

PUBLIC HEARING



Proposed Tax Levy 2016 for Collection in 2017 November 28, 2016

PENSION FUNDING POLICY

- **Consistent with State Statute and pursuant to City policy, public safety pensions are funded to 90% by year 2040, as determined by a third party actuary**
- **State mandated contributions are made annually with higher contributions provided as funds are available**
- **The City funds the pension contributions from a combination of property tax levy and other sources such as partial state income tax receipts, partial proceeds from the sale of assets when available, and other revenue sources as identified, with a goal of minimizing the impact to the tax payer**

PENSION FUNDING REQUIREMENTS

Contribution	Municipal Retirement	Police Pension	Firefighters' Pension	Total Pensions
<i>2015:</i>				
Required	1,137,700	2,284,900	2,201,700	5,624,300
Actual	1,137,700	2,809,100	2,472,100	6,418,900
<i>2016:</i>				
Required	1,225,500	2,762,300	2,429,300	6,417,100
Budget	1,225,500	2,787,900	2,451,800	6,465,200
Estimate	1,225,500	3,580,300	3,384,900	8,190,700
<i>2017:</i>				
Required	1,033,400	2,770,900	2,619,700	6,424,000

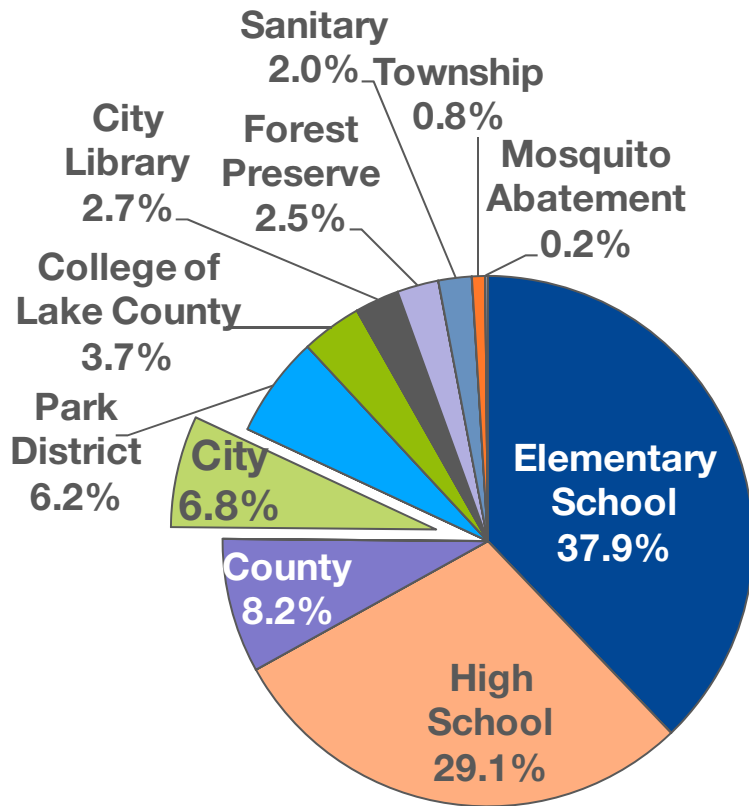
Pensions

- 2017 total required contribution of \$6.4 million is \$41,200 lower than 2016 budget with IMRF \$192,100 lower and public safety pensions \$150,900 higher
- The \$6.4 million is \$1.8 million lower than the 2016 estimated contribution of \$8.2 million, due to the City's decision to accelerate contribution to the public safety pension, using receipts from LGDF, to minimize long-term pension cost to the tax payer

PUBLIC SAFETY PENSION FUNDING RECOMMENDATION

	2016	2017	2017
% City Tax Levy Increase	Estimate	Budget	Increase
Tax Levy	5,239,700	5,763,868	524,168
State Income Tax (LGDF)	1,725,500	1,725,500	0
Total Contribution	6,965,200	7,489,368	524,168
Statutory Contribution	5,191,600	5,390,616	199,016
Additional Contribution	1,773,600	2,098,752	325,152
Tax Levy Increase			524,168
Avg. \$500k HH \$ Impact			127

PROPERTY TAX LEVY



Distribution of 2014 Property Taxes

	2016 Tax Levy	2017 Fiscal Year	Incr/ (Decr)
Police Pension	2,962,800	17%	6.3%
Fire Pension	2,801,100	16%	14.2%
FICA/Medicare/Genl.	763,200	4%	-2.8%
Roads (Capital)	1,501,800	9%	1.5%
IMRF	1,208,700	7%	0.0%
Debt	2,934,800	17%	0.0%
City Levy	12,172,300	72%	4.5%
Library Levy	4,846,900	28%	4.5%
City & Library Levy	17,019,200	100%	4.5%

2016 Tax Levy Increase for Public Safety Pensions and Library Capital, results in \$177/HH, based on avg. \$500k EAV HH

PROPERTY TAX LEVY TRUTH IN TAXATION

Tax Levy Year Budget Year	Amended TY15 FY16	Extended TY15 FY16	Proposed TY16 FY17	% Incre./(Decre.) vs. Prior Year	
				Amended	Extended
CITY LEVY					
Aggregate Levy	8,713,380	8,713,426	9,237,548	6.0%	6.0%
Debt Levy	2,934,799	2,964,162	2,934,799	0.0%	-1.0%
Total Levy	11,648,179	11,677,588	12,172,347	4.5%	4.2%
LIBRARY LEVY					
Aggregate Levy	4,639,000	4,639,006	4,846,894	4.5%	4.5%
Debt Levy	0	0	0	0.0%	0.0%
Total Levy	4,639,000	4,639,006	4,846,894	4.5%	4.5%
CITY AND LIBRARY LEVY					
Aggregate Levy*	13,352,380	13,352,432	14,084,442	5.5%	5.5%
Debt Levy*	2,934,799	2,964,162	2,934,799	0.0%	-1.0%
Total Levy	16,287,179	16,316,594	17,019,241	4.5%	4.3%

Although the 2016 Levy is <5% higher than the 2015 extended levy, the 'aggregate' levy increase is >5% higher, requiring this public hearing, according to Truth in Taxation Law

Next Steps

- ✓ Dec 12 Adoption of 2016 Tax Levy
- ✓ Dec 19 File 2016 Tax Levy Ordinance

PUBLIC HEARING



Questions?

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