



Committee of the Whole Meeting Agenda

Village of Cary

November 7, 2023

Immediately Follows the Village Board Meeting

Cary Municipal Center Board Room

755 Georgetown Drive, Cary, IL 60013

Agenda

I. Call to Order

II. Roll Call

III. Pledge of Allegiance

IV. Public Comments

The public is invited to make an issue-oriented comment on any matter of public concern not otherwise on the agenda.

V. Discussion Items

A. Discussion Regarding the Annual Real Estate Tax Levy for Tax Year 2023

B. Discussion Regarding Home Rule and Potential Revenue Sources

VI. Adjourn



Agenda Item: **Discussion Regarding the Annual Real Estate Tax Levy for Tax Year 2023**

Type: **Discussion**

Report From: **Finance**

Introduction

The Village is a non-home rule municipality, which is defined as a Property Tax Extension Limitation Law (PTELL) community. PTELL is designed to limit the increases in property tax extensions for non-home rule taxing districts. This allows a PTELL taxing district to receive a limited inflationary increase in tax extension on existing property, plus an additional amount for new construction. Increases in the PTELL property extension are limited to the lesser of 5% or the increase in the Consumer Price Index (CPI) for the year preceding the Tax Levy Year.

Staff Analysis

The Village's financial consultant, Lauterbach & Amen, has provided the Village with an estimated projection for the 2023 extension (for 2024 collection) of \$2,892,525, which is based on the following:

	2023	2022	2021
1. Increase in CPI	5.0%	5.0%	1.4%
2. The Village Limiting Rate is	0.4563%	0.4547%	0.4661%
3. Estimated Net Equalized Assessed Value	\$633,891,781	\$601,357,200	\$556,036,142

The limiting rate is used to calculate the maximum real estate tax levy of \$2,892,525, which is based on the estimated net equalized assessed valuation (EAV). Therefore, the Village maximum real estate tax levy is limited to \$159,961 or 5.78% of the 2022 tax extension of \$2,734,558. The estimated new equalized assessed valuation (EAV) of \$633,891,781 reflects an increase of 5.41% when compared to 2022. A copy of Lauterbach & Amen's projection for the 2023 extension is attached for the Committee's review (Exhibit A).

The Committee of the Whole recently reviewed the 2023 Actuarial Valuation Report from the Village's actuaries, Foster & Foster, for the Village's Police Pension Fund. According to the actuarial calculation, the 2023 tax levy Police Pension Fund requires a contribution in the amount of \$1,346,918, which is higher than the 2022 tax levy contribution of \$1,255,242. The increase in the 2023 police pension contribution can be attributed to the following:

- Natural increase in the payment due to payroll growth assumption
- Net unfavorable plan experience

The percent funded has increased from 57.6% to 58.3%. A summary report from Foster & Foster is attached for the committee's review (Exhibit B).

In summary, the Village's 2023 tax levy can increase a maximum of \$157,967 or 5.78% higher than the Village's 2022 extension. Considering the increase the Village is experiencing in the Police Pension tax levy, as well as ongoing increases in operating costs, staff is recommending the Village Board consider approval of the tax levy attributed to new growth and the increase in the CPI (5% in this case). This would provide \$157,967 to the total tax levy. The options available to the Committee for consideration are as follows:

	Levy Amount	\$ Increase	% Increase
1. No change to tax levy	\$2,734,558	\$0	0.0%
2. New Growth	\$2,755,797	\$21,239	0.78%
3. Consumer Price Index (CPI)	\$2,871,285	\$136,727	5%
4. CPI & New Growth	\$2,892,525	\$157,967	5.78%

Staff will be present at the November 7, 2023 Committee of the Whole meeting to answer questions regarding the tax levy options. The approved levy needs to be filled with McHenry County by the last Tuesday in December.

Exhibits

[A - 2023 Tax Levy Summary](#)

[B - Cary Police Pension Fund - Actuarial Valuation Report Summary](#)

Village of Cary 2023 Property Tax Levy Estimates

	2022 TAXABLE VALUATION			2023 ESTIMATED TAXABLE VALUATION			New Property 4,688,627
McHenry County	<u>\$601,357,200</u>			<u>\$633,891,781</u>			5.41% EAV Growth \$32,534,581
	2022 Levy	2022 Extension	2022 Actual Rate	2023 Est. Levy Request	2023 Est. Calc Rate	% change	\$ Change
Flat - No Change	2,734,542	2,734,558	0.4547%	2,734,558	0.4314%	0.00%	0
New Growth				2,755,797	0.4347%	0.78%	21,239
CPI - 5%				2,871,285	0.4530%	5.00%	136,727
New Growth & CPI				2,892,525	0.4563%	5.78%	157,967
	2022 ext	2023 levy					
Corporate	239,045.50	305,590.00					
IMRF	225,003.81	225,005.00					
Police Protection	640,000.41	640,000.00					
Police Pension	1,255,501.54	1,346,920.00					
Liability	150,002.54	150,005.00					
Social Sec	225,003.81	225,005.00					
	<u>2,734,557.61</u>	<u>2,892,525.00</u>	5.78%				

Assessor Estimated EAV Report by Tax District McHenry County

Tax Year: 2023

VCCA - CARY VILLAGE

Totals		New Construction	
Board of Review Abstract	705,693,957	Commercial	0
- Exemptions	67,745,272	Farm	0
- Under Assessed	0	Industrial	993,437
+ State Assessed	117,131	Local Rail Road	0
Total EAV	638,065,816	Mineral	0
- Tif Increment / Ezone	4,174,035	Residential	3,695,190
Rate Setting EAV	633,891,781	Total	4,688,627

Exemption Category	Commercial		Farm		Industrial		Local Rail Road		Mineral		Residential		State Rail Road		Totals	
	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count
Parcel Count		207		12		174		0		3		6,456		0		6,852
Board of Review Abstract	47,069,506		575,641		55,442,736		0		3		602,606,071		0		705,693,957	
- Home Improvement	0	0	0	0	0	0	0	0	0	0	295,028	59	0	0	295,028	59
- Veteran's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ State Assessed	0		0		0		0		0		0		117,131		117,131	
= EAV	47,069,506	0	575,641	0	55,442,736	0	0	0	3	0	602,311,043	59	117,131	0	705,516,060	59
- Senior Assessment Freeze	0	0	0	0	0	0	0	0	0	0	5,372,365	232	0	0	5,372,365	232
- Owner Occupied	16,000	2	0	0	0	0	0	0	0	0	44,481,867	5,563	0	0	44,497,867	5,565
- Senior Citizen's	0	0	0	0	0	0	0	0	0	0	10,440,000	1,302	0	0	10,440,000	1,302
- Disabled Person	0	0	0	0	0	0	0	0	0	0	78,000	39	0	0	78,000	39
- Disabled Veteran	0	0	0	0	0	0	0	0	0	0	6,915,809	78	0	0	6,915,809	78
- Returning Veteran	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Natural Disaster	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Fraternal Freeze	146,203	1	0	0	0	0	0	0	0	0	0	0	0	0	146,203	1
- Vet Freeze	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Under Assessed	0		0		0		0		0		0		0		0	
- E-Zone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- TIF	2,733,915	0	0	0	620,742	0	0	0	0	0	819,378	0	0	0	4,174,035	0
- Drainage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
= Taxable Value	44,173,388		575,641		54,821,994		0		3		534,203,624		117,131		633,891,781	

FINAL Tax Computation Report McHenry County

Taxing District VCCA - CARY VILLAGE		
Property Type	Total EAV	Rate Setting EAV
Farm	509,037	509,037
Residential	510,821,251	510,802,835
Commercial	41,251,234	40,850,506
Industrial	49,077,691	49,077,691
Mineral	0	0
State Railroad	117,131	117,131
Local Railroad	0	0
County Total	601,776,344	601,357,200
Total + Overlap	601,776,344	601,357,200

Equalization Factor 1.0

PTELL Values	
EZ Value Abated:	0
EZ Tax Abated:	\$0.00
Annexation EAV	0
Disconnection EAV	0
Recovered TIF EAV	0
Agg. Ext. Base (2021)	2,591,629
Limiting Rate	0.455370
% of Burden	0.00%
Recovered EZ EAV	0
TIF Increment	419,144
New Property	3,772,493
New Property (Overlap)	0
Total New Property	3,772,493

Road and Bridge Transfer

Road District	Fund	Amount Extended
TTAQR - ALGONQUIN TWP RD & I	999	\$300,588.40
Total		\$300,588.40

Fund/Name	Levy Request	Max. Rate	Calc. Rate	Actual Rate	Non-PTELL Extension	PTELL Factor	Limited Rate	% Burden Rate	McHenry County Total Extension	Percent
** 001 CORPORATE	239,042	0.437500	0.039750	0.039751	\$239,045.50	1.000000	0.039751	0.000000	\$239,045.50	8.7296
003 BOND 2009 ALT REV	0	0.000000	0.000000	0.000000	\$0.00	1.000000	0.000000	0.000000	\$0.00	0.0000
003A BOND 2020	0	0.000000	0.000000	0.000000	\$0.00	1.000000	0.000000	0.000000	\$0.00	0.0000
** 005 I.M.R.F	225,000	0.000000	0.037415	0.037416	\$225,003.81	1.000000	0.037416	0.000000	\$225,003.81	8.2169
** 014 POLICE PROTECTION	640,000	0.600000	0.106426	0.106426	\$640,000.41	1.000000	0.106426	0.000000	\$640,000.41	23.3720
** 015 POLICE PENSION	1,255,500	0.000000	0.208778	0.208778	\$1,255,501.54	1.000000	0.208778	0.000000	\$1,255,501.54	45.8494
** 027 AUDIT	0	0.000000	0.000000	0.000000	\$0.00	1.000000	0.000000	0.000000	\$0.00	0.0000
** 035 LIABILITY INSURANCE	150,000	0.000000	0.024944	0.024944	\$150,002.54	1.000000	0.024944	0.000000	\$150,002.54	5.4779
** 046 ESDA	0	0.050000	0.000000	0.000000	\$0.00	1.000000	0.000000	0.000000	\$0.00	0.0000
** 047 SOCIAL SECURITY	225,000	0.000000	0.037415	0.037416	\$225,003.81	1.000000	0.037416	0.000000	\$225,003.81	8.2169
** 048 SCHOOL CROSS GUARD	0	0.020000	0.000000	0.000000	\$0.00	1.000000	0.000000	0.000000	\$0.00	0.0000
** 060 UNEMPLOYMENT INS	0	0.000000	0.000000	0.000000	\$0.00	1.000000	0.000000	0.000000	\$0.00	0.0000
200 REVENUE RECAPTURE	3,753	0.000000	0.000624	0.000625	\$3,758.48	1.000000	0.000625	0.000000	\$3,758.48	0.1373
** 999 ROAD & BRIDGE TRANSF	0	0.000000	0.000000	0.000000	\$0.00	1.000000	0.000000	0.000000	\$0.00	0.0000
Totals (Capped)	2,734,542		0.454728	0.454731	\$2,734,557.61		0.454731	0.000000	\$2,734,557.61	99.8627
Totals (Not Capped)	3,753		0.000624	0.000625	\$3,758.48		0.000625	0.000000	\$3,758.48	0.1373
Totals (All)	2,738,295		0.455352	0.455356	\$2,738,316.09		0.455356	0.000000	\$2,738,316.09	100.0000

** Subject to PTELL

SUMMARY OF REPORT

The regular annual actuarial valuation of the Village of Cary Police Pension Fund, performed as of May 1, 2023, has been completed and the results are presented in this report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended April 30, 2025.

The contribution requirements, compared with those set forth in the May 1, 2022 actuarial report, are as follows:

Valuation Date	5/1/2023	5/1/2022
Applicable to Fiscal Year Ending	<u>4/30/2025</u>	<u>4/30/2024</u>
Total Recommended Contribution	\$1,583,370	\$1,476,201
% of Projected Annual Payroll	66.4%	66.2%
Member Contributions (Est.)	(236,452)	(220,959)
% of Projected Annual Payroll	(9.9%)	(9.9%)
Village Recommended Contribution	1,346,918	1,255,242
% of Projected Annual Payroll	56.5%	56.3%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the May 1, 2022 actuarial valuation report. The increase is attributable to the natural increase in the amortization payment due to the payroll growth assumption and net unfavorable plan experience.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included an investment return of 5.42% (Actuarial Asset Basis) which fell short of the 7.00% assumption and lower than expected inactive mortality. There were no significant sources of favorable experience.



Agenda Item: **Discussion Regarding Home Rule and Potential Revenue Sources**

Type: **Discussion**

Report From: **Administration**

Introduction

This is a continued discussion from the September 19th Committee of the Whole meeting. Staff will provide additional information regarding home-rule, as well as the potential for issuing bonds to fund the Village's road resurfacing program.