



November 2, 2010

TO: City of Champaign Township Trustees

FROM: Pam Borowski, Township Supervisor

RE: Property Tax Levy Request for 2010 Payable in 2011

I am recommending an estimate of \$584,798 for the aggregate levy request for purposes of the Truth in Taxation Resolution to be acted on in the November meeting and for the levy ordinance to be acted on in the December meeting.

The estimate can be adjusted between the November and December meetings, but we will still need a public hearing and appropriate advertising in the newspaper based on the fact that the estimate of 2010 (payable in 2011) exceeds last year's extension by 5% or more.

The following information was used in determining this amount:

- the taxes extended in 2010 (levy adopted in 2009) were \$531,191.87
- the CPI increase is 2.7%
- the estimated assessed valuation is \$1,504,730,363
- the estimate of the percentage of new construction is approximately 2.09%
- the estimates for expenses for FY2010-2011 are \$556,950

General Town Fund	.7001	\$389,921
IMRF	.0521	\$29,017
FICA	.0431	\$24,005
General Assistance	.2047	\$114,008

- sources of income other than property tax are estimated at \$70,000-\$80,000

Formula to determine limit of increase:

Prior year extension + (prior year extension x CPI% + % of new construction of EAV)

$$\$531,192 + (531,192 \times 2.7 + 2.09\%) = \$556,950$$

I have increased the recommendation for \$556,950 to \$584,798 simply because we are working with estimates and the capped amount won't be final until next spring. This

total amount does represent a 5% buffer that could be used to fund an increase in the monthly allotment to our GATA clients. This buffer ensures that the Township would receive additional revenues if the EAV is higher than expected. It is important to note that there is no opportunity to correct an underestimation because the Township cannot increase a tax levy after December of each year.