

**RESOLUTION NO. 2016/2017-5**

**RESOLUTION CONFIRMING TAX LEVY PLAN  
FOR 2017-2018 LEVY**

**(relates to a 2016 Special Tax extension for bond retirement)**

WHEREAS, in 2010 the Board of Library Trustees (the Board) refinanced existing bond debt at which time the Board passed and filed with the County Clerk a bond ordinance; and

WHEREAS, as part of said 2010 refinance, the Board borrowed \$7.8 million (Series 2010B bonds); and

WHEREAS, the bond ordinance passed and filed in 2010 required the County Clerk to levy a special tax to pay the bond debt. The special tax to pay the bond debt would be abated each year, however, as the Board would pass and file with the County Clerk each year a bond tax abatement ordinance; and

WHEREAS, the net result of filing a bond tax abatement ordinance each year is there would be no special tax for bond retirement. Simply stated, the Board's plan in connection with the 2010 refinance was to pay for bond retirement from the Corporate Fund/General Library Fund; and

WHEREAS, until 2017, every year since 2010 the Board passed and filed a bond tax abatement ordinance. As a result, no special tax for bond retirement has been levied after the 2010 refinance. All bond retirement payments have come from the Corporate Fund/General Library Fund; and

WHEREAS, on January 17, 2017, the Board passed a bond tax abatement ordinance consistent with the Board's annual practice. Unfortunately, the bond tax abatement ordinance was not filed with the County Clerk; and

WHEREAS, without receipt of a bond tax abatement ordinance, the County Clerk was compelled by the Board's 2010 bond ordinance to include a special tax for bond retirement in the 2016 real estate tax bills (payable in 2017); and

WHEREAS, the 2016 special tax levy for bond retirement (per the bond repayment schedule in the 2010 bond ordinance) is \$854,645 (the actual amount levied by the County Clerk is \$863,191 as the County Clerk automatically adds 1% on bond retirement levies for "loss of collection"); and

WHEREAS, the Library District's 2017 revenue, per the Board's Levy Ordinance adopted November 15, 2016, should have been \$5,880,979. Instead, the Library District will receive revenue of \$6,744,176. This is \$863,196 more than the Library District would have received if the bond tax abatement ordinance had been filed consistent with the Board's customary practice; and

WHEREAS, the financial consequence of the levy of the special tax for bond retirement to taxpayers/homeowners depends on the market value/assessed value of property; and

WHEREAS, by way of example only, the amount of real estate tax attributable to the special tax for bond retirement on residential property with a market value of \$250,000 is \$39.00; and

WHEREAS, by way of example only, the amount of real estate tax attributable to the special tax for bond retirement on residential property with a market value of \$400,000 is \$66.00; and

WHEREAS, the Board intends to rectify the Library District's error in failing to file the annual bond tax abatement ordinance and make whole the taxpayers.

NOW, THEREFORE, THE BOARD RESOLVES AS FOLLOWS:

1. The Board will take all measures reasonable necessary to make whole the taxpayers;
2. Revenues received from the County Clerk related to the special tax extension for bond retirement will be set aside in a separate fund (2016 Bond Revenue Fund);
3. The Board anticipates that its next levy (Levy Ordinance for the 2017-2018 Fiscal Year to be filed in October or November, 2017) will ask for an amount less than its usual and customary levy by the approximate amount of revenues received in 2017 from the special tax extension for bond retirement;
4. The reduction in the levy amount as stated in the preceding paragraph is intended to make whole the taxpayers as the 2017 real estate taxes for the Library District to be paid in 2018 will be reduced;
5. The 2016 Bond Revenue Fund may be used prospectively to offset reduced revenues in the Corporate Fund;
6. Cognizant of the tax revenue limitations from year to year under PTELL (the tax cap) and cognizant of its fiscal responsibilities, the Board will confirm with the County Clerk the amount of future tax extensions per the "3 year rule" set forth in PTELL, i.e.:  
  
"For those taxing district that reduced their aggregate extension for the last preceding levy year, the highest aggregate extension in any of the last 3 preceding levy years shall be used for the purpose of computing the limiting rate." 35 ILCS 200/18-185
7. Prospectively, the Board will take all measures reasonably necessary to assure the passage and filing each year of a bond tax abatement ordinance consistent with the Board's 2010 bond refinance plan;
8. This Resolution is effective immediately.

Adopted May 16, 2017, pursuant to a roll call vote as follows:

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

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

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

Date of Adoption: May 16, 2017

Effective Date: May 16, 2017

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Jo Beckwith, President

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Nancy Sheldon, Secretary

(SEAL)