

Board packet November 20, 2018: Ordinance 2018/2019-5 Annual Levy Ordinance

Friday, November 16, 2018
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Subject	Board packet November 20, 2018: Ordinance 2018/2019-5 Annual Levy Ordinance
From	Ryan Livergood
To	libraryboard
Cc	Noreen Reese; Gina Ornelas; Amy Blanchard; Sandy Beda; Jan Marsh; Douglas Wideburg; Kevin Getty; 'AFarr@MichaelSilver.com'; Ryan Livergood
Sent	Friday, November 16, 2018 10:58 AM
Attachments	Ordinance 2018-2019-5 Annual Levy 2018-2019

Good morning,

Attached is the annual levy for fiscal year 2018/2019. Even if this isn't your first time looking at our annual levy ordinance, it might seem overwhelming, so I am going to try to overview it in simple terms:

What is the purpose?

This is amount of taxes to be levied in the library district for fiscal year 2018-2019. It directs Lake County what taxes to levy, collect, and deposit on behalf of the library district. This tax revenue is approximately 93% of our budget.

How is the amount determined?

The base of taxation is the equalized assessed valuation (EAV), which is the worth of all the property in the library district. However, there is a limit on how much the district can raise in taxes that can work to counteract tax rates if EAV were to dramatically increase. That is the Property Tax Extension Limitation Law (PTELL), popularly known as the tax cap. Counties in Illinois have the option to abide by this law, and Lake County has taken that option, so the PTELL applies to our library district. This law states that the district can only be extended, that is, receive, taxes no more than 5% or the Consumer Price Index (CPI) over what it received last year, whichever figure is lower.

What is different with this year's levy?

This proposed levy increase is 23.05% higher than the taxes extended last year. This number is a significant increase if you compare it in a vacuum to only last year, so it is important to put it into context. As you will recall, the 2017 levy was significantly lower than the 2016 levy. This was to make taxpayers whole again due to the tax revenue we shouldn't have received for debt service that occurred due to our failure to file the tax abatement ordinance in early 2017. If you compare the 2016 levy with the proposed 2018 levy, the overall increase between the two amounts to a 4.96% increase, or an annual average increase of 2.48%. This is in line with the inflationary increases over this span of time.

Hopefully after reading this overview, you will review the levy and feel confident adopting Ordinance 2018/2019-5. If you still have questions, please don't hesitate to contact me prior to the meeting.

Thanks,
Ryan

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Executive Director

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