



## 2015 Levy Documents

Memo regarding Ordinance 15-03 for levying taxes for the fiscal year 2016, and Ordinance 15-04 Abating taxes for the year 2016 to pay the principal and interest on Series 2010 General Obligation Refunding Bonds, (Alternate Revenue Source) and Ordinance 15-05 Abating the tax levied for the year 2014 to pay for the principal and interest on Series 2014 General Obligation Capital Appreciation Park Bonds (Alternate Revenue Source).

The Levy Process

History of CPI's used for the PTELL, Illinois Dept. of Revenue

Tax Levy Questions and Answers

Ordinance 15-03 for Levying taxes for the fiscal year 2017

Ordinance Certification

Ordinance 15-04 abating the tax levied for the year 2015 to pay for the principal and interest on Series 2010 General Obligation Refunding (Alternate Revenue Source) Bonds.

Ordinance 15-05 Abating the tax levied for the year 2015 to pay for the principal and interest on Series 2014 General Obligation Capital Appreciation Park Bonds (Alternate Revenue Source).

# The 2015 Levy Process

## **Raising Funds through Taxation**

To begin the process, the district must first pass and file with the county clerk a combined annual budget and appropriation ordinance. Following this step, the district must pass and file with the county clerk the corresponding tax levy ordinance. The combined budget and appropriation ordinance appropriates the monies that are necessary to cover the projected expenses and liabilities the district may incur in its next budget year. The Ordinance serves as an upper limit on what may be spent during the coming year. It is in effect, a statement of the maximum amount that could be conceivably spent if sufficient funds were available. No expenditure can be incurred and no contract can be entered into, except for special circumstances, unless the expenditure has been anticipated and provided for in the appropriation ordinance. Consequently, in drafting this ordinance, officials must anticipate all possible expenditures during the coming year. Because of this reality and the difficulty in transferring funds to cure under-appropriations, the appropriation budget should always exceed the amount that will actually be received and the amount that will be spent by 10 to 15% to ensure that it has some leeway in spending.

Under Illinois Law, the district must adhere to certain public hearing requirements before it can pass any tax levy ordinance. Whenever a district considers extending an aggregate property tax levy more than 5% greater than the previous year's levy, The Truth in Taxation Act requires it to publicly disclose its intention. A park district may increase its extension limitation for a current levy year if it holds a referendum before the levy date at which a majority of the voters voting on the issue approves adoption of a higher extension limitation.

For example, in the 2014 tax year the State determined that the consumer price index for the year was 0.8% for use under PTELL, Property Tax Extension Limitation Law. Therefore a park district could not increase its extension, exclusive of debt, by more than 0.8%. That meant that even if a district prepared a levy, that required a Truth in Taxation Hearing, ie. greater than 5%, the maximum it would receive over the previous year was capped at 0.8%. In January of this year, the Illinois Department of Revenue announced the CPI to be used for the 2015 property tax cycle is 0.8%.

While the County Clerk cannot extend a tax levy in excess of the tax cap, it does allow a district to redistribute the dollars requested from one fund to another. For example, if the tort/insurance fund (which is not capped) is in excess of what is needed for the year, the district may reduce that fund's tax extension and move those dollars over to the corporate fund, as long as the maximum allowed for that fund is not exceeded.

The law also provides an exception for new construction, including both new improvements and additions to existing improvements that increase the assessed value on any parcel of real estate. The Tax Cap allows a park district to extend taxes for the value of new construction in a given

year, regardless of the tax cap. Therefore, if a district had \$1,000,000 in new construction, you can levy at a rate exceeding the Consumer Price Index for that year. It is important that this be done each year because once that year passes, the district will never have the opportunity again to increase its tax extension relative to the value of that new construction.

In summary, the park district extension is limited to the annual increase in the Consumer Price Index, or 5 percent, whichever is less, exclusive of debt, and the increase in the extension relative to new construction within the boundaries of the park district.

Illinois Dept. of Revenue  
History of CPI's Used for the PTELL  
1/21/2015

Year	December CPI-U	% Change From Previous December	% Use for PTELL	Comments	Levy Year	Years Taxes Paid
1991	137.900	--				
1992	141.900	2.9%	2.9%		1993	1994
1993	145.800	2.7%	2.7%	(5 % for Cook)	1994	1995
1994	149.700	2.7%	2.7%		1995	1996
1995	153.500	2.5%	2.5%		1996	1997
1996	158.960	3.6%	3.6%		1997	1998
1997	161.300	1.5%	1.5%		1998	1999
1998	163.900	1.6%	1.6%		1999	2000
1999	168.300	2.7%	2.7%		2000	2001
2000	174.000	3.4%	3.4%		2001	2002
2001	176.700	1.6%	1.6%		2002	2003
2002	180.900	2.4%	2.4%		2003	2004
2003	184.300	1.9%	1.9%		2004	2005
2004	190.300	3.3%	3.3%		2005	2006
2005	196.800	3.4%	3.4%		2006	2007
2006	201.800	2.5%	2.5%		2007	2008
2007	210.036	4.08%	4.1%		2008	2009
2008	210.228	0.1%	0.1%		2009	2010
2009	215.949	2.7%	2.7%		2010	2011
2010	219.179	1.5%	1.5%		2011	2012
2011	225.672	3.0%	3.0%		2012	2013
2012	229.601	1.7%	1.7%		2013	2014
2013	233.049	1.5%	1.5%		2014	2015
2014	234.812	0.8%	0.8%		2015	2016

## **ADDISON PARK DISTRICT - TAX LEVY QUESTIONS & ANSWERS**

### **1. What is a Levy?**

The amount of money a park district certifies to be raised from property tax.

### **2. What is an extension?**

The process in which the County Clerk calculates the tax rate needed to raise the revenue (Levy) allowable by law and certified by all municipal governments district (schools, parks, libraries, etc.) in the county. The total extension is the product of the district's equalized assessed valuation (EAV) multiplied by its calculated tax rate and is equal to the total property tax billings on the district's behalf.

In most counties in Illinois, tax levy amounts are based on home values or EAV and the Consumer Price Index (CPI). The EAV is calculated by averaging the home value over the past three years and then dividing by three (3). EAV usually amounts to approximately 1/3 or 33% of the home's value.

Example: Home value of \$300,000 = (approximately) \$100,000 EAV

### **3. What is The Truth In Taxation Act?**

Legislation approved and effective July 1981 that provides procedures for Public Notice and Public Hearings on Tax Increases greater than 105% of the prior year's extension.

### **4. What is The Property Tax Extension Limitation Law?**

The Property Tax Extension Limitation Law, commonly referred to as "TAX CAP" or "PTELL" limits the increase in property Tax Extensions to 5% or the Consumer Price Index (CPI), whichever is less, not counting new construction or Bond Obligations.

Last year 2014 levy, the district collected almost \$4.76 million in taxes, including tax revenue to pay for outstanding bonded debt. The CPI used for determining the 2015 levy will be 0.8%. This means the district can only receive \$23,655 of "new" tax dollars plus whatever taxes are generated from new properties coming on the tax rolls.

### **5. How does the district determine its levy?**

The law allows the district to make a prediction to ask for (levy) more taxes than they expect to collect, because at the time of the levy, the new property EAV is unknown. In early April, taxing bodies receive notification of the actual amount they will receive (extension) from the County Clerk.

### **6. How does the levy affect property taxes?**

It is possible for taxes to increase even when EAV is dropping because the taxing bodies generally choose to maintain or increase their extensions in an effort to collect sufficient funds to preserve their services. As a result, taxpayers will generally experience similar or slight increases in their tax rates.

Examples:            \$100,000 (Per \$100 EAV) X .4800 (tax rate) = \$480.00 (taxes levied 2014)  
                           \$100,000 (Per \$100 EAV) X .4659 (tax rate) = \$465.90 (taxes levied 2013)

Example: In 2014, the district extension was \$4,575,519. The total EAV was \$955,845,280. The tax rate was \$.4800 per \$100 assessed.

**7. Why would a District propose a levy which is higher than the limits of the Property Tax Extension Limitation Law?**

Because under The Property Tax Extension Limitation Law if you under levy, you can never recapture the lost revenues for the District. Also, at the time of the levy, a very important fact is unknown to the park district: *the amount of new construction in the District.*

**8. Why doesn't the park district lower its Levy?**

We would be penalized under the Tax Cap for future years.

**9. How have the district's financial matters been managed?**

The district has maintained a AA- rating with Standard and Poor's.

**10. How does the District tax rate compare within our community (latest available) 2014 information?**

<u>Overlapping District</u>	<u>% of Total</u>
DIST. 4	32.55%
DIST 88	27.19%
ADDISON FIRE	11.93%
VILLAGE OF ADDISON	8.62%
LIBRARY	5.30%
PARK DISTRICT	5.10%
COLLEGE OF DUPAGE	3.16%
DUPAGE COUNTY	2.19%
FOREST PRESERVE	1.80%
ADDISON TOWNSHIP	1.96%
DUPAGE AIRPORT	0.21%
	100%

**11. When will the Board of Commissioners approve the levy?**

The Board of Commissioners will offer a public hearing on the tax levy at their regular scheduled meeting on December 14, 2015 at 6:00 p.m.

# ADDISON PARK DISTRICT ORDINANCE 15 - 03

## AN ORDINANCE FOR LEVYING TAXES FOR CORPORATE PURPOSES OF THE ADDISON PARK DISTRICT FOR THE FISCAL YEAR BEGINNING MAY 1, 2015 AND ENDING APRIL 30, 2016

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF COMMISSIONERS OF THE ADDISON PARK DISTRICT:

SECTION 1: A tax for the following sums of money, or as much thereof as may be authorized by law, for purposes specified against all taxable property in the Addison Park District for the fiscal year commencing on the first day of May, 2016 and ending on the thirtieth day of April, 2017

<u>GENERAL CORPORATE FUND</u>	LEVY AMOUNT
ADMINISTRATIVE	
Total General Corporate Fund	<u>\$1,354,544</u>

Levied for the foregoing purposes of the General Corporate Fund from the tax for General Purposes as authorized by Section 5-1 of the Park District Code.

<u>RECREATION FUND</u>	
Total Recreation Fund	<u>\$850,093</u>

Levied for the foregoing purposes of the Recreation Fund from the tax for Recreational Purposes as authorized by Section 5-2 of the Park District Code.

<u>EMPLOYEES' ANNUITY &amp; BENEFIT FUND</u>	
Illinois Municipal Retirement Fund	\$476,426
Federal Social Security	224,200

Levied for the foregoing purpose from the proceeds of a special property tax as authorized by Section 5-1 of the Park District Code.

<u>LIABILITY AND WORKERS' COMPENSATION INSURANCE FUND</u>	
Liability and Workers' Compensation Insurance	<u>\$121,442</u>

Levied for the foregoing purpose from the proceeds of a special property tax as authorized by Section 5-1 of the Park District Code.

<u>GENERAL OBLIGATION BONDS</u>		
Series 2008		
Total Issue		
Principal	\$330,000	
Interest	<u>13,200</u>	\$343,200
Series 2011		
Total Issue		
Principal	\$35,000	
Interest	<u>37,975</u>	\$72,975

## ADDISON PARK DISTRICT ORDINANCE 15 - 03

Series 2012		
Total Issue		
Principal	\$115,000	
Interest	5,672	\$120,672
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Series 2013		
Total Issue		
Principal	\$20,000	
Interest	1,852	\$21,852
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Series 2008A		
Total Issue		
Principal	\$205,000	
Interest	40,419	\$245,419
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Series 2009		
Total Issue		
Principal	\$110,000	
Interest	35,738	\$145,738
<hr/>		
Series 2014		
Total Issue		
Principal	\$0	
Interest	11,702	\$11,702
<hr/>		
Series 2015		
Principal		
	\$0	
Interest		
		\$0
<hr/>		
Series 2010		
Total Issue		
Principal	\$205,000	
Interest	12,088	\$217,088
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		<u>\$1,178,645</u>

Levied for the foregoing purpose from the tax for interest and principal on General Obligation Bonds as authorized by Section 6-6 of the Park District Code.

### AUDIT FUND

Audit		<u>\$22,420</u>
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Levied for the foregoing purpose from the proceeds of a special property tax as authorized by Paragraph 70 of the 85 Ill Rev. Statues.

### RECREATION PROGRAMS FOR THE HANDICAPPED

Recreational Programs for the Handicapped		<u>\$381,293</u>
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Levied for the foregoing purpose from the proceeds of a special property tax as authorized by Section 5-8 of the Park District Code.		0
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# ADDISON PARK DISTRICT ORDINANCE 15 - 03

## SUMMARY

Levied from the tax for General Purposes	\$1,354,544
Levied from Special Taxes	2,075,874
Levied from the tax for interest and principal on General Obligation Bonds	1,178,645
Total Levy	<u><u>\$4,609,063</u></u>

SECTION 2: All ordinances and parts of ordinances conflicting with any of the provisions of this ordinance be and the same are hereby modified or repealed, and if any item or portion thereof of this levy is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this ordinance.

SECTION 3: This ordinance shall be in full force and effect from and after its passage, approval and filing of a certified copy thereof with the County Clerk of DuPage County as is required by law.

PASSED by the BOARD OF COMMISSIONERS of the Addison Park District, Illinois  
this 14th day of December, 2015.

\_\_\_\_\_  
President

\_\_\_\_\_  
Tina Towns

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Deborah Gayon

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

CERTIFICATION

STATE OF ILLINOIS        )

COUNTY OF DUPAGE        )

I, Deborah Gayon, Secretary of the Addison Park District, DuPage County, Illinois, do hereby certify that the attached is a true, correct and complete copy of:

**Addison Park District Ordinance 15-03, An ordinance for levying taxes for corporate purposes of the Addison Park District for the fiscal year beginning May 1, 2016 and ending April 30, 2017**

WITNESS my hand and seal of the Addison Park District, DuPage County, Illinois this 14th day of December, 2015.

\_\_\_\_\_  
Deborah Gayon, Secretary

(SEAL)

**To:** Geri Estvanik, Executive Administrator  
**From:** Laurie Woods - Director of Finance & Administration  
**Date:** November 4, 2015  
**Re:** 2015 Tax Levy Ordinance 15-03 & Tax Levy Abatement 15-04 & Tax Levy Abatement 15-05

#### Statement

Attached is the supporting documentation for the 2015 Tax Levy and Abatement of the 2010 General Obligation Refunding Bonds, Alternate Revenue Source for \$9,955,000 Abatement of the 2014 General Obligation Capital Appreciation Park Bonds, (Alternate Revenue Source) for \$1,198,116.10.

It is a challenge to accurately project twelve to eighteen months into the future, for the resources required to operate the Addison Park District, particularly in an unstable economy. It is equally as difficult to determine the final EAV for the 2016 tax year. The assessor has projected a leveling off in EAV. To obtain the highest return within the levy cycle, we will again utilize the practice of balloon levying, which simply means to request an amount of tax revenue above the statutory limits – both for each fund and for the aggregate levy. When the EAV has been finalized, the DuPage County Clerk will reduce the rate if it is above the legal limit. This process will assure 100% of the levy rate calculation is captured.

EAV change from 2014 to 2015 was (-1.8) %. The County Assessor has indicated that EAV appears to continue to decline, in some communities as much as 10%. Therefore for purposes of the levy calculation I have assumed a modest decrease in EAV of 2%. The current overall tax rate is \$0.4934 per \$100 assessed. For tax cap Property Tax Extension Limitation Law (PTELL) districts, Section 18-185 of the Property Tax Code defines “extension limitation” as the “lesser of 5%, or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year.” For 2015 extensions (tax revenue received in fiscal year May 1, 2016 through April 30, 2017), the CPI to be used for computing the extension limitation is .0.8%

#### Background

The Corporate and Special Purposes Property Tax Extension for 2014 was \$2,956,929. This multiplied with the CPI (0.8%) would result in \$2,980,584 for the 2015 extension, an increase of \$23,655 of new tax revenue for funds under the tax cap. By applying an 4.97% increase to the 2014 Levy, our 2015 levy request will be \$3,049,126 an amount exceeding the estimated extension and thereby capturing the maximum amount available to the district. This \$92,197 increase allows capturing of any new growth within the district.

Overall, the District is not required to follow the Truth-In-Taxation Act requirements since the levy request is only 4.97%.

Ordinance 15-04, Tax Levy Abatement is required to abate the 2010 General Obligation Refunding, Bonds (Alternate Revenue Source), issue of \$9,955,000 from the tax rolls. This bond is paid through the Golf and Club Fitness operations, and the capital fund through the issue of the annual bond sale.

Ordinance 15-05, Tax Levy Abatement is required to abate the 2014 series General Obligation Refunding, Bonds (Alternate Revenue Source), issue of \$1,198,116.10 from the tax rolls. This bond is paid through the capital fund through the issue of the annual bond sale.

**Recommendation**

That the Board of Park Commissioners approve Ordinance 15-03, an ordinance for levying taxes for the tax year 2015, in the amount of \$4,609,064 and Ordinance 15-04 Bonds abating the tax levied for the year 2015 to pay the principal and interest on Series 2010 General Obligation Refunding Park Bonds (Alternate Revenue Source) and Ordinance 15-05, Tax Levy Abatement is required to abate the 2014 series General Obligation Capital Appreciation Park Bonds, (Alternate Revenue Source), issue of \$1,198,116.10 from the tax rolls. This bond is paid through the capital fund through the issue of the annual bond sale.

Thank you.

ANNUAL ABATEMENT ORDINANCE

ORDINANCE NO. 15-04

ORDINANCE abating the tax hereto levied for the year 2015\_\_ to pay the principal of and interest on \$9,955,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2010, of the Addison Park District, DuPage County, Illinois.

WHEREAS the President and Board of Park Commissioners (the "*Board*") of the Addison Park District, DuPage County, Illinois (the "*District*"), by Ordinance Number 10-R-1A, adopted on the 18th day of May, 2010 (the "*Ordinance*"), did provide for the issue of \$9,955,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2010, of the District (the "*Bonds*"), dated May 27, 2010, and the levy of a direct annual tax sufficient to pay the principal of and interest on the Bonds; and

WHEREAS it has been determined by the Board that the Pledged Revenues (as defined in the Ordinance) will provide an amount not less than 1.25 times debt service of all the Bonds in the next succeeding bond year (June 1 and December 1); and

WHEREAS it is necessary and in the best interests of the District that the tax heretofore levied for the year 2015 to pay the principal of and interest on the Bonds be abated;

NOW THEREFORE Be It Ordained by the Board of Park Commissioners of the Addison Park District, DuPage County, Illinois, as follows:

*Section 1. Abatement of Tax.* The tax heretofore levied for the year 2015 in the Ordinance is hereby abated in its entirety.

*Section 2. Filing of Ordinance.* Forthwith upon the adoption of this ordinance, the Secretary shall file a certified copy hereof with the County Clerk of The County of DuPage, Illinois, and it shall be the duty of said County Clerk to abate said tax levied for the year 2015 in accordance with the provisions hereof.

*Section 3. Effective Date.* This ordinance shall be in full force and effect forthwith upon its adoption.

Adopted December 14, 2015.

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Tina Towns  
President, Board of Park Commissioners

ATTEST:

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Deborah Gayon  
Secretary, Board of Park Commissioners

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF DUPAGE    )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois, and as such official I do further certify that on the    th day of December, 2015, there was filed in my office a duly certified copy of Ordinance No. 15-04 entitled:

ORDINANCE abating the tax hereto levied for the year 2015 to pay the principal of and interest on \$9,955,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2010, of the Addison Park District, DuPage County, Illinois.

(the "*Ordinance*") duly adopted by the Board of Park Commissioners of the Addison Park District, DuPage County, Illinois (the "*District*"), on the 14th day of December, 2015, and that the same has been deposited in the official files and records of my office.

I do further certify that the taxes heretofore levied for the year 2015 for the payment of the District's \$9,955,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2010, as described in the Ordinance will be abated in their entirety as provided in the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of said County this    th day of December, 2015.

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County Clerk of The County  
of DuPage, Illinois

[SEAL]

## ANNUAL ABATEMENT ORDINANCE

### ORDINANCE NO.15 - 05

ORDINANCE abating the tax hereto levied for the year 2014 to pay the principal of and interest on \$1,198,116.10 General Obligation Capital Appreciation Park Bonds (Alternate Revenue Source), Series 2014, of the Addison Park District, DuPage County, Illinois.

WHEREAS the President and Board of Park Commissioners (the "*Board*") of the Addison Park District, DuPage County, Illinois (the "*District*"), by Ordinance Number 13-08, adopted on the 16th day of December, 2013 (the "*Ordinance*"), did provide for the issue of \$1,198,116.10 General Obligation Capital Appreciation Park Bonds (Alternate Revenue Source), Series 2014, of the District (the "*Bonds*"), dated January 7, 2014, and the levy of a direct annual tax sufficient to pay the principal of and interest on the Bonds; and

WHEREAS it has been determined by the Board that the Pledged Revenues (as defined in the Ordinance) will provide an amount not less than 1.25 times debt service of all the Bonds in the next succeeding bond year (June 1 and December 1); and

WHEREAS it is necessary and in the best interests of the District that the tax heretofore levied for the year 2015 to pay the principal of and interest on the Bonds be abated;

Now THEREFORE Be It Ordained by the Board of Park Commissioners of the Addison Park District, DuPage County, Illinois, as follows:

*Section 1. Abatement of Tax.* The tax heretofore levied for the year 2015 in the Ordinance is hereby abated in its entirety.

*Section 2. Filing of Ordinance.* Forthwith upon the adoption of this ordinance, the Secretary shall file a certified copy hereof with the County Clerk of The County of DuPage, Illinois, and it shall be the duty of said County Clerk to abate said tax levied for the year 2015 in accordance with the provisions hereof.



*Section 3. Effective Date.* This ordinance shall be in full force and effect forthwith upon its adoption.

Adopted on December 14, 2015.

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Tina Towns  
President, Board of Park Commissioners

ATTEST:

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Deborah Gayon  
Secretary, Board of Park Commissioners

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF DUPAGE    )

**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois, and as such official I do further certify that on the 15th day of December, 2014, there was filed in my office a duly certified copy of Ordinance No. 14-05 entitled:

ORDINANCE abating the tax hereto levied for the year 2014 to pay the principal of and interest on \$1,198,116.10 General Obligation Capital Appreciation Park Bonds (Alternate Revenue Source), Series 2014, of the Addison Park District, DuPage County, Illinois.

(the "*Ordinance*") duly adopted by the Board of Park Commissioners of the Addison Park District, DuPage County, Illinois (the "*District*" ), on the 15th day of December, 2014, and that the same has been deposited in the official files and records of my office.

I do further certify that the taxes heretofore levied for the year 2014 for the payment of the District's \$1,198,116.10 General Obligation Capital Appreciation Park Bonds (Alternate Revenue Source), Series 2014, as described in the Ordinance will be abated in their entirety as provided in the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of said County this 15th day of December, 2014.

\_\_\_\_\_  
County Clerk of The County  
of DuPage, Illinois

[SEAL]