

VILLAGE OF LAKE BLUFF
FINANCE COMMITTEE MEETING

VIRTUAL MEETING
Monday, October 26, 2020
6:00 PM

Due to the COVID-19 emergency, this meeting will be held primarily virtually. Members of the public may view and participate in the meeting via:

Online (**strongly recommended**): lakebluff.org/VirtualFinanceCommittee

OR

Dial-in: **(312) 626-6799**. Enter meeting ID **884 1619 0394**. Press # when prompted for a Participant ID.

IMPORTANT: Additional instructions are available in the agenda packet immediately following the agenda.

As required by law, at least one representative from the Village will be present at Village Hall and the virtual meeting will be simulcast at Village Hall for members of the public who do not wish to view the virtual meeting from another location. Pursuant to Executive Order 2020-38 issued by the Governor, no more than 10 people may gather at Village Hall for the meeting. Accordingly, the opportunity to view the virtual meeting at Village Hall is available on a “first come, first-served” basis.

The meeting will be live-streamed at lakebluff.org/Channel19 and broadcast live on Comcast Channel 19 with the most recent meeting rebroadcast on Wednesdays at 8:00 a.m. and Mondays at 7:00 p.m.

AGENDA

I. Oral Declaration Regarding In-Person Meetings of Subsidiary Boards and Commissions

Chair declares that meeting in Person is not practical or prudent.

II. Call to Order – Roll Call

III. Approval of Minutes – October 7, 2020

IV. Non-Agenda Items and Visitors

The Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

V. Business Items

- A. Continued Discussion Regarding 2020 Property Tax Levy Estimates and Police Pension Actuarial Recommendation
- B. Continued Discussion Regarding an Update to the Local Stimulus Grant Program

VI. Adjournment

The Village of Lake Bluff is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the facilities, are requested to contact R. Drew Irvin at 847-234-0774 or TDD number 847-234-2153 promptly to allow the Village of Lake Bluff to make reasonable accommodations.

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – **October 7, 2020**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, October 7, 2020 at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Barbara Ankenman, Chair
Trustee William Meyer, Member
Trustee Aaron Towle, Member

Others Present: Kathleen O'Hara, Village Board President
Regis Charlot, Village Trustee
Mark Dewart, Village Trustee
Joy Markee, Village Trustee
R. Drew Irvin, Village Administrator
Bettina O'Connell, Finance Director
Jeff Hansen, Village Engineer
Glen Cole, Assistant to the Village Administrator
Jake Terlap, Public Works Superintendent
Peter Friedman, Village Attorney

II. Oral Declaration Regarding In-Person Meetings of Subsidiary Boards and Commissions

Chair Ankenman said due to the COVID-19 emergency, this meeting will be held primarily virtually. As required by law, at least one representative from the Village will be present at Village Hall and the virtual meeting will be simulcast for members of the public who do not wish to view the virtual meeting from another location. The Board Room can accommodate 13 people, including members of the public body and Village Staff, while maintaining the six feet of social distance between individuals required by Executive Order 2020-43. Accordingly, the opportunity to view the virtual meeting at Village Hall is available on a "first come, first-serve" basis. She further stated Members of the public may view and participate in the meeting via online [lakebluff.org/Virtual Meeting](https://lakebluff.org/VirtualMeeting) or Dial-in: (312) 626-6799. (Enter meeting ID **818 9289 8136 Press #** when prompted for a Participant ID. Additional instructions are available in the agenda packet immediately following the agenda. Also, the meeting will be live-streamed at lakebluff.org/Channel19, broadcast live on Comcast Channel 19 and once available, a recording of the meeting will be posted on the Village website and periodically rebroadcast on Channel 19.

III. Non-Agenda Items and Visitors

Chair Ankenman said the Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

There were no requests to address the committee.

IV. Business Items

A. Continued Discussion Regarding 2020 Property Tax Levy Estimates and Police Pension Actuarial Recommendation

Chair Ankenman introduced the agenda item and questioned if a detailed schedule that forecasts what it may look like for the 2021 and 2022 tax years, keeping everything levied and taking the CPI could be provided. A discussion was had by the Finance Committee regarding the merit of the Tax levy with CPI and without and opened the floor for comments or questions.

Following a request from Village Administrator Drew Irvin, Finance Director Bettina O'Connell said the County provides an EAV estimate at this time of year; however, she noted, the estimates can still change and historically the change has further reduced the Villages EAV primarily due to ongoing homestead exemptions or senior exemptions which reduces EAV. A discussion followed.

Trustee Meyer said he is of the same opinion as he was during the last meeting; he stated that he did not favor increasing the taxes and rather supported tightening the belt on spending. He stated that the Committee should seek clarification on what exactly a tax freeze would look like.

In response to a question from Trustee Meyer, Finance Director O'Connell said her interpretation of a freeze is that we would request the exact same levy amount that we did in the prior year and disregard any changes to EAV and CPI. Unfortunately, the EAV is declining and that would have an effect on the overall calculation. Also, with CPI you are looking at the 2.1% increase from the maximum levy amount from the previous year.

Finance Director O'Connell provided a brief overview of the 2019 and 2020 levy chart comparing levies that included taking CPI, not taking CPI and a freeze on the requested tax extension.

Trustee Meyer questioned the effect that foregoing CPI would have on the average Lake Bluff homeowner's tax bill. Finance Director O'Connell said no CPI will still increase the average homeowner's tax bill because EAV was declining increasing the rate and ultimately the calculated amounts. Trustee Meyer asked what the dimension of the increase to the homeowner would be, Finance Director O'Connell said she would need to update the calculations to provide additional information for the next meeting but the estimated difference was about \$35 to \$40 dollars with the new EAV for a \$750,000 home.

President O'Hara inquired about the medium home value in Lake Bluff right now, Village Administrator Irvin said he thinks the value is less than \$750,000.

In response to a question from Trustee Dewart, Trustee Meyer said if it is a straight linear function the calculation is \$29.40 instead of \$35. Finance Director O'Connell reviewed the 2020 extension estimate rate spreadsheet.

Chair Ankenman asked how the Library would impact the Village portion of the levy. Finance Director O'Connell said it is her understanding that the Library would seek CPI for the full increase.

Trustee Dewart expressed his understanding that if the Library chooses to increase, even though the Village freezes, the tax bills still might go up some very small amount.

In response to a question from Trustee Ankenman regarding if the Library does increase its levy to include CPI does that impact what the Village is left with, Finance Director O'Connell said it is not an independent calculation and showed on the chart the portion of numbers that would be increased based on CPI.

Trustee Ankenman said their numbers are simply added to ours whether the Library takes CPI or not; it does if effect the pool of dollars available to the Village. Finance Director O'Connell said in the past when the Library did the \$20,000 increase it increased the percentage. So, she continued, if the Library votes to take it a certain way then we would increase the Village. A discussion followed.

Trustee Dewart said if the Village chooses to freeze at the total Village levy flat and foregoes \$91,000 dollars and the Library chooses to increase he thinks that further drives the Village into a hole. A discussion followed.

President O'Hara said this situation has happened before and supposedly we cannot do that, even though technically there are a sub-unit of the Village.

Village Attorney Peter Friedman said the statute provides that they can request the levy and the Village is obligated to extend that levy subjected to PTELL and other restrictions on rate.

In response to a question from Trustee Charlot, Finance Director O'Connell said that means the Village will still request the same \$4 million and the portion that the Library receives will be greater than it was in previous years and the Village part will be less.

Trustee Towle said it does not make him any more comfortable with increasing people's taxes on the Village side. He thinks the Village should capture any new EAV and not take the CPI this year. A discussion followed.

Village Administrator Irvin clarified that there is no new EAV, the EAV has dropped from the previous year.

In response to a comment from Trustee Towle, Finance Director O'Connell said the no CPI includes the EAV number from the County that was received and the freeze is basically duplicating last year's tax extension. She said when the EAV comes through it could still increase the per house hold property tax number because the EAV will be lower and when EAV decrease the taxes rate will increase per house hold to cover the same number. She said when the EAV comes back lower, even if the Village selects a freeze and request the same amount in total, the per household number could still increase to capture that same number of dollars.

Trustee Towle said in order to avoid an increase in our tax base we would have to do a freeze and no CPI, Finance Director O'Connell said what a freeze means is the amount that the Village is requesting would not change, so we are going to request the same total maximum levy number from the County. She noted that, if the EAV actually did shrink and in order to spread those tax dollars across all the homeowners, the per household amount would slightly increase to cover the same number from last year when the EAV was higher. A discussion followed.

Trustee Towle expressed his understanding that if the EAV decreased the levy would increase.

President O'Hara said, if we are requesting the exact same dollar amount as last year, the bucket that we are taking it out of which is the EAV has lost money; consequently, the Village would have to ask for more money to make it to that dollar amount if we freeze because it would be less EAV to meet that dollar amount.

Trustee Charlot asked what would happen if the Village sticks to the new EAV. He inquired as to how much less money would that be compared to the requested \$4 million.

Finance Director O'Connell said the Village is asking for the same extension but the difference is that it is being divided amongst all the households because the reduction in the EAV; she said that the number of people will be paying to get us to the \$4 million will be a little more. A discussion followed.

Trustee Markee asked that regardless of the column we chose there will be an slight increase in the tax bill somewhere; she said the question is how much; Village Administrator Irvin said the Village could request an extension less to match up with last year's EAV rate, to no change using the EAV today, than the Village would get fewer property tax dollars than we have last year. A discussion followed.

Chair Ankenman said if we look at in general the CPI factor of 3% entering into these calculations, in theory that represent the increase in cost of goods and services for everything and everyone on an average. That means that as a Village we are cost will increases, so if we freeze, and all the other cost increase at an average of 2% then we can do less with the same amount of money. She said along those same lines we have collective bargaining agreements that mandate certain compensation increases; so, as those cost go up, there is money somewhere else that has to be taken away from. Finally, she added, that the Police Pension funding--given the latest formulas to what we need to contribute and when the market as it is-- needs \$100,000 dollars more than the prior year. She said that these are all things that are eating away at the amount of available resources to provide the same level of services. She encouraged the Committee to keep a long term look at the expenses and note that the Village will have to say "no" to a lot of possible actions.

In response to a question from Trustee Charlot regarding where the Village might look to balance fiscal plans, Village Administrator Irvin said certain capital initiatives would likely be deferred. He reminded the Committee as to how, in the past, investments in the Equipment Replacement Fund money first and then other capital projects have been identified for deferments.

Trustee Dewart said if we believe that Village expenses will increase next year and the \$93,000 constitutes that expected increase and we have \$100,000 potential increase to the Police Pension fund, does that mean the Village has an approximately \$200,000 gap to reconcile. Village Administrator Irvin said the Village is in a situation where we have approximately 30% of the Village revenues coming from property taxes, 30% from sales taxes (which took a big hit at the end of the first quarter of this year and the second quarter was not good) and the balance of revenue is a from a variety of sources. He stated that this Board talked about revisiting revenue and expense projections in November, which is mid fiscal year for the Village, and gauge our comfort levels. Village Administrator Irvin said the good thing is there is Care Act money on the way to help with unforeseen COVID-19 related expenditures which will close some gaps. He said the Village of Lake Bluff has a diverse source of revenues and some are more variable than others.

In response to a question from Chair Ankenman, Finance Director O'Connell said we are looking at roughly \$260,000 dollars of decline and the Care Act money will close some of that gap. A discussion regarding the Care Act money followed.

Chair Ankenman said the programs have been helpful but we are still looking at possible decrease in revenue, so we need to look at a longer window.

Trustee Markee agreed with Trustee Towle and would love to see the Village lead by example with regard to holding taxes flat, especially for other organizations and taxing bodies. We thinks if we can hold of this year and try not to increase very much, she thinks this will send a message and shows leader from the Village is it tightens its spending as well.

Trustee Meyer said we have talked a lot about CPI and the Village expenses increase a lot by CPI, be questioned if we have a really sense of whether the Village expenses pursuant to consumer price index or by some other index that is closer to the overall U.S. economical inflation as all the consumption sectors have different rates. He wonders as we are trying to budget here what is the real number by which Village expenses increase. Village Administrator Irvin said the biggest being personnel services which approximately 37% of the Village budget largely is attached to CBA which will include increases in the neighborhood of 2.5%. The contracts and commodities portion of Village expenses is approximately 29% of the budget varies by services. He said the biggest is the labor fees is approximately 2.5% and based off of labor negotiations. A discussion followed.

Trustee Towle said we always have different capital projects, in different phases, which we are waiting on some other source of funds to complete, and asked if staff has any anticipation of certain projects that may not be done because of a lack of funds. Village Administrator Irvin commented on the Village projects that are on the State waiting list for funds and noted the Village could modify its plans to fit within its current revenue streams.

In response to a comment from Trustee Charlot, Village Administrator Irvin said he thinks the Finance Committee can certainly say that they are asking for the same amount of extension as they had last year. While that may be a net increase in some household's property taxes we would not be increasing last year extension.

Following a request from Village Administrator Irvin and sharing her screen with everyone, Finance Director O'Connell said if she goes to the freeze tab and uses last years' rate, then the calculated number would be 4.461 which reducing the amounts we would take in and further deplete the general funds by approximately \$114,000. The Library including they numbers would be even greater should be an additional \$9,000 dollars. A discussion followed.

President O'Hara asked if there have been any conversation with the Library about holding steady, Village Administrator Irvin based on preliminary conversations he thinks all the taxing districts (Library, School and Park District) in the Village would be looking for CPI giving the uncertainty of economy.

Trustee Towle said he would be comfortable if we set our expectations the same as last years, knowing that still might increase the property tax bill for residents but this would show that the Village is not trying to expand its budget and program at this difficult times.

Trustee Meyer said he would be interested in knowing the figure that would result in a zero increase in our tax payer's tax bill. He said he understands that freeze is in respect to the Village number not with respect to the taxpayers and maybe the right approach is to do the same things as last year. Chair Ankenman said it sounds like that amount would be in the ballpark of \$30,000 less than the freeze amount.

Village Administrator Irvin commented on the procedural motions and upcoming Finance Committee meetings.

Trustee Towle made a motion to continue the items. Trustee Meyer seconded the motion. The motion passed on a unanimous roll call vote.

B. Discussion Regarding Possible Changes to Village Ambulance Fee Schedule

Chair Ankenman introduced the agenda item and commented on the previous information discussed at the prior meeting. She said she thinks what we can expect is that on an annual basis we will be paying the City of Lake Forest (City) approximately \$400,000 dollars for all the service calls and then see what the Village expected to collect. She said given the level of service and reimbursement rate of approximately \$400 dollars that could make our total collections for transported calls to just over \$200,000 yearly, and then factors in we may only collect about \$100,000 from the public. There is an outflow of \$400,000 the City and an inflow from the user of the service of \$100,000, leaving a gap of approximately \$300,000 to the Village for the overall services we are absorbing. Chair Ankenman said the memorandum discusses how the Village might be able to capture an additional \$3,000 to \$5,000 yearly to offset that difference if there is no transport, and lift assistant fees that are less than what we pay to the City.

In response to a question from Trustee Charlot, Village Administrator Irvin said we are limited by law in the fees the Village can charge to Medicare and Medicaid customers despite the expensive nature of those services. However, he said that the Village can bill them for services rendered when this is no transportation but care is provided or if there is a lift assist to try and close the gap between lost revenue. He said the expected revenue shown in the memo is a conservative estimate based off the small quantity of calls the Village sees.

Trustee Charlot asked what would happen if we assume those ambulance services ourselves, would be better for the Village to assume these services.

Trustee Meyer said the answer he received was that the deal with the City because they have an economy scale which the Village cannot match. Village Administrator Irvin said we have been looking at how the Village could do this service in a sustainable matter and moving forward and using the new structure, Staff has done an analysis which is still being scrutinized. He commented that the Village has recently resolved a dispute with the City of Lake Forest over ambulance billing.

Village Administrator Irvin introduced the queued caller Brian Renner.

Mr. Renner said when he served on the Village Board and Finance Committee years ago when they had discussions regarding ambulance services, specifically, the Government's role in helping with health care. At the time, he said that the Village was not only discussing the Village expenses but the individual out of pocket costs

residents would be charged. He inquired how the Village participates in the residents cost for ambulance services.

Village Administrator Irvin said Staff has talked about how much the Village would be willing to subsidize the call, and at the time was \$533 dollars that was the maximum the Village was prepared to subsidize for transports. Since then, he added, the Village has had a cap on that fee as negotiated with the City and the recent negotiations have resulted in elimination of that cap because the City refuses to be in a position where they subsidize the Village's services. He said now we are at the point where the rates have gone above that cap but there is a new higher cap budget figure and the resulted would have both the Village and residents paying more.

Mr. Renner said he thinks is it important because aside from the Village budget cost, there is individual cost to the resident and it is important that as this matter is being discussed that the residents understanding their portion, and what the Village is covering and how that works. A discussion regarding rates followed.

Trustee Dewart said it would be helpful to ask Staff to recirculation the old memo where of the Committee discussed the Village's subsidy. A discussion followed.

Village Administrator Irvin said he would look for it and noted that Andre's Medical Services, who bills patients on behalf of the Village, does send out collection notices for unpaid bills.

Trustee Meyer made a motion to recommend to the Village Board to adopt the ambulance fees and recommend the amendment to the comprehensive fee schedule to reflect this fee schedule. Trustee Towle seconded the motion. The motion passed on a unanimous roll call vote.

In response to a question from Trustee Dewart, Village Administrator Irvin said the City does not bill their residents for lift assist they have chosen to do subsidize that service through their property taxes. A discussion followed.

In response to a question from Trustee Charlot, Village Administrator Irvin said the Village formula is based off their budget in the fire department, and based on a formula that supports this functionality and service. A discussion followed.

Trustee Meyer said it looks like the City has someone on the order of 150 to 200 EMS calls a month which would certainly place their economy of scale on a manual bases higher than the Village and we need more information to understanding this. A discussion followed.

Village Administrator Irvin summarized the discussion and said he will provided historic information regarding this matter.

C. Discussion Regarding an Update to the Local Stimulus Grant Program

Chair Ankenman introduced the agenda items and provided information regarding the program then opened the floor for comments from the committee.

Trustee Towle said he thinks the businesses and restaurants have done a really great job of opening up options for dines to enjoy and he is concern that when the weather changes the options will no longer be available. He thinks whatever the Village can do to encourage them, whether tents or heaters, to stay open and keep those options

available to residents the Village should supports. He do wonder instead of increasing the maximum liability to \$140,000 could be just modify the qualification of the original grant program and keep the maximum liability at an estimated \$75,000 and expand the qualification process. Chair Ankenman said meaning you would lower the threshold to maybe 15%. A discussion followed.

In response to a question from Trustee Towle, Village Administrator Irvin said you could do exactly what you are describing and he thinks the simplest way to do this is to use the exact same program and use this as an option, as these defined qualified expenses and roll that into it and say that the money that the Village has allocated for this will not change and it is a first come first serve basis and when the money runs out it is gone.

Trustee Meyer said we have to watch expenses and put that cap it but expanding the availability of the funds and other good purposes is also of importance. He said the Village should give the businesses some extra supports but he would like to see the liability cap.

Trustee Dewart said we need to adjust the barrier to entry because of certain circumstances we might be limited the number of applicants. He said we may expand the uses of funds based on the limited interest so far, and asked if the Village has limited the entry of businesses by the established guidelines. Village Administrator Irvin said he thinks the answer is yes but it was purposeful. The idea of setting the bar 25% decline in revenues that threshold was set after being talked about to a great extent and the idea was to try to provide money to those businesses that were the most hurting.

Trustee Dewart said he is concerned with opening up the qualified expenses, if there is a barrier to entry, then the possible future outlay could again be about \$6,000 dollars. A discussion followed.

Trustee Charlot questioned the success of the stimulus program and said businesses have lost revenue, and we are about to enter a new phase of loss revenue and he thinks we should be more aggressive in providing funds that will allow business to remain open. He asked how the Village might make it easier for people to do business. A discussion followed.

Trustee Markee said she thinks the Village offered the program and the businesses that needed to utilize the program did so and, outside of Whitehead Studios, which she believe was planning to close regardless of the pandemic, she did not notice any other businesses closing. She does not think the program was a failure but rather it might be made better; she said she liked the idea of possibly doing a separate grant to get ahead of the curve. Trustee Markee said she would also add portable heaters onto the list of qualifying expenses. A discussion followed.

President O'Hara asked what would happen if we keep it at the original \$75,000 dollars and then review the program in a few months. A discussion followed.

Village Administrator Irvin said he has been in conversations with the restaurants for months and he has an idea of which ones will be doing what. He said many of the owners have already purchased a lot of the supplies during the summer and winter and availability of tents and heaters are limited at this point and most of this would expenses that have already incurred. He would say that right now for the restaurants had it very good this summer because of the weather and he thinks the difficult period

for the restaurants will be the first quarter of next year because things tend to go dormant for restaurants after the holiday season until early spring. Village Administrator Irvin said he thinks there is time to review and modify the program, but he thinks the first quarter window is when the restaurants will be seeking funding. If the Village desires to take action now, it could extend the program and send letters to qualifying businesses, extend the current modifies under current terms and extend the deadline.

Trustee Dewart said he thinks there is two pieces to this: an operational subsidy and fixed expenses; he said he thinks the notion to extend the current program to cover the first quarter makes sense. In response to a question from Trustee Dewart, Village Administrator Irvin said there can be retroactive funding and also reduce the minimum decline in revenue to 20% going back to the original dates of purchase. A discussion followed.

Following an extensive discussion, the Finance Committee took no action on this item.

V. Adjournment

Member Towle made a motion to adjourn the meeting at 7:58 PM; seconded by Member Meyer and the motion passed on a unanimous roll call vote.

Respectfully submitted,

Bettina O'Connell
Finance Director

VILLAGE OF LAKE BLUFF

MEMORANDUM

TO: Finance Committee Members
Kathy O'Hara, Village President
R. Drew Irvin, Village Administrator

FROM: Bettina K. O'Connell, Director of Finance

DATE: October 21, 2020

SUBJECT: 2020 Property Tax Levy Estimate- Update



Annually the Village is statutorily required to estimate the funds to be raised from taxes on real property in the Village prior to the adoption of the levy. This is an estimate and does not limit the Board's ability to levy a different amount provided it is in compliance with the Truth in Taxation Law and all applicable notice and hearing provisions.

The attached packet includes supporting schedules estimating the 2020 property tax maximum levy under the Property Tax Limitation Act (PTELL) with (i) Alt# 1 a 2020 property tax levy increasing the levy based on the change in the tax rolls (EAV) with CPI, (ii) Alt# 2 without the CPI factor of 2.3%, and (iii) Alt# 3 the same extension as last year.

Levy Calculation and Estimates – Attachments A

Attachment A of the package shows the calculation of the tax levy based on the maximum non-referendum tax levy, which takes into account the CPI factor and estimated new construction. **The summary section III** shows the calculation of the tax levy with and without CPI, and also the calculation with an extension hold. The CPI factor is 2.3%, which is greater than last year. The EAV for 2020 as estimated by the County in September is projected at a .72% decrease from the 2019 amount and new construction is estimated at \$2.373 million. Declining tax rates do not necessarily result in declining tax bills, increases in an individual parcel's EAV can offset decreases in the tax rate, and conversely a decreased base, which may be due to decreasing property values (EAV) can result in an increased tax rate.

The estimated maximum amount under the PTELL that could be levied is **\$4,570,248** (including the Library portion) representing a **2.713%** increase. While the Village is not subject to tax caps as a home rule municipality, the Village Board passed a resolution in 2005 pledging to not increase the aggregate levy in excess of the amount that is allowed under the PTELL. The estimated levy amount foregoing the CPI factor for both the Village and the Library is **\$4,467,493** or **0.404%** over the 2019 tax extension.

Part III, of Attachments A details the new dollars received, the percentage increase, and the tax rate changes compared to the 2019 extension for the Village and the Library separately. Under the PTELL levy, the levy amount would increase \$120,729 and the blended tax rate increases to \$.7746 from \$.75104 per \$100 of EAV. By not utilizing the CPI factor, the aggregate levy would increase by \$17,975 and the rate would increase from \$.75104 to \$.7572 per \$100 of EAV. While an extension hold would return the same monies as 2019.

Below is a table showing the last 10 years' total (Village and Library) tax extension and the current estimated levy under first two scenarios.

Tax Collection Yr.	Levy Year	Tax Extension	New Dollars	Equalized Assessed Value	Blended Tax Rate	Inc/(Dec) in EAV	Inc/(Dec) in Levy	CPI
2021-22 (1)	2020	4,570,248	120,729	589,989,898	0.7746	-0.72%	2.71%	2.3%
2021-22 (2)	2020	4,467,493	17,975	596,094,938	0.7572	-0.72%	0.40%	2.3%
2020-21	2019	4,449,518	23,326	594,260,348	0.7469	1.90%	0.54%	1.9%
2019-20	2018	4,323,227	103,676	583,162,534	0.7173	1.61%	2.45%	2.1%
2018-19	2017	4,219,552	111,512	573,943,859	0.7221	3.50%	2.71%	2.1%
2017-18	2016	4,108,007	28,518	554,529,066	0.741	6.27%	0.70%	0.7%
2016-17	2015	4,079,489	55,876	521,831,574	0.782	8.82%	1.39%	0.8%
2015-16	2014	4,023,613	76,386	479,518,737	0.839	-0.98%	1.94%	1.5%
2014-15	2013	3,947,227	96,685	484,263,512	0.815	-4.39%	2.51%	1.7%
2013-14	2012	3,850,542	126,832	506,500,163	0.673	-8.12%	3.41%	3.0%
2012-13	2011	3,723,710	80,146	551,254,954	0.678	-5.91%	2.20%	1.5%
2011-12	2010	3,643,564	147,321	585,899,834	0.624	-7.14%	4.21%	2.7%

Levy Breakdown by Fund/Purpose – Attachments B

Attachment B shows the breakdown of the levy by fund/purpose with a comparison to previous years. The shaded column shows the effect of the 2020 levy on the Village funds. Of the total new dollars projected under the PTELL levy, the General fund would realize an estimated **decrease of \$16,231** over the 2019 extension. If the Finance Committee recommends not using the CPI factor, then the General Fund would realize a **decrease of \$79,944** from the 2019 extension, while an extension hold would mean **\$98,930 less** in General Fund Revenues.

The Police Pension Board current actuarial valuation as of 5/1/2020 calculated a funding policy contribution requirement of \$849,850. The Police Pension Board met on July 16, 2020 and reviewed the 2020 actuarial valuation, prepared by the actuarial firm of MWM Consulting; the calculated recommended minimum Village contribution increased 14.13% from the contribution last year of \$744,640. The actuarial recommended levy is based on the Entry Age Normal (EANC) funding method and more conservative assumptions than the minimum levy required by statute. The recommended amount is designed to reduce the unfunded liability each year, to produce a levy that is about 51.5% of covered payroll, and to achieve 95% funding by 2040 (90% funding is required by law.) The plan is 54.14% funded as of May 1, 2020 down from 57.90% at May 1, 2019 under the EANC method. The Illinois Municipal Retirement Fund and Social Security (FICA) levy allocations are based on a projection of the costs for FY2020-21. The Village is mandated to contribute 10.42% and 8.08% for 2020 and 2019 respectively, and an estimated 9.87% for 2021, of salaries for IMRF covered employees. The Village pays 6.2% of salaries up to the annual maximum and 1.45% on total salaries for FICA and Medicare income taxes for all employees.

Impact on a median Market Value Home

The impact on a home that has the median market value of \$626,300 (assuming the estimated change in the EAV from 2019 to 2020) is an increase of approximately \$47.77 under the PTELL levy estimate and an increase of approximately \$12.49 under the non-CPI levy estimate (utilizing the new estimated EAV only). While an extension hold would mean a change of about \$6.32 as a decreased base in the calculation due to decreasing property values (EAV) results in an increased tax rate of approximately .003122.

	2019 Levy	2020 Levy		
		CPI	No CPI	Extension Hold
Extension (\$ Rcvd)	\$ 4,449,518	\$ 4,570,248	\$ 4,467,493	\$ 4,449,518
Village EAV	\$ 594,260,348	\$ 589,989,898	\$ 589,989,898	\$ 589,989,898
Rate shown on tax bill	0.751047	0.774632	0.757215	0.754169
Median home market value	\$ 626,300	\$ 626,300	\$ 626,300	\$ 626,300
Assessment ratio	0.333	0.333	0.333	0.333
Median home assessed value	\$ 208,558	\$ 208,558	\$ 208,558	\$ 208,558
	\$	\$	\$	\$
Less homestead exemption	(6,000)	(6,000)	(6,000)	(6,000)
Taxable EAV	\$ 202,558	\$ 202,558	\$ 202,558	\$ 202,558
Times Village tax rate	0.751047	0.774632	0.757215	0.754169
Village Portion of Tax Bill	\$ 1,521.31	\$ 1,569.08	\$ 1,533.80	\$ 1,527.63

Library Property Tax Levy

The Library Board has not formally submitted its levy request, however their Board has communicated that they will be requesting the full PTELL levy amount. They have the authority to request an amount that exceeds the PTELL due to the Lake Bluff's home rule status. Since 2006 the Library Board has requested a levy consistent with the PTELL with the exception of FY2012 when they held the levy flat, and also in FY2019 when an additional \$20k was requested. This will add to the extension requested in any of the scenarios.

Abatement of both the 2012 & 2019 Refunding Bonds and 2019 Bonds

As has been past practice, this levy does not include an amount for bond payments. This debt requires an abatement ordinance to request that the County NOT levy this tax because Ordinances, 2012-13, 2019-18 and 2019-26 are filed with the County. These ordinances require the County tax extension office to levy the annual bond payment amount unless the Village abates the levy each year.

The abatement ordinance will be submitted to the Board for approval in conjunction with the levy ordinance.

General Information and Tax Levy Legal Adoption Requirements

The Village is required by Statute to prepare a resolution estimating the property tax levy, which will be on the November 9th Village Board meeting agenda. The first reading of the Levy Ordinance, Debt Abatement ordinance, and Public Hearing will be held on November 23rd with final adoption of the levy on December 14th. The levy must be filed with the County Clerk by the last Tuesday in December.

Truth-In-Taxation Law Compliance Is Not Required

The truth in taxation law requires that the corporate authorities comply with specific publication and public hearing requirements if the aggregate tax levy is estimated to be more than 105% of the amount extended the prior year. At this time, the Village and the Library levies are in compliance with the tax cap amount, therefore, compliance with the provisions of this law is not required. However, the Village will hold a public hearing on the budget at the November 23rd Board meeting in accordance with past practice. The public hearing notice will be posted on the Village Hall bulletin board, the website, and printed in a local newspaper the week of November 9th.

2020 PROPERTY TAX LEVY PRELIMINARY LEVY

I. Calculation of 2019 Estimated EAV & Historical Data

	2015	2016	2017	2018	2019	2020 Estimate
Village EAV	500,638,069	532,150,075	551,599,505	560,523,140	571,379,884	\$567,239,898
Sanctuary EAV	21,193,805	22,378,991	22,344,354	22,639,394	22,880,464	\$22,750,000
Total Village EAV	\$521,831,874	\$554,529,066	\$573,943,859	\$583,162,534	\$594,260,348	\$589,989,898
Shield's Township EAV	\$1,733,267,357	\$1,829,818,385	\$1,906,304,728	\$1,909,637,243	\$1,915,537,317	\$2,011,314,183
Village % of Township	30.11%	30.31%	30.11%	30.54%	31.02%	29.33%
Village New Construction Annexed Property	\$2,937,369	\$7,542,595	\$2,545,595	\$2,276,957	\$3,247,137	\$2,373,875
Township New Construct	\$6,154,906	\$17,573,176				
Property Tax Extension	\$3,926,394	\$3,954,934	\$4,067,737	\$4,187,069	\$4,291,334	
Sanctuary Extension	\$153,095	\$153,073	\$151,814	\$156,190	\$158,228	
Total Village Extension	\$4,079,489	\$4,108,007	\$4,219,552	\$4,343,258	\$4,449,562	
Tax Rate	0.784	0.743	0.737	0.747	0.751	
Sanctuary Rate	0.722	0.684	0.679	0.690	0.692	

II. Calculation of Maximum Tax Levy

A. Tax Cap Calculation - PTELL MAXIMUM YEAR 2020 ESTIMATE

	CPI Factor 2.3%	2.3%
STEP 1: Prior year Extension less debt * CPI factor	\$4,449,562	\$4,551,903
STEP 2: Tax Rate Maximum=New Extension (less debt) Divided by Estimated EAV less	\$587,616,023	
STEP 3: Maximum Tax Rate with CPI (Step 1 divided by Step 2)	0.7746	PTELL Limiting Rate
STEP 4: Rate * Total EAV = Total levy (less debt)	\$4,570,293	MAXIMUM
STEP 5: Total Maximum Levy	\$4,570,293	2.713% % Increase
STEP 6: Add G.O. Debt P: ABATED	\$0	
STEP 7: Total Maximum Levy & Tax Rate	\$4,570,293	0.7746

III. Comparison 2018 & 2019 Levy - VILLAGE

	i		ii		iii					
	With CPI	No CPI	Extension Hold	WITH CPI	WITH CPI	NO CPI	NO CPI	EXT HOLD	EXT HOLD	
A. PTELL Maximum	2019 Tax Ext	2020 Max Levy Est	2020 Estimate	2020 Extension Hold	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Levy w/o Police Pension	\$2,717,073	\$2,705,887	\$2,625,942	\$2,611,957	(\$11,186)	-0.412%	(\$91,131)	-3.354%	(\$105,116)	-3.869%
Police Pension Levy	\$744,734	\$849,850	\$849,850	\$849,850	\$105,116	14.115%	\$105,116	14.115%	\$105,116	14.115%
Total Village Levy	\$3,461,807	\$3,555,737	\$3,475,792	\$3,461,807	\$93,930	2.713%	\$13,985	0.404%	\$0	0.404%

IV. Library Levy Estimates

	2019 Extension	2020 Max Levy	2020 Estimate	2020 Extension Hold	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Amount per Tax Cap	\$987,711	\$1,014,510	\$991,701	\$987,711	\$26,799	2.713%	\$3,990	0.404%	\$0	0.000%

TOTAL MAXIMUM LEVY	\$4,449,518	\$4,570,248	\$4,467,493	\$4,449,518	\$120,729	2.713%	\$17,975	0.404%	\$0	0.000%
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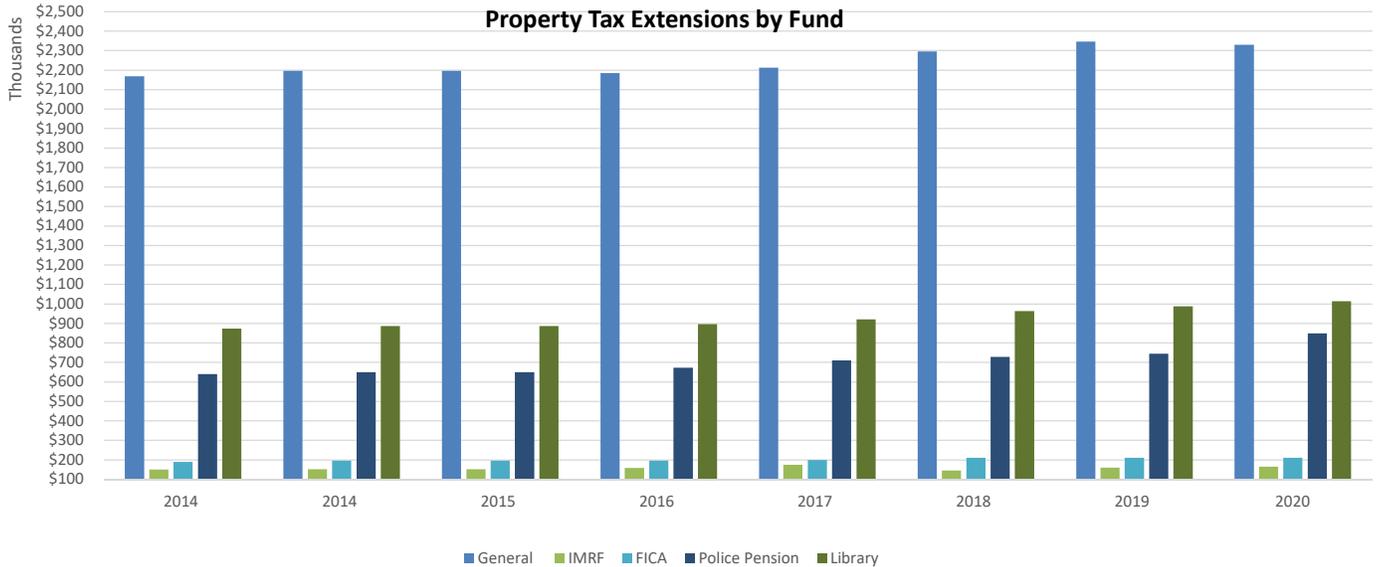
VILLAGE OF LAKE BLUFF
COMPARISON OF PROPERTY TAX LEVIES BY FUND 2014-2019

ATTACHMENT C

PROPERTY TAX EXTENSIONS

FUND TITLE	2014 EXT (FY15-16)	2015 EXT (FY16-17)	2016 EXT (FY17-18)	2017 LEVY (FY18-19)	2018 LEVY (FY19-20)	2019 LEVY (FY20-21)	MAXIMUM PROPERTY TAX 2020 LEVY (FY20-21)	Change Increase/(Decrease)		
								2019 Extension Compared to 2020 Levy	\$	%
01 General Fund	\$2,169,085	\$2,195,629	\$2,184,374	\$2,213,292	\$2,296,021	\$2,347,118	\$2,330,887	(\$16,231)	-0.69%	51.00%
07 IL Municipal Retire	150,003	152,004	158,002	175,000	145,000	159,955	165,000	\$5,045	3.15%	3.61%
14 Social Security Fund	190,004	195,703	196,004	200,000	210,000	210,000	210,000	\$0	0.00%	4.59%
62 Police Pension Fund	640,603	650,103	672,505	709,784	728,089	744,734	849,850	\$105,116	14.11%	18.60%
Subtotal - Village	\$3,149,695	\$3,193,439	\$3,210,885	\$3,298,076	\$3,379,110	\$3,461,807	\$3,555,737	\$93,930	2.71%	77.80%
80 Library Fund	797,398	807,600	814,123	837,975	880,117	915,711	942,511	\$26,800	2.93%	20.62%
80 Library IMRF	42,975	44,050	46,000	46,500	47,000	36,000	36,000	\$0	0.00%	0.79%
80 Library FICA	33,545	34,400	37,000	37,000	37,000	36,000	36,000	\$0	0.00%	0.79%
80 <i>additional request</i>					20,000					
Subtotal - Library	\$873,918	\$886,050	\$897,123	\$921,475	\$964,117	\$987,711	\$1,014,511	\$26,800	2.71%	22.20%
TOTAL EXTENSION	\$4,023,613	\$4,079,489	\$4,108,008	\$4,219,551	\$4,343,227	\$4,449,518	\$4,570,248	\$120,729	2.71%	100.00%

Residential property represents 90% of the total EAV of the Village.
 Commercial, industrial, farm and railroad property combined EAV represents 10%.





Robert S. Glueckert, C.I.A.O.
Supervisor of Assessments

18 North County Street – 7th Floor
Waukegan, IL 60085-4335
Telephone: (847) 377-2100

Data as of: 09/25/2020

The totals included herein are ESTIMATES ONLY of tax district and tax parcel values for the current tax year. This value summary is NOT intended to be a certification of the taxable assessed value for your tax district. Values are subject to change without notice. Parcel count includes ALL parcels, including exempt PINs.

M23LBL: VIL OF LAKE BLUFF

Tax Year: 2020

Parcel Count: 2,796

Assessed Value (AV):	606,821,031
Homestead Impv Exmpt: -	751,649
Disabled Vet Homestead Exmpt: -	0
Pre-State Multiplier AV:	606,069,382
State Multiplier: x	100%
Post-State Multiplier AV:	606,069,382
Farm AV: +	68,773
Pollution Control AV: +	0
Railroad AV: +	0
General Homestead Exmpt: -	10,956,864
Senior Homestead Exmpt: -	2,150,490
Senior Freeze Exmpt: -	1,039,706
Returning Vet Exmpt: -	0
Disabled Vet Standard Exmpt: -	1,995,713
Disabled Person Exmpt: -	4,010
Natural Disaster Exmpt: -	0
EAV incl. <150 AV PINs:	589,991,372
EAV w/out <150 AV PINs:	589,989,898
TIF Increment: -	0
District Taxable EAV (incl. new const.):	589,989,898
New Const. incl. in TIF Increment:	0
New Const. incl. in District Taxable EAV:	2,373,875

Very truly yours,

Robert S. Glueckert, C.I.A.O.
Clerk, Board of Review

VILLAGE OF LAKE BLUFF

MEMORANDUM

TO: Finance Committee Members
Kathy O'Hara, Village President
R. Drew Irvin, Village Administrator

FROM: R. Drew Irvin, Village Administrator
Bettina K. O'Connell, Director of Finance

DATE: October 20, 2020

SUBJECT: Local Stimulus Grant Program Update



At the October 7, 2020 Finance Committee meeting there was limited discussion regarding a possible update to the Local Stimulus Grant program offering financial assistance to local businesses negatively impacted by COVID-19. Currently, the program adopted by the Village Board via Resolution No. 2020-27 has certain requirements:

- *Local business reporting sales tax to the Illinois Department of Revenue to the Village's Location Code (reported on ST-1 or ST-2);*
- *Applicants business must be located in the CBD, L-1 L-2, AP-1, or S zoning districts.*
- *Business must have no more than four operating locations;*
- *Applicants shall not be a part of a franchise system, private club, or home occupation;*
- *Applicants must have suffered a minimum 25% decline in revenues;*
- *Applicants must have paid an annual total minimum of \$500 in sales tax during CY2019;*
- *The applicant's business location in the Village must have been in operation as of March 21, 2020.*
- *Qualified Applicants may receive a rebate of 10% of their sales tax payments for CY2019 with a \$500 minimum and a \$5,000 maximum payment, on a **one-time basis**.*

The General Fund with an estimated original maximum financial exposure of \$75,000 finances the grant program; to date, four businesses have received grant funds for a total of \$3,552.44.

To further assist small businesses located within the Village of Lake Bluff who have been impacted by the COVID-19 pandemic, staff recommended a program expansion to include financial assistance for the costs of modified business operations related to COVID-19. The revision included reimbursement for up to \$1,000 (with the \$5,000 maximum reimbursement condition still in place) for the cost of modified business operations related to COVID-19 including but not limited to;

1. Tents (purchase or rent) for outdoor dining.
2. Table and chairs (purchase or rent) for outdoor dining.
3. Personal Protective Equipment (PPE) and supplies.
4. Protective barriers, stanchions and fencing.
5. Outdoor heaters.

Additionally, it is recommended that the Grant application deadline be extended to March 31, 2021 to allow for more applicant requests.

Attachments: Draft red-lined Local Grant Stimulus Program Guidelines

VILLAGE OF LAKE BLUFF
2020 - ~~2021~~ Local Stimulus Grant Program

PURPOSE:

The purpose of the Village of Lake Bluff 2020 Local Stimulus Grant Program is to support recovery of the local business community from impacts of the COVID-19 pandemic and Governor Pritzker's disaster proclamation.

ELIGIBILITY:

- Local business reporting sales tax to the Illinois Department of Revenue to the Village's Location Code (reported on ST-1 or ST-2);
- Applicants business must be located in the CBD, L-1 L-2, AP-1, or S zoning districts.
- Business must have no more than four operating locations;
- Applicants shall not be a part of a franchise system, private club, or home occupation;
- Applicants must have suffered a minimum 25% decline in revenues;
- Applicants must have paid an annual total minimum of \$500 in sales tax during CY2019;
- The applicant's business location in the Village must have been in operation as of March 21, 2020.

GRANT AMOUNT:

- Qualified Applicants may receive a rebate of 10% of their sales tax payments for CY2019 with a \$500 minimum and a \$5,000 maximum payment, on a **one-time basis**. **Additionally, Qualified Applicants may also submit for reimbursement (up to \$1,000; \$5,000 max payment still applies) for the cost of modified business operations related to COVID-19 including but not limited to:**
 1. Tents (purchase or rent) for outdoor dining.
 2. Table and chairs (purchase or rent) for outdoor dining.
 3. Personal Protective Equipment (PPE) and supplies.
 4. Protective barriers.
 5. Outdoor heaters.
 - 6. Stanchions and fencing.
- No rebate of Home Rule Sales Tax is intended with this program;
- The grant amount established is the maximum amount to be received and is **not guaranteed**. Actual grant payments shall be made based actual taxable sales for January 2019 through December 2019.

PROCEDURES:

Step 1: Application

- Grant applicants must submit an application form, W-9, and copies of their ST-1 or ST-2 forms filed for all months of calendar year 2019 and for the months of March or April 2020.

Step 2: Review and Award

- The Village shall review the application and the other required materials and, if an applicant is awarded a grant, the Village will issue a check.
- The Village shall accept Grant Request Forms **through ~~October~~ March 31, 20212020, at which time the program shall cease.**

ADDITIONAL NOTES:

- The amount of the awarded grant is subject to 1099-G reporting based on Internal Revenue Service (IRS) requirements (currently \$600 or greater in a calendar year).
- **Program applicants should note that, because the Village may be required or choose to release the amount awarded to each applicant, proprietary sales information may become public.**