**Sauk Valley Community College**

**December 14, 2015**

**Action Item 4.1**

**Topic: 2015 Tax Levy**

**Strategic Direction: Goal 3, Objective 1 – Identify and implement methods to increase revenues**

**Presented By:** **Dr. David Hellmich and Melissa Dye**

**Presentation:**

State law requires the College to file a tax levy with the county clerks by the fourth Tuesday of December. Attached is SVCC’s proposed Certificate of Tax Levy for 2015. If approved, the estimated tax rate for 2015 will be approximately 42.17 cents per hundred dollars of equalized assessed valuation (EAV), down 1.31% from 42.73 cents in 2014. The following table compares the two years’ levies and tax rates:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Fund** | **2014****Extension** | **2015 Levy****Proposed** | **% Change** | **2014****Rate** | **2015 Rate****Proposed** |
| Education | $3,868,479 | 4,000,000 | 3.40% | $.2450 | $.2450 |
| Operations & Maintenance | 473,691 | 500,000 | 5.55% | .0300 | .0300 |
| Protection, Health, Safety | 789,485 | 872,795 | 10.55% | .0500 | .0500 |
| Liability, Protection, Settlement | 279,706 | 310,000 | 10.83% | .0177 | .0192 |
| Social Security/Medicare | 135,133 | 144,000 |  6.56% | .0085 | .0089 |
| Audit | 61,684 | 62,000 | 0.51% | .0039 | .0038 |
| **TOTAL** | **$5,608,178** | **$5,888,795** | **5.00%** | **$.3551** | **$.3569** |
| Bond & Interest | 1,139,276 | 1,046,550 | -8.14% | .0722 | .0648 |
| **TOTAL** | **$6,747,454** | **$6,935,345** | **2.78%** | **$.4273** | **$.4217** |

Early information from the district’s six county assessors indicates that the 2015 EAV will increase about 2.4% from 2014, from $1,578,970,968 to $1,616,148,485. The actual tax base upon which our tax revenue is collected will not be determined until May 2016. Therefore, the request for tax revenue in the Education and Operations and Maintenance Funds needs to be set slightly higher than the anticipated actual base in order to provide the College with all of the tax revenue previously authorized by the public.

The Liability, Protection and Settlement and the Social Security/Medicare levies are set at $310,000 and $144,000. Liability Protection & Settlement increase over 2014 due to not levying for the full amount in 2014.

The Protection, Health and Safety levy equals the cost of the capital projects that the Board approved in October 2015. The Audit Fund levy is set at an estimate of audit costs for next fiscal year. The Bond and Interest levy is the amount needed to meet annual principal and interest payments on our funding and working cash bonds.

The following table provides a historical look at the SVCC tax rate and the corresponding cost to the taxpayers for a $100,000 home.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2011** | **2012** | **2013** | **2014** | **Estimate 2015** |
| SVCC Tax Rate | 0.4419 | 0.4416 | 0.4290 | 0.4273 | 0.4217 |
| $100,000 home (1) |  $ 147.30 |  $ 147.20  |  $ 143.00  |  $ 142.43  |  $ 140.57  |
| EAV adj. $100,000 home (2) |  $ 148.92  |  $ 147.79  |  $ 141.85  |  $ 144.28  |  $ 143.94  |
| CPI adj. $100,000 home (3) |  $ 151.28  |  $ 152.06  |  $ 146.29 |  $ 144.14  |  $ 143.24  |

|  |
| --- |
| (1)This is the tax amount for a $100,000 home that does not increase in value annually. |
| (2)This is the tax amount for a $100,000 home that increases annually by the EAV % change. |
| (3)This is the tax amount for a $100,000 home that increases annually by the Midwest April to April CPI % change. |

In addition to the statements made on the accompanying Certificate of Tax Levy, by approving this resolution the Board of Trustees also approves the following statement for GASB accounting purposes:

 **That the property tax levy adopted by the Board of Trustees for the calendar year 2015 to be collected in the calendar year 2015 be allocated 50% for fiscal year 2016 and 50% for fiscal year 2017.**

**Recommendation:**

The administration recommends the Board of Trustees approve the 2015 tax levy as presented.