL	\$ 308,312	\$ 308,312
ADMINISTRATION-WAGES	\$ 172,152	\$ 172,152
ADULT DEPARTMENT:		
Books and Materials	\$ 199,806	\$ 199,806
Wages	<u>374,691</u>	<u>374,691</u>
SUBTOTAL, ADULT	\$ 574,497	\$ 574,497
CHILDREN'S DEPARTMENT:		
Books and Materials	\$ 53,470	\$ 53,470
Wages	<u>261,874</u>	<u>261,874</u>
SUBTOTAL, CHILDREN'S	\$ 315,344	\$ 315,344
ARCHIVES DEPARTMENT:		
Books and Materials	\$ 19,580	\$ 19,580
Wages	<u>173,367</u>	<u>173,367</u>
SUBTOTAL, ARCHIVES	\$ 192,947	\$ 192,947
MAINTENANCE-WAGES	\$ 96,473	\$ 96,473
ACQUISITIONS DEPARTMENT-WAGES	\$ 148,169	\$ 148,169
CIRCULATION DEPARTMENT-WAGES	\$ 437,752	\$ 437,752
TOTAL, ALL LIBRARY	<u>\$2,245,646</u>	<u>\$2,245,646</u>
TOTAL AMOUNT	<u>\$6,286,372</u>	<u>\$6,286,372</u>

Section 3. This Annual Tax Levy Ordinance is adopted pursuant to the procedures set forth in the Illinois Municipal Code; provided, however, that any tax rate limitation or any other substantive limitations 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.

Section 4. That there is hereby certified to the County Clerk of Champaign County, Illinois, the several sums aforesaid, constituting said total amount of Six Million, Two Hundred Eighty Six Thousand, Three Hundred Seventy Two Dollars (\$6,286,372), which said total amount the City of Urbana requires to be raised by taxation for the current fiscal year of the City, and the City Clerk of the City of Urbana is hereby ordered and directed to file with the County Clerk of Champaign County on or before the time required by law, a certified copy of this ordinance.

Section 5. If any provisions of this ordinance or the application of such provisions to any circumstances is held invalid for any reason whatsoever, the remainder of this ordinance or the application of the provisions to other circumstances shall not be affected hereby.

Section 6. This ordinance shall take effect and be in full force and effect immediately on and after its passage and approval.

This ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said council.

PASSED by the City Council this ____ day of _____, 2005.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2005.

Laurel L. Prussing, Mayor