**Sauk Valley Community College**

**November 28, 2016**

**Agenda Item 4.6**

**Topic: 2016 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 file a tax levy with the county clerks by the fourth Tuesday of December. Attached is SVCC’s proposed Certificate of Tax Levy for 2016. If approved, the estimated tax rate for 2016 will be approximately 42.56 cents per hundred dollars of equalized assessed valuation (EAV), down 0.4% from 42.73 cents in 2015. The following table compares the two years’ levies and tax rates:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Fund** | **2015****Extension** | **2016 Levy****Proposed** | **% Change** | **2015****Rate** | **2016 Rate****Proposed** |
| Education | $3,937,848 | 4,050,000 | 2.85% | $.2450 | $.2450 |
| Operations & Maintenance | 482,279 | 500,000 | 3.67% | .0300 | .0300 |
| Special Tax | 0 | 410,000 | 100.00% | .0000 | .0247 |
| Protection, Health, Safety | 803,798 | 850,000 | 5.75% | .0500 | .0500 |
| Liability, Protection, Settlement | 310,243 | 20,000 | -93.55% | .0177 | .0012 |
| Social Security/Medicare | 144,577 | 138,000 |  -4.55% | .0085 | .0083 |
| Audit | 62,589 | 60,000 | -4.14% | .0039 | .0036 |
| **TOTAL** | **$5,741,334** | **$6,028,000** | **4.99%** | **$.3551** | **$.3628** |
| Bond & Interest | 1,050,578 | 1,043,650 | -0.66% | .0722 | .0628 |
| **TOTAL** | **$6,791,912** | **$7,071,650** | **4.12%** | **$.4273** | **$.4256** |

Early information from the district’s six county assessors indicates that the 2016 EAV will increase about 3.4% from 2015 from $1,607,595,766 to $1,663,028,176. The actual tax base upon which the College’s tax revenue is collected will not be determined until May 2017. 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 $20,000 and $138,000. Liability Protection & Settlement decreased over 2015 in order to levy for the special tax rate without increasing the total rate to the taxpayers.

The Protection, Health and Safety levy equals the cost of the capital projects that the Board approved in September 2016. The Audit Fund levy is set at an estimate of audit costs for next fiscal year. The Bond and Interest levy are the amount needed to meet annual principal and interest payments on the College’s 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:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2012** | **2013** | **2014** | **2015** | **Estimate 2016** |
| SVCC Tax Rate | 0.4416 | 0.4290 | 0.4273 | 0.4273 | 0.4256 |
| $100,000 home (1) |  $ 147.20  |  $ 143.00  |  $ 142.43  |  $ 142.43  |  $ 141.87  |
| EAV adj. $100,000 home (2) |  $ 147.79  |  $ 141.85  |  $ 144.28  |  $ 145.85  |  $ 146.69  |
| CPI adj. $100,000 home (3) |  $ 152.06  |  $ 146.29 |  $ 144.14  |  $ 145.14  |  $ 140.30  |

|  |
| --- |
| (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, the Board of Trustees by approving this resolution approves the following statement for GASB accounting purposes:

 **That the property tax levy adopted by the Board of Trustees for the calendar year 2016 to be collected in the calendar year 2017 be allocated 50% for fiscal year 2017 and 50% for fiscal year 2018.**

**Recommendation:**

The administration recommends the Board of Trustees approve the 2016 tax levy as presented.