



2020

TAX LEVY APPROACH

Presented to the
Financial Planning & Policy Committee
October 19, 2020

The review of the 2020 proposed tax levy amounts by the Financial Planning & Policy Committee is scheduled prior to discussion with the full Board in the form of a Truth-in-Taxation Resolution and a Tax Levy Ordinance. The resolution is scheduled for Board action in November and the ordinance is scheduled for adoption during the December Board meeting after a public hearing. The ordinance lists the taxes to be levied by individual fund. The debt service tax levy is included, but governed by the individual bond ordinances adopted by the Board when the debt was issued. The adopted tax levy ordinance must be filed with the County Clerk no later than Monday, December 28, 2020.

Taxes levied in 2020 are due and payable in two installments: March 1st and August 1st, 2021 but may be delayed as we experienced in 2020. Beginning in 2009, the first installment is calculated at approximately 55% of the prior year's tax bill. The second installment is based on the 2020 levy assessment and equalization less the first installment payment.

The recommended amount for the 2020 tax capped funds is \$5,022,692 or an increase of 2.3%. With the decrease in the Special Recreation Fund, the overall Truth-in-Taxation decrease is 1.71%. The total tax levy, with bond and interest, decreases by 8.73%. Please refer to the schedule below:

Wilmette Park District	2019 Actual Tax Levy Extension*	2020 Proposed Tax Levy	% Change	Comments
Tax Capped Funds ⁽¹⁾	\$ 4,909,767	\$ 5,022,692	2.30%	Subject to tax cap limitations
Special Recreation Fund ⁽²⁾	708,900	500,000	-29.47%	Not subject to tax cap limitation but does have a ceiling rate
Resolution 2020-R-2 ⁽³⁾	5,618,667	5,522,692	-1.71%	Truth-In-Taxation Resolution Amounts
Debt Service Fund	2,920,391	2,270,726	-22.25%	Established by existing bond ordinance and proposed issuances
Total Proposed Tax Levy Ordinance 2020-O-3	8,539,058	7,793,418	-8.73%	Total estimated tax levy and % decrease

* These amounts include 2% automatically added by the County for possible losses in tax collections.

The 2020 Tax Levy Ordinance does not include the 2% added for possible loss in tax collections.

⁽¹⁾ Corporate, Recreation, Liability Insurance, IMRF/Social Security, Audit and Security Funds.

⁽²⁾ Special Recreation taxes (a non-tax cap fund) used to fund NSSRA Contributions and ADA improvements.

⁽³⁾ The Resolution or Ordinance does not include the 2% automatically added by the County for possible loss and costs in collection.

Tax Capped Funds – The tax cap limits the total increase in the combined tax for the Corporate, Recreation, Liability Insurance, IMRF, Social Security, Audit, and Security funds (*Tax Capped Funds*) to 5% or the increase in the prior year Consumer Price Index (CPI-U), whichever is less. The 2019 CPI-U is 2.3%.

Although a provision within the tax extension limitation law allows taxation beyond the tax cap to account for taxes applicable to new property, staff believes it prudent not to utilize this provision given the continued economic climate and in the interest of keeping the tax levy as flat as possible.

With the increase in the tax cap funds set at 2.0%, the Park District should have a small risk of any tax reduction by the County for overestimating taxes for new property or over any limiting rates. However, the Park District will still direct the County in a separate resolution to reduce the tax in the Corporate Fund for any over estimation as a matter of compliance with all the provisions of the tax extension limitation laws. For budgeting purposes in 2021, tax receipts will be based on the 2020 tax levy amounts.

Special Recreation Fund – The tax for the Special Recreation fund is not subject to tax cap limitations but does have a ceiling limit. In 2003, special state legislation was adopted to give park districts the opportunity to enhance and fund the rising cost of programs for the handicapped and the unfunded Federal mandate of the Americans with Disabilities Act (ADA). This tax is included in the tax levy ordinance and must be included as part of the amounts reported in the Truth-in-Taxation Resolution. The maximum tax levy for 2019 was \$708,900. The proposed levy is \$500,000 which is the amount required to cover 2021 budgeted spend and maintain our required fund balances. As noted in the schedule above, the tax dollar decreased by 29.47% from 2019.

Bond & Interest Fund – The tax levy for general obligation bonds is governed by the individual bond ordinances. The Park District has four outstanding general obligation bond issues with a principal balance of \$5,656,000 as of December 31, 2020.

After adding the bond and interest tax levy with the tax levies for *Tax Capped Funds* and the *Special Recreation Fund*, the total tax levy decreased by 8.73%. Even with the potential loss and cost of 2% added by the County during levy extension, the tax levy may increase by 2.0% versus the 2020 CPI increase of 2.3%.

Details of individual funds are provided as the budgets are prepared.

Summary:

This brings the 2020 Tax Levy to \$5,522,692, a \$95,975 decrease from the 2019 Extended Tax Levy or a 1.71% decrease. After debt service is added, the total Tax Levy is \$7,793,418, \$745,640 less than the 2019 total Extended Tax Levy, or an 8.73% decrease.

We would like to discuss this tax levy approach with the Financial Planning & Policy Committee as it develops the truth-in-taxation notifications and finally the tax levy. Attached is the Truth-In-Taxation Resolution to be considered by the Committee and the full Board at their November 9th meeting.

WILMETTE PARK DISTRICT
RESOLUTION NO. 2020-R-2
TRUTH IN TAXATION

RESOLVED, by the Board of Park Commissioners of the Wilmette Park District, Cook County, Illinois (“Park District”) that, based upon the most recently ascertainable information, the following determinations are hereby made in accordance with the “Truth in Taxation Law”:

1. The amount of real estate taxes, exclusive of election costs, public building commission leases and debt service levies, extended by the Park District, plus any amount abated by the Park District before extension, upon the final 2019 real estate tax levy of the Park District (2020 tax bill) was \$5,618,667.
2. The amount of real estate taxes, exclusive of election costs, public building commission leases and debt service levies, proposed by the Park District for 2020 (2021 tax bill) is \$5,522,692.
3. Based upon the foregoing, the estimated percentage decrease in the proposed 2020 aggregate levy over the amount of real estate taxes extended upon the final 2019 aggregate levy is 1.71%, and accordingly, no public hearing or publication is required under the Truth in Taxation Law.

FURTHER RESOLVED, that a public hearing on the proposed 2020 aggregate levy of the Park District be held on December 14, 2020, at 7:30 p.m. at 1200 Wilmette Avenue, Wilmette, Cook County, Illinois; and that the Secretary cause notice of said hearing to be published, all in accordance with the requirements of the Truth in Taxation Law.

AYES:

NAYS:

ABSENT:

Passed this 9th day of November, 2020.

I. Gordon Anderson, President
Board of Park Commissioners

Attested and filed this 9th day of November, 2020.

Stephen P. Wilson, Secretary
Board of Park Commissioners