

NOTICE OF STANDING COMMITTEES

Scheduled for
Tuesday, October 23, 2018,
beginning at 6:30 p.m. in

Council Chambers
Village Hall of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, Illinois

**ADMINISTRATION & LEGAL COMMITTEE
ECONOMIC DEVELOPMENT COMMITTEE
FINANCE COMMITTEE**

A copy of the agendas for these meetings is attached hereto.

Kristin A. Thirion
Clerk
Village of Tinley Park

**NOTICE OF A MEETING OF THE
FINANCE COMMITTEE**

Notice is hereby given that a meeting of the Finance Committee of the Village of Tinley Park, Cook and Will Counties, Illinois, will begin at 6:30 p.m. on Tuesday, October 23, 2018, in Council Chambers at the Village Hall of Tinley Park, 16250 S. Oak Park Avenue, Tinley Park, Illinois.

The agenda is as follows:

1. OPEN THE MEETING
2. CONSIDER THE APPROVAL OF THE MINUTES OF THE SPECIAL FINANCE COMMITTEE MEETING HELD ON APRIL 17, 2018.
3. DISCUSS RESOLUTION TO INCLUDE CASH PAYMENTS RELATED TO HEALTH INSURANCE AS IMRF EARNINGS.
4. DISCUSS ACCEPTING THE ANNUAL REPORT FROM THE TINLEY PARK POLICE PENSION FUND.
5. DISCUSS 2018 TAX LEVY AND ABATEMENTS.
6. DISCUSS COOK COUNTY 2019 SCAVENGER SALE AND NO CASH BID PROGRAM.
7. DISCUSS ORDINANCE TO CONFIRM TERMINATION OF THE OAK PARK AVENUE TIF DISTRICT.
8. RECEIVE COMMENTS FROM THE PUBLIC.

ADJOURNMENT

KRISTIN A. THIRION
VILLAGE CLERK

MINUTES
Special Meeting of the Finance Committee
April 17, 2018 - 6:00 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: M. Mangin, Chairman
C. Berg, Village Trustee
M. Pannitto, Village Trustee

Members Absent: None

Other Board Members Present: W. Brady, Village Trustee
M. Glotz, Village Trustee
B. Younker, Village Trustee

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
B. Bettenhausen, Village Treasurer
C. Faricelli, Deputy Police Chief
J. Urbanski, Assistant Public Works Director
P. Wallrich, Interim Community Development Director
D. Framke, Marketing Director
P. Connelly, Village Attorney
R. Zimmer, Executive Assistant to the Mayor
L. Valley, Executive Assistant to the Manager and Trustees
L. Godette, Deputy Village Clerk
L. Carollo, Commission/Committee Secretary

Item #1 - The Special Finance Committee Meeting was called to order at 6:16 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE REGULAR FINANCE COMMITTEE MEETING HELD ON FEBRUARY 27, 2018 – Motion was made by Trustee Berg, seconded by Trustee Pannitto, to approve the minutes of the Finance Committee Meeting held on February 27, 2018. Vote by voice call. Chairman Mangin declared the motion carried.

Item #3 – DISCUSS NEXT STEPS TO INTERGOVERNMENTAL RISK MANAGEMENT AGENCY (IRMA) BID - As previously discussed at the Finance Committee Meeting held February 27, 2018, the Village is interested in exploring an alternative liability and workers' compensation insurance. Typically, a community selects an outside advisor and/or a broker who researches insurance options. Staff contacted and requested proposals from the following advisors:

- Wright Benefit Strategies - A maximum of \$24,000
- Nugent Counseling - \$9,750
- Scott Agar - No proposal received.

Mesirow Insurance and The Horton Group were also contacted and requested proposals as brokers. Mesirow is the Village's health insurance broker and The Horton Group has experience being involved in the past Wellness program.

Staff recommends working with an advisor in selecting one or more brokers, evaluating broker proposals against other pools, weighing the possibility of pursuing partial self-insurance and comparing all of the options against the current coverage provided by Intergovernmental Risk Management Agency (IRMA).

In order to meet the IRMA deadline for notice of withdrawal of August 31, the following is a tentative timetable if the Village decides on an independent advisor:

- April 17 - Finance Committee reviews recommendations for staff and makes recommendations to the Village Board.
- May 1 - Village Board approves agreement with advisor/broker.
- Early May - Advisor reviews the Village's current insurance coverage, meets with staff and works with staff to contact and interview insurance brokers.
- Late May/early June - Send applications to insurance companies, meet with underwriters and answer questions.
- Late June/early July - Deadline for insurance company quotes. Review all quotes and make recommendations.
- Late July - Finance Committee reviews recommendations and makes recommendations to the Village Board.
- August - Village Board approves recommendations.
- August 31 - IRMA deadline for notification of notice of withdrawal.

D. Niemeyer, Village Manager stated his recommendation would be to select Wright Benefit Strategies as an advisor for an independent and thorough analysis in exploring an alternative liability and workers' compensation insurance.

Motion was made by Trustee Pannitto, seconded by Chairman Mangin, to recommend Wright Benefit Strategies as an advisor in exploring an alternative liability and workers' compensation insurance for the Village of Tinley Park brought forward for future Village Board approval. Vote by voice. Chairman Mangin declared the motion carried. Trustee Berg voted nay.

Item #4 – DISCUSS LICENSE AGREEMENT FOR CAVALLINI'S AT THE OAK PARK

AVENUE TRAIN STATION - A nonexclusive five (5) year contract extension with Cavallini's in the Park, Inc., at the Oak Park Avenue train station has been requested. Staff recommended a five (5) year contract extension per the original agreement dated March 6, 2013. The term would be extended for a period of five (5) years, commencing March 6, 2018, unless sooner terminated pursuant to the terms of the Agreement on March 5, 2023 (the Extended Term), upon the same terms and conditions as per the original agreement.

Motion was made by Trustee Pannitto, seconded by Trustee Berg, to recommend Cavallini's in the Park, Inc., at the Oak Park Avenue train station a five (5) year contract extension per the original agreement be brought forward for future Village Board approval. Vote by voice. Chairman Mangin declared the motion carried.

Item #5 – RECEIVE COMMENTS FROM THE PUBLIC - Mike Stuckly stated he feels Buffalo Grove regrets leaving IRMA due to losing money and Buffalo Grove should not be mentioned as an example when discussing Tinley Park looking into alternate liability and workers' compensation insurance. Mr. Niemeyer stated he is not sure Buffalo Grove would agree with Mr. Stuckly.

ADJOURNMENT

Motion was made by Trustee Pannitto, seconded by Trustee Berg, to adjourn this Special Meeting of the Finance Committee. Vote by voice call. Chairman Mangin declared the motion carried and adjourned the meeting at 6:35 p.m.

lc

DRAFT



MEMORANDUM



TO: Village Board

FROM: Brad Bettenhausen, Treasurer/Finance Director

RE: IMRF Resolution

DATE: 14 September 2018

The Village of Tinley Park has long provided a small stipend to full time employees who have elected to not participate under the Village's available health insurance offerings. If a full time employee opts to not to take the offered health insurance benefit, the Village has no health insurance costs for that employee and thus this situation results in significant savings to the Village over the course of a year. It has been a fairly common practice in such situations to share a small amount of the "savings" with the employee. The stipend is a maximum of \$684 a year and there are currently 15 employees who have opted out of the Village's health insurance. All of the individuals who have opted out of the Village's health insurance benefits are receiving health benefits from a working spouse or another source. The stipend has been included as taxable earnings to the employee, and has also been historically considered taxable earnings for IMRF (Illinois Municipal Retirement Fund) purposes.

In 2017, the IMRF Board conducted a periodic review of its definitions of reportable earnings. As part of this review, at the December 2017 IMRF Board meeting, a resolution was approved defining that, at the option of a participating unit of government, IMRF reportable earnings includes all cash payments made separately from salary and made in lieu of employer provided health insurance or cash payments made in association with or related to healthcare benefits. The IMRF Board's action required that any participating unit of government must affirmatively allow IMRF reporting of such compensation by adoption of a resolution by its governing body.

In the past, IMRF had considered these payments as a reportable Bonus or Award, but with their recent action, they have created a specific definition for such payments in lieu of health benefits. In order to continue consistent reporting of this health insurance stipend as it now has been redefined by IMRF, the Village Board must approve the attached draft resolution, or similar. Passing this resolution maintains the "status quo" on this type of payment and is consistent with the manner in which this stipend has been treated for at least four decades.



Suggested Resolution to Include Cash Payments Related to Health Insurance as IMRF Earnings

IMRF Form 6.75 (01/2018)

PLEASE ENTER Employer IMRF I.D. Number

RESOLUTION

Number _____

WHEREAS, standard member earnings reportable to the Illinois Municipal Retirement Fund do not include the value of health insurance or cash payments in lieu of or related to healthcare benefits; and

WHEREAS, the governing body of an IMRF participating unit of government may elect to include in IMRF earnings cash payments in lieu of or related to healthcare benefits; and

WHEREAS, the _____ of the
BOARD, COUNCIL, etc.

_____ is authorized to include
EMPLOYER NAME
cash payments made separately from salary and made in lieu of or related to healthcare benefits as earnings reportable to IMRF and it is desirable that it do so.

NOW THEREFORE BE IT RESOLVED that the _____ of the
BOARD, COUNCIL, etc.

_____ does hereby elect to
EMPLOYER NAME
include as earnings reportable to IMRF cash payments made separately from salary and made in lieu of or related to healthcare benefits effective _____.
EFFECTIVE DATE

BE IT FURTHER RESOLVED that _____ is authorized and directed
CLERK OF SECRETARY OF THE BOARD
to file a duly certified copy of this resolution with the Illinois Municipal Retirement Fund.

CERTIFICATION

I, _____, the _____
NAME CLERK OR SECRETARY
of the _____ of the County of _____,
EMPLOYER NAME COUNTY

State of Illinois, do hereby certify that I am keeper of its books and records and that the foregoing is a true and correct copy of a resolution duly adopted by its _____ at a meeting duly convened
GOVERNING BODY
and held on the _____ day of _____, 20 ____.

SIGNATURE OF CLERK OR SECRETARY OF THE BOARD



Suggested Resolution to Include Cash Payments Related to Health Insurance as IMRF Earnings

IMRF Form 6.75 (01/2018)

PLEASE ENTER Employer IMRF I.D. Number

RESOLUTION

Number _____

WHEREAS, standard member earnings reportable to the Illinois Municipal Retirement Fund do not include the value of health insurance or cash payments in lieu of or related to healthcare benefits; and

WHEREAS, the governing body of an IMRF participating unit of government may elect to include in IMRF earnings cash payments in lieu of or related to healthcare benefits; and

WHEREAS, the _____ of the
BOARD, COUNCIL, etc.

_____ is authorized to include
EMPLOYER NAME
cash payments made separately from salary and made in lieu of or related to healthcare benefits as earnings reportable to IMRF and it is desirable that it do so.

NOW THEREFORE BE IT RESOLVED that the _____ of the
BOARD, COUNCIL, etc.

_____ does hereby elect to
EMPLOYER NAME
include as earnings reportable to IMRF cash payments made separately from salary and made in lieu of or related to healthcare benefits effective _____.
EFFECTIVE DATE

BE IT FURTHER RESOLVED that _____ is authorized and directed
CLERK OF SECRETARY OF THE BOARD
to file a duly certified copy of this resolution with the Illinois Municipal Retirement Fund.

CERTIFICATION

I, _____, the _____
NAME CLERK OR SECRETARY
of the _____ of the County of _____,
EMPLOYER NAME COUNTY
State of Illinois, do hereby certify that I am keeper of its books and records and that the foregoing is a true and correct copy of a resolution duly adopted by its _____ at a meeting duly convened
GOVERNING BODY
and held on the _____ day of _____, 20 _____.

SIGNATURE OF CLERK OR SECRETARY OF THE BOARD

IMRF

Suite 500, 2211 York Road, Oak Brook Illinois 60523-2337
Employer-only Phone: 1-800-728-7971
www.imrf.org

**REQUIRED REPORTING TO MUNICIPALITY BY
THE TINLEY PARK POLICE PENSION BOARD
Fiscal Year Ended April 30, 2018**

1. Total Assets as of April 30, 2018

	<u>At Fair Value</u>
Cash/ Short Term Investments	\$ 757,227
US Treasuries & US Agencies	16,648,749
State and Local Obligation	8,269,788
Mutual Funds	42,559,335
Common Stock	0
Insurance Annuity Contracts	2,997,759
Receivables less Liabilities	<u>212,755</u>
 Total Assets at Fair Market Value	 \$71,445,613
 Gains/Losses not yet recognized	 <u>223,603</u>
 Actuarial Value of Assets, 4/30/2018	 \$71,669,216

2. Income

Estimated receipts during the next succeeding fiscal year from:	
Participant Contributions deducted from payroll	\$ 850,000
Employer Contribution and all other sources	8,195,805
Total	<u>\$9,045,805</u>

3. Expenses

Estimated amount required during the next succeeding fiscal year to:	
(a) Pay all pensions and other obligations provided in this Article	\$4,441,505
(b) Meet the annual requirements of the fund as provided in Sections 3-125 and 3-127	
Levy – Tax Year 2017	\$2,971,618
Levy – Tax Year 2018	\$2,932,566

4. Investment Information

Fiscal Year Ended April 30, 2018

Actual Net Income (Loss) received from investment of net assets	\$5,304,264
Assumed Investment Return	7.00%
Market Value of Assets Rate of Return	8.05%
Actuarial Asset Rate of Return	6.56%

Fiscal Year Ended April 30, 2017

Actual Net Income (Loss) received from investment of net assets	\$5,724,784
Assumed Investment Return	7.00%
Market Value of Assets Rate of Return	9.59%
Actuarial Asset Rate of Return	6.47%

5. Participants

Total number of Active Employees that are financially contributing to the fund: **73**

6. Benefit Disbursements

Payments to beneficiaries for fiscal year ended April 30, 2018

	<u>Annuitants</u>	<u>Total Amount</u>
(i) Annuitants in receipt of a regular retirement pension	43	\$3,144,281
(ii) Recipients being paid a disability pension	7	335,283
(iii) Survivors and children in receipt of benefits	5	175,639
Total Benefits		\$3,655,203

7. Funding Ratio as of May 1, 2018 **75.9%**

8. Unfunded Accrued Liability as of May 1, 2018 **\$22,717,287**

The Unfunded Accrued Liability is the excess of the Accrued Liability over the value of the Tinley Park Police Pension Fund assets.

The Accrued Liability represents the present value of projected future plan benefits that are to be provided.

The Actuarial Value of Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Entry Age Normal Cost is an actuarial methodology whereby the Normal Cost for each participant is computed as the level percentage of pay which, if paid from the earliest age the participant is eligible to enter the plan until retirement or termination, will accumulate with interest to an amount sufficient to fund the participant's benefits under the plan. The Normal Cost for the plan (the Tinley Park Police Pension Fund) is determined as the sum of the Normal Costs for all active participants.

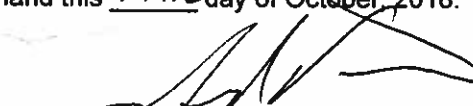
9. Investment Policy

Illinois State Statutes restrict the types of investments that can be held by a police pension fund. The Tinley Park Police Pension Fund has adopted its own investment policy that takes into account the statutory restrictions and provides further guidance.

Certification

I, Raymond Violetto, President of the Tinley Park Police Pension Board, Tinley Park, Illinois, do hereby certify that this document is a true and correct copy of: "Required Reporting to Municipality By Pension Board" as outlined in 40 ILCS 5/3-143.

Witness my hand this 17th day of October, 2018.



Raymond Violetto
President of Tinley Park Police Pension Board



MEMORANDUM



TO: John Curran, Finance Chair

FROM: Brad L. Bettenhausen, Treasurer

RE: 2018 Tax Levy

DATE: 18 October 2018

The following table recaps options for the 2018 Village levy request (taxes payable in 2019) and the corresponding amounts. All options presume that the Village Board’s Tax Abatement Policy will continue unaltered. A separate memo will recap the proposed 2018 property tax abatements for debt service on outstanding bond issues and its impact on the overall tax levy if the abatements were not approved. Detail of each option follows this memo.

Under Illinois Statutes, although they have their own governing Board, the Tinley Park Public Library is considered part of the Village for both budget and levy purposes. However, Public Libraries have been presented separately on the detail of property tax bills since 1985.

	Village	Change	Library	Change	Total
Option 1. Same as last year	19,980,020	0	5,561,944	0	25,541,964
Option 2. Prior extended levy					
2A. Reduced Loss & Cost (1/3)	20,186,820	206,800	5,628,010	66,066	26,021,630
2B. Full Loss & Cost (3/5)	20,586,420	606,400	5,739,475	177,531	26,932,295
Option 3. Village tax cap formula					
3A. Regular growth only	20,559,440	579,420	5,905,920	343,976	27,044,780
3B. Growth including TIF	20,959,040	979,020	5,834,480	272,536	27,772,540
Last year	19,980,020		5,561,944		5,561,944

Under all options provided above, a Truth in Taxation Act Notice or Hearing would NOT be required since the increase in the Village’s overall levy request would fall below the 5% threshold and would not require the extra actions called for under the Act.

The Library Board is expected to approve the amount of the Library levy at their 24 October meeting. Their levy request is expected to be in amount corresponding to 3B above.

Staff is suggesting a levy request of \$20,959,040, represented by option 3B above, for the Village as well considering staffing and capital priorities that have been identified by the Village Board.

Option 1. Same as last year (Hold the levy at the prior year request) -

Following the passage of the Home Rule Sales Tax, the prior Village Board had expressed a desire to hold increases in the Levy for up to five years if it could be sustained. 2018 would represent the fifth levy year under that objective, although this would actually be the sixth consecutive year that the levy request has remained unchanged. Additionally, it would be the seventh year of zero levy increases with the definition of the State Statutes. It is clear that in this initiative did not consider that the fifth year would coincide with the termination of the Oak Park Avenue TIF.

We have recently received the current annual actuarial levy requirement for the Police Pension Fund in the amount of 2,932,566 (See also Annual Police Pension Report). This reflects a small decrease from the amount levied in 2016 at \$2,971,618 (Decrease of \$39,052 or -1.3%). However, as the required levy amounts for police pension is generally expected to increase over time, if there were no change in the overall levy amount, it means that the portion of the Village tax levy available to support General operations would decrease by the same amount of the increase for Police Pension in order to maintain the identical total levy dollar request.

Option 2. Prior extended levy (Levy the prior year extended levy amount) -

The State Truth in Taxation Act utilizes the prior year extended levy as the basis for determining an increase for the current levy request. If the increase is greater than 5%, a published notice ("Black Box") and public hearing are required. Cook County automatically adds a Loss and Cost factor to each levy item. The default/standard rates are 3% for all levy items, except debt service at 5%. However, for the past five years, we have requested that Cook County use lower Loss and Cost factors (1% for all levy items, except debt service at 3%) than their standard rates.

	Village	Library	Total
Option A. Reduced Loss & Cost	20,186,820	5,628,010	25,814,830
Option B. Full Loss & Cost (3/5)	20,586,420	5,739,475	26,325,895

Option 3. Village tax cap formula -

As a Home Rule community, the Village is not subject to the Property Tax Extension Limitation Law (PTELL; a.k.a. "Tax Cap"). However, the Board's traditional tax cap formula as memorialized in the Fiscal Policies Manual uses the rate of inflation plus new growth to determine the extent the levy could be allowed to increase over the prior year's extended levy.

The rate of inflation applicable for the 2018 levy year is 2.1% (same as last year). Last year, "new property" for purposes of PTELL (and as an indicator of new growth in the tax base) represented less than three quarter of one percent (< 0.75%) of the total EAV increase over the prior year. Review of recent building permit activity for new construction also reflects very a similar rate of growth in normal new value for the past year (0.8% used).

2017 represented the final year of the Oak Park Avenue (Convention Center) TIF (OPA TIF). The incremental equalized assessed value (EAV) created by that TIF of nearly \$30.8 million will be added to the Village's tax base in 2018. This alone represents approximately a 2% increase in our overall EAV.

Considering ONLY normal growth, under the Board's formula (prior year levy + inflation + new growth), the total amount of increase available would be 2.9%. Using this rate, the Board's formula would produce an increase of \$579,420 and a total levy request of \$20,559,440 for the Village.

Including the growth released by the OPA TIF as part of new growth, under the Board's formula (prior year levy + inflation + new growth), a 4.9% factor for increasing the tax levy is produced. Using this rate, the Board's formula would result in an increase of \$979,020 and a total levy request of \$20,959,040 for the Village. This amount does not exceed the 5% threshold established by the Truth in Taxation Act, so would NOT require holding a Public Hearing and publishing a "Black Box" notice.

	Village	Library	Total
Option A. Regular growth only	20,559,440	5,905,920	26,465,360
Option B. Growth including TIF	20,959,040	5,834,480	26,793,520

Considering staffing and capital priorities that have been expressed by the Village Board, staff is suggesting a levy request following option 3B.

RECOMMENDED CALENDAR (assumes levy request is less than 105% of prior extended levy.)

- ✘ **Tuesday, 23 October 2018** - Finance Committee meets for "determination of levy."
- ✘ **Tuesday, 6 November 2018** - First reading of the Levy Ordinance at Board Meeting.
- ✘ **Tuesday, 4 December 2018** - Levy Ordinance adopted (if two readings are required).
- ✘ **no later than Friday, 21 December 2018** - Levy Ordinance filed with County Clerks.

Table 1 shows the projected effect of the Village levy calculated utilizing the prior year's Levy of \$19,980,020, and the projected resultant rates with new property changes of \$32 to \$42 million. This table assumes no change in the Equalization Factor (multiplier) from the 2017 levy year applicable to Cook County properties (2.9627). Also, it assumes continuation of the request for Cook County to use the lower Loss and Cost factors previously referenced.

Table 2 reflects the projected dollar impact on Village taxes for houses with market value of \$175,000, \$225,000, \$275,000 and \$350,000. With the implementation of the 10-25 Classification System of Assessments, the Cook County Assessor market values more reasonably approximate the "real" market values. Will County Assessor market values have always been reasonably comparable to the "real" market values. Utilizing the above assumptions, the typical homeowner of Tinley Park would likely see a nominal decrease to no change in the amount of property taxes they pay for Village services, at expected growth levels, and depending on the value of their homes.

Table 1
Projected Values - 2018 Village Levy Only (Payable in 2019)

Dollars New Property Value	Projected Equalized Assessed Value	Village Levy Amount @ 4.9% Increase	Projected Village Rate
32,000,000	\$1,553,000,000	\$20,959,040	1.328
33,000,000	1,554,000,000	same	1.362
35,000,000	1,556,000,000	same	1.361
37,000,000	1,558,000,000	same	1.359
39,000,000	1,560,000,000	same	1.357
42,000,000	1,563,000,000	same	1.354

Table 2
Projected Impact to Homeowners - 2018 Village Levy Only (Payable in 2019)

New Property Increase	HOUSE VALUE											
	\$175,000			\$225,000			\$275,000		\$350,000			
Current Village Taxes ----->	\$	% Chg	\$	% Chg	\$	% Chg	\$ Chg	% Chg	\$ Chg	% Chg		
	596	Chg	792	Chg	989				1,284			
32,000,000	556	-40	-6.7%	752	-40	-5.1%	949	-40	-4.0%	1,244	-40	-5.1%
33,000,000	570	-26	-4.4%	772	-20	-2.5%	973	-16	-1.6%	1,276	-8	-2.5%
35,000,000	570	-26	-4.4%	771	-21	-2.7%	973	-16	-1.6%	1,275	-9	-2.7%
37,000,000	569	-27	-4.5%	770	-22	-2.8%	971	-18	-1.8%	1,273	-11	-0.9%
39,000,000	568	-28	-4.7%	769	-23	-2.9%	970	-19	-1.9%	1,271	-13	-2.9%
42,000,000	567	-29	-4.9%	767	-25	-3.2%	968	-21	-2.1%	1,269	-15	-3.2%

LIBRARY LEVY

The 2011 GO Refunding Library bond issue carries a required levy of \$683,600 for tax year 2018 to cover debt service due in calendar 2019. When the original building bonds were issued in 2003, the Village's Finance Committee recommended that \$150,000 of the annual debt service levy requirement be abated on this bond issue each levy year. The abatement funds are budgeted from the Village's Surtax allocation of the State Income Tax distributions. It is assumed that the abatement will be continued at the same level, and would reduce the levy requirement for Library debt service to \$533,600 as included in the overall levy request.

Table 3 reflects the estimated effect of the proposed Library levy with new property changes of \$32 to \$42 million. As noted in the Village tables, this table assumes no change in the state equalization factor (multiplier) applicable to Cook County properties.

Table 4 reflects the projected dollar increase in taxes for houses with market value of \$175,000, \$225,000, \$275,000 and \$350,000.

Table 3
Projected Values - 2018 Library Levy Only (Payable in 2019)

Dollars New Property Value	Projected Equalized Assessed Value	Library Levy Amount @ 4.9% Increase	Projected Library Rate
32,000,000	\$1,553,000,000	\$5,834,480	.370
33,000,000	1,554,000,000	same	.379
35,000,000	1,556,000,000	same	.379
37,000,000	1,558,000,000	same	.378
39,000,000	1,560,000,000	same	.378
42,000,000	1,563,000,000	same	.377

Table 4
Projected Impact to Homeowners - 2017 Library Levy Only (Payable in 2018)

New Property Increase	HOUSE VALUE											
	\$175,000			\$225,000			\$275,000			\$350,000		
Current Village Taxes ----->	166	\$ Chg	% Chg	221	\$ Chg	% Chg	276	\$ Chg	% Chg	358	\$ Chg	% Chg
32,000,000	155	-11	-6.6%	210	-11	-5.0%	264	-12	-4.3%	347	-11	-5.0%
33,000,000	159	-7	-4.2%	215	-6	-2.7%	271	-5	-1.8%	355	-3	-2.7%
35,000,000	159	-7	-4.2%	215	-6	-2.7%	271	-5	-1.8%	355	-3	-2.7%
37,000,000	158	-8	-4.8%	214	-7	-3.2%	270	-6	-2.2%	354	-4	-1.1%
39,000,000	158	-8	-4.8%	214	-7	-3.2%	270	-6	-2.2%	354	-4	-3.2%
42,000,000	158	-8	-4.8%	214	-7	-3.2%	269	-7	-2.5%	353	-5	-3.2%

Summary and Comparison of Cook and Will County Property Tax Assessment Systems

	Cook County	Will County
Assessment Process		
Residential Assessment rate	10% (formerly 16%)	33.33%
Commercial Assessment rate	25% (formerly 38%)	33.33%
Equalization Factor	2.9627 (2017)	1.0000
Effective Residential Assessment rate - equalized	29.63% (2017)	33.33%
Effective Commercial Assessment rate - equalized	74.07% (2016)	33.33%
Homeowner Exemption	\$10,000 for 2017	\$6,000
Senior Exemption	\$8,000 for 2017	\$5,000
Assessor Market Value primarily determined by	County Assessor	Township Assessor
Township Assessor role in valuing property	Nominal	Significant
How Assessor Market Value is primarily determined	(Traditionally, some derivative of original sale value periodically adjusted by inflation/real estate market changes)	Sales Value
Frequency of Adjustment of Assessor Market Value	Every 3 years by inflation/market adjustments; unless major change to property (additions or demolitions) or appeal 2017 was a Reassessment Year	Annually - by actual sale or inflation/market adjustments
Assessor Market in comparison to Resale/True Market value	Intended to be Comparable	Reasonably Comparable
Levy, Extension, Tax Rates		
Loss and cost adjustments to levy	Automatic (Must opt out)	Must request
Loss and cost adjustment rates	3% added automatically; 5% for debt service levies (tax years 2013 through 2017 have used 1% and 3% respectively)	Must specify the rates
Determination of tax rate	Total Extended Levy to Total EAV	Will Co Share of Levy to Will Co EAV
Proration of levy across county lines	Actual proportion of EAV	Actual Will EAV to Total EAV using Estimated Cook EAV
Adjustment for using Estimated Cook Co EAV	Not Applicable	+/- adjustment in following tax year

2017 Tax Year Recap

	EAV	Dollar Change	Percent Change	Percent Total
Cook	1,177,159,971	144,734,759	14.0%	77.4%
Will	343,770,343	7,293,683	2.2%	22.6%
Total	1,520,930,314	152,028,442	11.1%	100.0%

Cook County Equalization Factor: 2.9627 Percent change 5.7% ▲

Exemptions	Cook	Percent Change	Will	Percent Change	Total	Percent Change
Homeowner	154,146,910	40.1%	14,331,065	3.1%	168,477,975	36.0%
Senior	38,405,935	66.8%	2,560,038	4.5%	40,965,973	60.8%
Senior Freeze	32,861,299	179.5%	745,092	55.0%	33,606,391	174.7%
All Other	8,425,128	26.4%	1,067,549	-2.6%	9,492,677	22.3%
Total	233,839,272	54.4%	18,703,744	4.3%	252,543,016	49.1%

	Cook	Will	Total
PTELL New EAV - County determined	358,060	1,085,505	1,443,565



MEMORANDUM



MEMO TO: John Curran, Finance Chair

FROM: Brad L. Bettenhausen, Treasurer

RE: Annual Tax Levy Abatements - 2018

DATE: 4 October 2018

The agenda for the November 6 (and possibly December 4) Board meetings will include four (4) ordinances to abate a portion (or all) of the levy requirements to provide for debt service on the Village's outstanding general obligation bonds in accordance with the Village Board's long established fiscal policies and past practice. These abatements provide instruction to the two County Clerks (Cook and Will) to supersede the required levy information contained within the related bond ordinances and bond orders. In summary, these abatements are as follows:

Abatement Ordinance	Bond Issue & Purpose	Levy Required	Amount Abated	Net Levy	Source of Funds For Abatement
2018-O-060	2009 Refunding (2 yr remain)	1,180,495.00	830,495.00	350,000.00	400,436.94 Water & Sewer 323,120.56 Tax/Bond Stabilize 106,937.50 Surtax Cap Projects
2018-O-061	2011 Library Refunding (5 yr remain)	683,600.00	150,000.00	533,600.00	150,000.00 Surtax Cap Projects
2018-O-062	2012 Refunding (final year)	775,200.00	775,200.00	0.00	389,925.60 Water & Sewer 232,560.00 Stormwater Mgmt 152,714.40 Surtax Cap Projects
2018-O-063	2013 (Refunding) (10 yr remain)	956,850.00	956,850.00	0.00	382,740.00 Hotel Tax 410,048.50 Surtax Cap Projects 136,686.03 Water & Sewer 17,098.91 Stormwater Mgmt 10,276.56 New BremenTIF (#3)
	Totals	3,596,145.00	2,712,545.00	883,600.00	

If we did not have these alternate sources to pay the debt service on these bond issues, the tax levy contemplated under ordinance 2018-O-059 would be nearly \$3 million dollars higher than proposed and would add an estimated \$0.173 to the Village tax rate, and an estimated \$0.010 to the Library tax rate at an EAV of \$1.555 billion. (Note: rate impacts are quoted per \$100 of equalized assessed value and are applicable to Cook County properties.)

The proposed abatements represent 75.4% of the total debt service levy requirements for tax year 2018. The Village has been abating portions of its debt service levy requirements every year since 1982. Inclusive of the currently proposed abatements, Village property owners have saved nearly \$82.5 million

dollars in real estate taxes over the 37 year period. This amount represents 82.2% of the cumulative debt service levy requirements over the same period.

I am attaching a table which reflects the approximate annual “rebate savings” for a cross section of home values over the past ten years, inclusive of the current year. On average over this period, the annual savings through these abatements is between \$171 and \$398 depending on home value. Over the ten year period, homeowners with homes valued similar to those shown on the table have received and benefitted from cumulative savings of between \$1,708 and \$3,983 as a result of these abatements which have totaled over \$47 million dollars for the past ten years alone (tax years 2009 to 2018).

Additionally, commercial taxpayers also benefit by the annual “rebate savings.” A table is also attached that reflects the approximate impact of the tax abatements on a selection of commercial property values for a ten year period including the current year. On average, the annual savings through these abatements is between \$568 and \$2,842 depending on the value of the commercial property. Over the ten year period, business owners with buildings valued similar to those shown on the table have received and benefitted from cumulative savings of between \$5,684 and \$28,424 as a result of these abatements.



It is noted that the Village’s ongoing program of abating taxes is more advantageous than most tax rebate programs that have been implemented by other area communities. We also note that most of communities that have previously offered rebates have either curtailed or eliminated the programs in more recent years.

- A) The philosophy of the Village’s tax abatement program can be summed up in the question, “Why should the Village tax its property owners for something that the Village has the funds available to pay and can pay from income sources other than property taxes?”
- B) It is better fiscal policy to not to tax in the first place than to tax and issue a rebate. Even though rebate programs are politically popular, rebate programs are much harder to end once they are started due to political pressures taking precedence over fiscal responsibility to the community’s taxpayers.
- C) The tax abatement program requires almost no administrative costs to implement each year. Most tax rebate programs generally require the municipality to incur additional administrative costs to receive rebate requests, perform calculations and verifications, and process the tax refund checks.
- D) The tax abatement provides a greater dollar benefit to Village property owners than most tax rebate programs offered by other area communities.
- E) Most tax rebate programs only benefit some owner-occupied residential homeowners. However, the Village’s tax abatement process benefits all property owners including rental and commercial business property.

Village of Tinley Park, Illinois
Tax abatements for bonds

RESIDENTIAL

Tax Year	Equalized Assessed Value			Total G.O. Debt Service	Total Abatement	Levy	Computed Tax Rate Abated	Market	Tax Savings of Abatement for House Valued at:				
	Cook	Will	Total						\$150,000	\$200,000	\$275,000	\$300,000	\$350,000
									\$34,000	\$50,000	\$66,000	\$77,000	\$90,000
2009	1,430,084,786	366,012,157	1,796,096,943	5,026,014	4,131,671	894,344	0.242		123	165	226	247	288
2010	1,442,783,211	369,317,530	1,812,100,741	5,184,676	4,277,933	906,743	0.248		123	164	225	246	286
2011	1,251,755,583	356,107,180	1,607,862,763	6,566,460	5,711,760	854,700	0.373		185	246	338	369	431
2012	1,145,025,203	347,091,985	1,492,117,188	6,171,528	5,305,728	865,800	0.373		185	246	338	369	431
2013	1,066,577,781	331,734,777	1,398,312,558	6,583,500	5,707,000	876,500	0.429		212	283	389	425	495
2014	1,016,027,998	328,253,966	1,344,281,964	6,200,225	5,338,275	861,950	0.417		206	275	378	413	482
2015	989,772,042	330,446,430	1,320,218,472	6,856,298	5,988,898	867,400	0.476		236	314	432	471	550
2016	1,032,425,212	336,476,660	1,368,901,872	6,957,320	6,095,120	862,200	0.468		232	309	425	463	541
2017	1,177,159,971	34,377,343	1,211,537,314	3,558,045	2,677,045	881,000	0.232		115	153	211	230	268
2018			1,555,000,000 E	3,596,145	<u>2,712,545</u>	883,600	0.183		91	121	166	181	211
E = Estimated EAV				Total abatement	<u>\$47,945,974</u>	Average rate	<u>\$0.344</u>	Total	<u>\$1,708</u>	<u>\$2,276</u>	<u>\$3,128</u>	<u>\$3,414</u>	<u>\$3,983</u>
								Average	<u>\$171</u>	<u>\$228</u>	<u>\$313</u>	<u>\$341</u>	<u>\$398</u>

Village of Tinley Park, Illinois
 Tax abatements for bonds

CORPORATE

Tax Year	Equalized Assessed Value			Total G.O. Debt Service	Total Abatement	Levy	Computed Tax Rate Abated	Tax Savings of Abatement for Commerical Property Valued a					
	Cook	Will	Total					Market	\$200,000	\$400,000	\$600,000	\$800,000	\$1,000,000
									\$154,000	\$310,000	\$463,000	\$618,000	\$772,000
2009	1,430,084,786	366,012,157	1,796,096,943	5,026,014	4,131,671	894,344	0.242		407	813	1,220	1,626	2,033
2010	1,442,783,211	369,317,530	1,812,100,741	5,184,676	4,277,933	906,743	0.248		409	818	1,228	1,637	2,046
2011	1,251,755,583	356,107,180	1,607,862,763	6,566,460	5,711,760	854,700	0.373		615	1,231	1,846	2,462	3,077
2012	1,145,025,203	347,091,985	1,492,117,188	6,171,528	5,305,728	865,800	0.373		615	1,231	1,846	2,462	3,077
2013	1,066,577,781	331,734,777	1,398,312,558	6,583,500	5,707,000	876,500	0.429		708	1,416	2,124	2,831	3,539
2014	1,016,027,998	328,253,966	1,344,281,964	6,200,225	5,338,275	861,950	0.417		688	1,376	2,064	2,752	3,440
2015	989,772,042	330,446,430	1,320,218,472	6,856,298	5,988,898	867,400	0.476		785	1,571	2,356	3,142	3,927
2016	1,032,425,212	336,476,660	1,368,901,872	6,957,320	6,095,120	862,200	0.468		772	1,544	2,317	3,089	3,861
2017	1,177,159,971	34,377,343	1,211,537,314	3,558,045	2,677,045	881,000	0.232		383	766	1,148	1,531	1,914
2018			1,555,000,000 E	3,596,145	<u>2,712,545</u>	883,600	0.183		<u>302</u>	<u>604</u>	<u>906</u>	<u>1,208</u>	<u>1,510</u>
E = Estimated EAV			Total abatement	<u>\$47,945,974</u>	Average rate	<u>\$0.344</u>	Total	<u>\$5,684</u>	<u>\$11,370</u>	<u>\$17,055</u>	<u>\$22,740</u>	<u>\$28,424</u>	
							Average	<u>\$568</u>	<u>\$1,137</u>	<u>\$1,706</u>	<u>\$2,274</u>	<u>\$2,842</u>	



MEMORANDUM



TO: John Curran, Finance Chair

FROM: Brad Bettenhausen, Treasurer

RE: 2019 Scavenger Sale

DATE: 18 October 2018

The Cook County Scavenger Sale occurs in odd numbered years and includes tax parcels where the property taxes are three or more years unpaid and delinquent. The next sale will be occurring in 2019.

Under the Scavenger Sale process, the County will accept virtually any bid in settlement of the delinquent taxes. Bidding starts with a minimum bid of \$250 and progresses in \$50 increments (increments increase as the total bid hits certain thresholds). The “buyer” receives a delinquent tax lien on the property. A statutory process follows, and if the owner does not redeem the property, the buyer (tax lien holder) can request a tax deed through the Circuit Court of Cook County and become the property owner. The primary objective of the Scavenger Sale is to get the delinquent properties “sold” and returned to the “active” tax rolls. However, this goal is not achievable for some properties as they have no intrinsic value (i.e. worthless).

The Village can acquire parcels scheduled for the Scavenger Sale under a “No Cash Bid” program as provided under State Statutes [35 ILCS 200/21-260(g)]. This program does not require any outlay of cash to acquire the properties. The objectives of the program are to transfer properties to a local government that can utilize the property for its exempt purposes, or to assemble properties to encourage economic development to return the properties to the active and “productive” tax rolls.

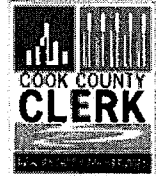
A strong case can be made for a local government to acquire some delinquent parcels strictly to clear the tax rolls of generally “worthless” properties from the assessment and taxation process. In reviewing our Scavenger Sale archival records, 25 parcels on the current list have appeared at least as early as the 2003 Scavenger Sale list. A total of 29 parcels in the current delinquency list also appeared on the 2005 list. Their continued appearance is an indicator of “worthless” property. Some of these parcels have been delinquent and on Scavenger Sale lists for even longer. Removing any of these parcels of the active tax rolls will improve the realization of property tax levies for all taxing districts since a portion of the government’s requested tax levy would not be lost in properties where the taxes are unlikely to ever be paid.

The attached schedule lists all of the identified parcels for Tinley Park expected to be on the Scavenger Sale. The parcels recommended for acquisition under the NCB program are identified. A copy of this list will be shared with other taxing bodies with parcels of their potential interest.

Village of Tinley Park, Illinois
Cook County Scavenger Sale 2019
NCB = No Cash Bid

PIN	Description	Submit NCB?		Village use/other description	Other Government	On Scav. Sale Lists Since
		Yes	No		Other Organization	
27-23-312-060-0000	Strip of land WO 84th Ave	YES		add to 84th Ave ROW		
27-23-313-037-0000	Strip btwn Blossom & Horseshoe	YES		draingage ROW		2003
27-25-105-004-0000	7747 Woodstock Dr	YES		walking path		
27-25-105-029-0000	17026 Woodstock Dr - rear lot		NO	residential property		2005
27-25-113-017-0000	street ROW Fairfield Glen			we own		2003
27-25-206-009-0000	16833 Odell		NO	Bannes School	Kirby SD 140	2003
27-25-208-001-0000	16835 Odell		NO	Bannes School	Kirby SD 140	2003
27-25-217-011-0000	vacant land WO Olcott Ave	YES		add to Olcott Ave ROW		
27-25-217-024-0000	Odell & 170th St - bus parking lot		NO	Bannes School	Kirby SD 140	2003
27-25-217-025-0000	Odell & 170th St - bus parking lot		NO	Bannes School	Kirby SD 140	2003
27-25-217-026-0000	Odell & 170th St - bus parking lot		NO	Bannes School	Kirby SD 140	2003
27-25-217-027-0000	Odell & 170th St - bus parking lot		NO	Bannes School	Kirby SD 140	2003
27-25-217-028-0000	Odell & 170th St - bus parking lot		NO	Bannes School	Kirby SD 140	2003
27-25-217-029-0000	Vacant land		NO	Bannes School	Kirby SD 140	2003
27-25-217-030-0000	Vacant land		NO	Bannes School	Kirby SD 140	2003
27-25-217-031-0000	Vacant land		NO	Bannes School	Kirby SD 140	2003
27-25-217-032-0000	Vacant land		NO	Bannes School	Kirby SD 140	2003
27-25-217-033-0000	Vacant land		NO	Bannes School	Kirby SD 140	2003
27-25-217-044-0000	Vacant land		NO	Bannes School	Kirby SD 140	2003
27-25-217-045-0000	Vacant land		NO	Bannes School	Kirby SD 140	2003
27-25-217-046-0000	vacant land - creek bed	YES		detention/open space		
27-26-207-011-0000	Vacant land SW of 169th & 80th		NO	Grissom School	Kirby SD 140	2003
27-34-104-023-0000	9300 Ash St - vacant unbuildable	YES		add to Ash St ROW		
27-34-205-029-0000	175th Street ROW			we own		
27-35-108-002-0000	17707 Clifton Ct - rear lot		NO	residential property		
27-35-401-033-0000	vacant wetlands	YES		detention/open space		2005
27-36-122-001-0000	7639 175th Street		NO	Bristol Park	TP Park District	2005
28-19-101-006-0000	vacant land	YES		open space		
28-19-300-055-0000	9ft strip WO 16658-16630 OPA	YES		alleyway and utility easement		2003
28-19-300-075-0000	strip EO Brementowne Dr	YES		add to street ROW		
28-19-300-079-0000	Kingston Ct TH parking lot	?		consider So Sub Land Bank & Dev Auth	SSLB&DA	2003
28-19-300-083-0000	Kingston Ct TH vacant	?		consider So Sub Land Bank & Dev Auth	SSLB&DA	
28-19-300-084-0000	Kingston Ct TH vacant	?		consider So Sub Land Bank & Dev Auth	SSLB&DA	2003
28-19-300-086-0000	Kingston Ct TH vacant	?		consider So Sub Land Bank & Dev Auth	SSLB&DA	
28-19-300-087-0000	Kingston Ct TH vacant	?		consider So Sub Land Bank & Dev Auth	SSLB&DA	2003
28-29-200-025-0000	Edgewater Walk pond / detention		NO	Edgewater Walk HOA	Edgewater HOA	
28-30-107-017-0000	WO 16820 OPA	YES		detention/open space		
28-30-108-016-0000	vacant land	YES		open space		
28-30-301-019-0000	17132 OPA	YES		Midlothian Creek ROW		
28-30-301-021-0000	vacant land	YES		Midlothian Creek ROW		
28-30-406-004-0000	vacant land	YES		Midlothian Creek ROW		
28-30-412-049-0000	66th Ct ROW 33' x 6.5' spite strip	YES		66th Ct ROW		2003
28-31-103-026-1016	Commercial Condo	?		consider So Sub Land Bank & Dev Auth	SSLB&DA	
28-31-212-057-0000	vacant strip		NO	Hirsch Park	TP Park District	
28-31-305-007-0000	Central Middle School		NO	Central Middle School	CC SD 146	
28-31-305-008-0000	Central Middle School		NO	Central Middle School	CC SD 146	2003
28-31-305-009-0000	Central Middle School		NO	Central Middle School	CC SD 146	2003
28-31-305-010-0000	Central Middle School		NO	Central Middle School	CC SD 146	
28-31-307-011-0000	Central Middle School		NO	Central Middle School	CC SD 146	2005
28-31-307-013-0000	Central Middle School		NO	Central Middle School	CC SD 146	2003
28-31-400-022-0000	strip within 179th St ROW	YES		179th Street ROW		
28-31-401-085-0000	181st St ROW 30x205.33' parcel	YES		181st Street ROW		2003
31-05-102-004-0000	detention pond - Pines sub.		NO	Pines HOA	Pines HOA	
31-07-203-017-0000	Odyssey Dr street ROW		NO	Odyssey Golf Club HOA	Odyssey HOA	
31-07-401-003-0000	Odyssey detention		NO	Odyssey Golf Club HOA	Odyssey HOA	

REAL ESTATE AND TAX SERVICE
OFFICE OF COOK COUNTY CLERK DAVID ORR
118 N. Clark Street, Room 434, Chicago, Illinois 60602



TEL 312.603.5645 FAX 312.603.4707 WEB cookcountyclerk.com

October 2, 2018

Dear Municipal Official,

Our records indicate that the following Tax Increment Financing (TIF) district has been on the Cook County tax rolls since tax year 1995, billed and collected in calendar year 1996.

TIF Tinley Park - Oak Park Avenue
Passed by municipal ordinance on December 20, 1994

Illinois State Statute states that the designation of a TIF district should be terminated by municipal ordinance after 23 years unless legislation has been passed to extend the life of that TIF district.

The Cook County Clerk has no record that this TIF district has been extended and has not received a termination ordinance for this TIF district.

Please note that if this TIF district is to be terminated for tax year 2018 (final collection in tax year 2017/collection year 2018; no collection in tax year 2018/collection year 2019) an ordinance terminating the designation of this TIF district should be filed with the County Clerk's Map Department by December 31, 2018. In addition, if you intend to terminate this TIF district for tax year 2018, Illinois statute requires you to notify all of the taxing districts affected by this TIF district no later than November 1, 2018.

Please contact our office at your earliest convenience to discuss your municipality's intentions regarding this TIF district. (312) 603-5649 or Tax.extension@cookcountyil.gov.

Sincerely,

A handwritten signature in black ink that reads "Tanya Anthofer".

Tanya Anthofer
Manager, Maps and Tax Extension
Office of the Cook County Clerk

**COMMENTS FROM
THE PUBLIC**

ADJOURNMENT