

**VILLAGE OF ALSIP
MINUTES
TRUTH IN TAXATION SPECIAL
VILLAGE BOARD MEETING
December 15, 2008**

1
2 Mayor Kitching called the meeting to order at 7:00 p.m. Clerk Venhuizen called the roll.

3 Present: Trustees Collins, Shapiro, Graczyk, Godfrey and Michaels. Also in attendance were Mayor
4 Kitching, Clerk Venhuizen and Village Attorney Todd Hayden. Absent: Trustee McGreal.

5
6 Mayor Kitching reported the Truth in Taxation Hearing was called for the purpose of public input on
7 the proposed 2008-2009 Tax Levy Ordinance.

8
9 Greg Palumbo, Finance Director, prepared and read the following into the record:

10 To collect a property tax, government agencies in the State of Illinois are required to establish a “tax
11 levy.” The tax levy is a projection of the monies the government agency obtains through the annual
12 property tax. The Alsip Village Board adopts a property tax levy by ordinance and files the ordinance
13 with the Cook County Clerk by the last Tuesday in December. The funds identified in the tax levy
14 ordinance and collected through the property tax are utilized by the Village, along with other revenue
15 sources to fund the Village budget.

16
17 One of the more difficult aspects to understand regarding the property tax system in Illinois pertains
18 to its timing. The Village’s 2008 tax levy will be incorporated in the property tax bills property
19 owners receive in 2009 and will be used to fund a portion of the current 2008/2009 Village budget
20 (which runs on a fiscal year of May 1 through April 30). The tax levy ordinance adopted by the
21 Village is filed with the Cook County Clerk, whose office determines the “tax rate” needed to raise
22 the dollars levied by the Village. The Village levies in dollars rather than a specific tax rate. As a
23 result, the Village does not receive any additional dollars if the assessed valuation of property in the
24 Village increases. Rather, the amount of the Village tax levy remains the same and is spread over a
25 greater total assessed valuation of property (which results in a decrease in the actual Village rate).

26
27 As previously noted, State law dictates the timing and process that must be followed in the levy and
28 collection of property taxes. This necessitates the passage of a property tax levy well in advance of
29 the budget year in which these funds are used, and for which the Village has not yet considered an
30 annual budget. In order to determine an accurate projection of dollars needed by the tax levy, the
31 Village Board and Staff utilize a long term financial plan, and have already begun general discussions
32 for the preparation of the 2009/2010 Village Budget.

33
34 The property tax rate is determined by the Cook County Clerk and appears on the property owner’s
35 property tax bill. The tax rate is applied to the property’s assessed valuation, which is established by
36 the Cook County Assessor, to determine the amount of money the taxpayer pays to the Village of
37 Alsip and other taxing agencies. Property owners in the Village of Alsip will note that the Village is
38 only one of many taxing bodies which appear on the annual property tax bill.

39
40 **Proposed 2008 Village Tax Levy**

41
42 The result of the aforementioned process has led to the development of the property tax ordinance. As
43 previously discussed, slowing growth and reductions of non-property tax revenues have combined
44 with significant cost increases such as insurance, refuse collection and pensions to negatively impact
45 the FY 2010 rate. On the revenue side sales tax revenues have slowed considerably and building
46 permits and real estate transfer tax have dramatically decreased. After reviewing optional levies, the
47 Village Board is considering a 2008 tax levy in the amount of \$6,674,424.55. This proposed tax levy
48 represents a 7.649% increase over the extended 2007 Village tax levy of \$6,200,200.48. The entire
49 increase in the 2008 levy is the result of statutorily required funding of police and fire pension funds.
50 It is projected that for a property with a market value of \$150,000 this will result in an annual
51 increase of \$34.51.

52
53 As in previous years we are proposing a series of abatements to our debt levy. Absent these
54 abatements our debt levy would be \$6,589,324.93. We are abating out of a variety of other revenue
55 sources including water and sewer revenue and other enterprise fund revenues with a total abatement
56 of \$5,478,513.93, leaving a balance of \$1,110,811.00 for the debt levy. The abatements represent
57 83% of the total debt service levy. The balance represents 17% of the total tax levy.

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63 Trustee Shapiro reported the Village of Alsip is one of the lowest taxing bodies of all surrounding
64 communities. Trustee Graczyk reported the only Villages with a lower tax rate are Crestwood and
65 Midlothian. The Village of Alsip is ranked 7th lowest taxing body out of 26 Villages.
66
67 Mayor Kitching asked if there were any questions from the Board; there were none.
68
69 Mayor Kitching asked if there were any questions from the any members of public in attendance;
70 there were none.
71
72 Motion by Trustee Godfrey to adjourn; seconded by Trustee Graczyk. All in favor; none opposed.
73 Motion carried at approximately 7:12 p.m.
74

75
76 Respectfully submitted
77

78
79 _____
80 Deborah Venhuizen
81 Village Clerk, Alsip, Illinois
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