**Sauk Valley Community College**

**November 26, 2018**

**Action Item 4.2**

**Topic: 2018 Tax Levy**

**Strategic Direction: College Health Metric 3 – The College uses its revenue conservatively.  The College pursues and utilizes alternative revenue streams.**

**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.  Below is SVCC’s proposed Certificate of Tax Levy for 2018. If approved, the estimated tax rate for 2018 will be approximately 42.93 cents per hundred dollars of equalized assessed valuation (EAV), down 1% from 42.99 cents in 2017.  The following table compares the two years’ levies and tax rates:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Fund** | **2017**  **Extension** | **2018 Levy**  **Proposed** | **% Change** | **2017**  **Rate** | **2018 Rate**  **Proposed** |
| Education | $4,171,077 | $4,400,000 | 5.49% | $.2450 | $.2450 |
| Operations & Maintenance | $509,627 | $534,000 | 4.78% | $.0298 | $.0300 |
| Special Tax | $361,838 | $288,000 | -20.41% | $.0210 | $.0162 |
| Protection, Health, Safety | $848,969 | $860,000 | 1.3% | $.0496 | $.0500 |
| Liability, Protection, Settlement | $194,460 | $336,000 | 72.79% | $.0114 | $.0189 |
| Social Security/Medicare | $142,167 | $130,000 | -8.56% | $.0083 | $.0073 |
| Audit | $59,975 | $54,000 | -9.96% | $.0035 | $.003 |
| **TOTAL** | **$6,288,113** | **$6,602,000** | **4.99%** | **$.3686** | **$.3704** |
| Bond & Interest | $1,047,616 | $1,045,450 | -.21% | $.0613 | $.0589 |
| **TOTAL** | **$7,335,729** | **$7,647,450** | **4.25%** | **$.4299** | **$.04293** |

Early information from the district’s six county assessors indicates that the 2018 EAV will increase about 3.7% from 2018—$1,712,598,380 to $1,775,964,461. The actual tax base upon which Sauk’s tax revenue is collected will not be determined until May 2019. 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 $336,000 and $130,000.  The Protection, Health and Safety levy equals the cost of the capital projects that the Board approved in September 2018.  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:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2014** | **2015** | **2016** | **2017** | **Estimate**  **2018** |
| SVCC Tax Rate | 0.4273 | 0.4273 | 0.4266 | 0.4299 | .04293 |
| $100,000 home (1) | $142.43 | $142.43 | $142.20 | $143.30 | $143.10 |
| EAV adj. $100,000 home (2) | $144.28 | $145.85 | $147.03 | $148.17 | $148.39 |
| CPI adj. $100,000 home (3) | $144.14 | $145.14 | $140.63 | $143.41 | $145.67 |

|  |
| --- |
| 1. The tax amount for a $100,000 home that does not increase in value annually. |
| 1. The tax amount for a $100,000 home that increases annually by the EAV % change. |
| 1. 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 also approves the following statement for GASB accounting purposes:

**That the property tax levy adopted by the Board of Trustees for the calendar year 2018 to be collected in the calendar year 2019 be allocated 50% for fiscal year 2019 and 50% for fiscal year 2020.**

**Recommendation:**

The administration recommends the Board approve the 2018 tax levy as presented.