



**City of Champaign Township
Office of the Supervisor
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To: City of Champaign Township Board Members
From: Pamela K. Borowski, Supervisor
Date: November 3, 2009

RE: Property Tax Levy Request for 2009 Payable in 2010

I am recommending an estimate of \$560,413 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 for 2009 (payable in 2010) exceeds last year's extension by 5% or more.

The following information was used in determining this amount:

- the taxes extended in 2009 (levy adopted in 2008) were \$518,461
- the CPI increase is 0.1%
- the estimated assessed valuation is \$1,554,883,035.
- the estimate of the percentage of new construction is approximately 2.84%
- estimates for expenses for FY09-10 are \$533,726

General Town Fund	.7001	\$373,662
IMRF	.0521	\$ 27,807
FICA	.0431	\$ 23,004
General Assistance	.2047	\$109,254

- 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)

$$\$518,461 + (518,461 \times 0.1 + 2.84\%) = \$533,726$$

I have increased the recommendation for \$533,726 to \$560,413 simply because we are working with estimates and the capped amount won't be final until next spring. The projections for the upcoming fiscal year indicate an increase in Township budget

expenditures (i.e. IMRF, utilities, contractual services, payroll, etc.) and the requested amount will be essential in covering those estimated costs. This total amount does represent a 5% buffer that assumes a more optimistic EAV. This buffer ensures that the Township would receive needed 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.