VILLAGE OF Mundelein
Incorporated in 1909

AGENDA

COMMITTEE OF THE WHOLE

November 11, 2024 - 6:00 PM
Village Hall - Board Room
300 Plaza Circle, Mundelein, IL 60060

I. CALL TO ORDER

II. ATTENDANCE

III. MINUTES APPROVAL

A. Committee of the Whole meeting minutes from October 28, 2024.

Motion to approve the Committee of the Whole meeting minutes from October 28, 2024.

IV. PUBLIC COMMENTARY

V. NEW BUSINESS

A. 2024 Property Tax Levy Discussion

Staff recommends Option 1 to allow for sufficient contributions to the Public Safety Pensions and to allow adequate funds to cover the inflationary increases in wages, services, and supplies necessary for the Village to deliver the level of service expected of our residents.

VI. ADJOURNMENT

The Village of Mundelein, in compliance with the Americans with Disabilities Act, requests that persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting, or who have questions about the accessibility of the meeting or facilities, to contact the ADA Coordinator at 847-949-3200 to allow the Village to arrange accommodations for those persons.

CALL TO ORDER

Committee of the Whole Meeting was called to order at 6:15 PM.

Clerk Walsh took the roll call. It indicated as follows:

Board Attendance
PRESENT: Trustees Juarez, Lambert, Meier, Ross, Schwenk, Wilson, and Mayor Lentz
ABSENT: None

MINUTES APPROVAL

MINUTES APPROVAL

RESULT:	**Passed [Yes 6, No 0, Abstained 0]**
MOVER:	Trustee Juarez
SECONDER:	Trustee Schwenk
AYES:	Trustee Juarez, Trustee Lambert, Trustee Meier, Trustee Berman Ross, Trustee Schwenk, Trustee Wilson
NAYS:	None
ABSTAIN:	None

PUBLIC COMMENTARY

None

NEW BUSINESS

NEW BUSINESS

Mayor Lentz introduced MHS Board President Peter Rastrelli. Mr. Rastrelli thanked the Board for the opportunity for this meeting and spoke about the opportunities now available for the Village. He then introduced Mr. Bob Lewis of PMA Securities, who presented slides explaining the funding of school finance and school district capital funding. Early in Mr. Lewis' presentation, Trustee Lambert asked for some clarification regarding the material, pointing out that most of the Board was unfamiliar with this area of finance/funding and the terminology. Mr. Lewis explained the Tiers, "adequacy", and the other terms. Trustee Schwenk asked if the term adequacy referred to the student metric or the dollars, Mr. Lewis clarified that it was the resource dollars per student. Trustee Meier asked what "new funding" referred to. Mr. Lewis said this is what the State allocates to the schools each year. Mr. Lewis' slides gave detailed breakdown of the dollars available to schools and how various factors can affect them. At the end of the presentation, Mr. Lentz asked Mr. Lewis if there was an alternative to the proposed referendum, Mr. Lewis replied that yes--there could be an alternative revenue bond but the schools would need firm commitments from upcoming building projects to do so. Mr. Lentz asked if, for example with the Wirtz project, if the developer could guarantee when each area of the development would happen would that be helpful, Mr. Lewis said yes for an alternative revenue bond. Trustee Schwenk asked for additional clarification of the PTELL (tax cap).

ADJOURNMENT

RESULT:	**Passed [Yes 6, No 0, Abstained 0]**
MOVER:	Trustee Schwenk
SECONDER:	Trustee Juarez
AYES:	Trustee Juarez, Trustee Lambert, Trustee Meier, Trustee Berman Ross, Trustee Schwenk, Trustee Wilson
NAYS:	None
ABSTAIN:	None

The Committee of the Whole Meeting adjourned at 7:03 PM.

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Village Clerk

VILLAGE OF Mundelein
Incorporated in 1909

To: Mayor and Board of Trustees

From: Linda Miller, Finance Director

For: Committee of the Whole of November 11, 2024

Subject: 2024 Property Tax Levy Discussion

Financial Impact:
Finance Department

Committee Report

Attachments:
1. 2024 Property Tax Levy Presentation

Background:
Property Tax Levy

Property taxes are the largest revenue source for the Village; last year the Village levied $16.0 million for various government functions.

Our 2023 property tax levy rate was 1.44. Our EAV is expected to increase in 2024 by approximately 10.3%.

Each year an independent actuary determines the annual funding needed for our fire & police pension trust funds to achieve 90% funding by 2040, required per current State law. This year's report indicates a $104K increase for the fire plan and a $348K increase for the police plan for the State required amount from the prior year valuation. Current funding levels are 67% for fire and 58% for police.

The table on page 7 of the PowerPoint document illustrates our last eleven property tax levies/rates, along with three options to consider for the upcoming property tax levy that must be adopted by December.

Option 1 - Raise the corporate levy to $7.436 million, no change to the IMRF levy of $775K and the Social Security levy of $1.4 million, and fund the fire pension at $180K and the police pension at

$360K more than the 2024 statutory minimum.

Option 2 – No change to the corporate levy of $7.143 million, no change to the IMRF levy of $775K and the Social Security levy of $1.4 million, and fund the fire pension at $180K and the police pension at $360K more than the 2024 statutory minimum.

Option 3 – No change to the corporate levy of $7.143 million, no change to the IMRF levy of $775K and the Social Security levy of $1.4 million, and fund the fire pension at $77K and the police pension at $12K more than the 2024 statutory minimum.

All these options will decrease the tax rate from the 2023 levy rate of 1.44.

For a home valued at $300,000, the approximate property tax paid to the Village for the 2023 Tax Levy was $1,444.

The change to the homeowner's tax bill for the Village of Mundelein for each option is as follows:

Option 1: Increase tax by $66 with a tax rate of $1.37.
Option 2: Increase tax by $40 with a tax rate of $1.34.
Option 3: Decrease tax by $1 with a tax rate of $1.31.

The property tax levy ordinances will be on the December 09, 2024, Village Board agenda to be adopted.

Recommendation:
Staff recommends Option 1 to allow for sufficient contributions to the Public Safety Pensions and to allow adequate funds to cover the inflationary increases in wages, services, and supplies necessary for the Village to deliver the level of service expected of our residents.

PROPERTY TAX LEVY DISCUSSION

NOVEMBER 11, 2024

VILLAGE OF
Mundelein
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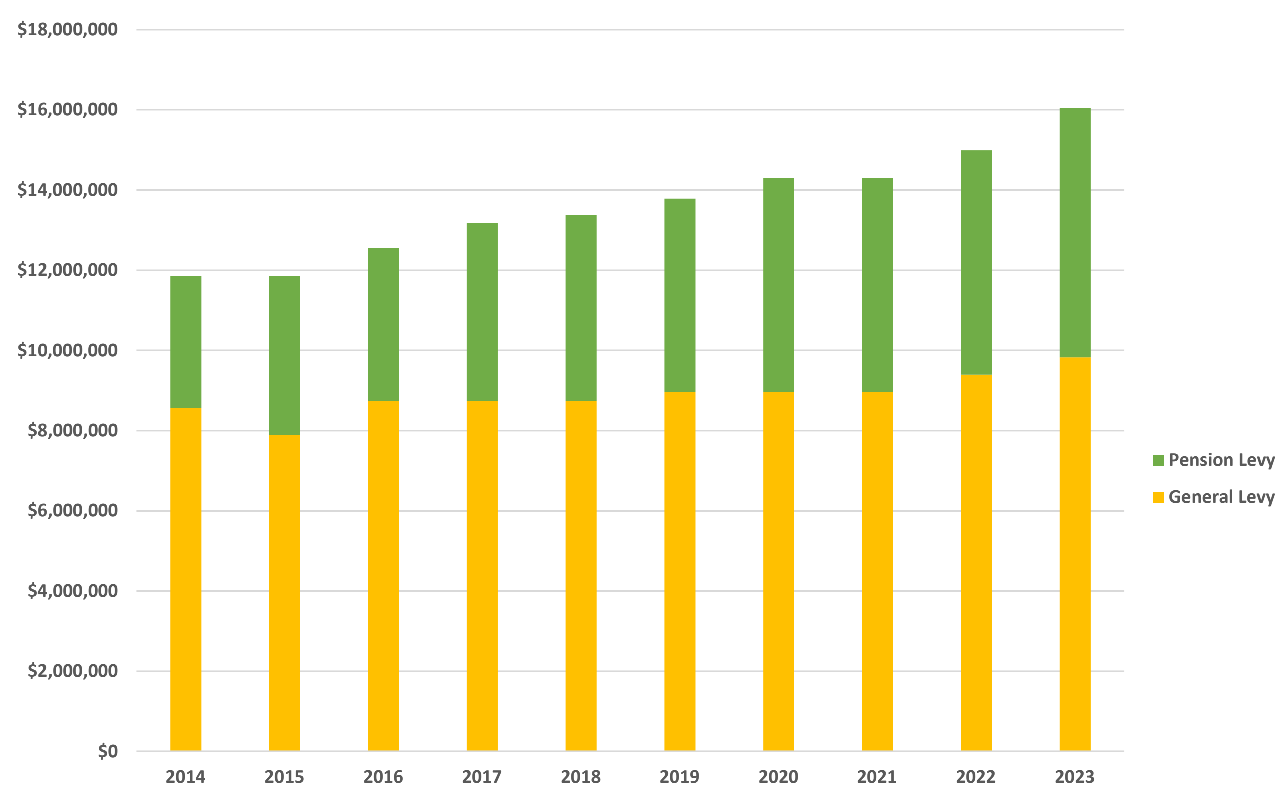
PROPERTY TAXES

- Largest Revenue Source
- Property Tax Levy needs to be adopted by December each year.
- An estimate of the Tax Levy is on the Board agenda this evening because at least 20 day notice of the property tax levy estimate is needed prior to adoption, per State statute.
  - 11/11/24 – Discussion and Levy Estimate
  - 12/09/24 – Tax Levy Adoption

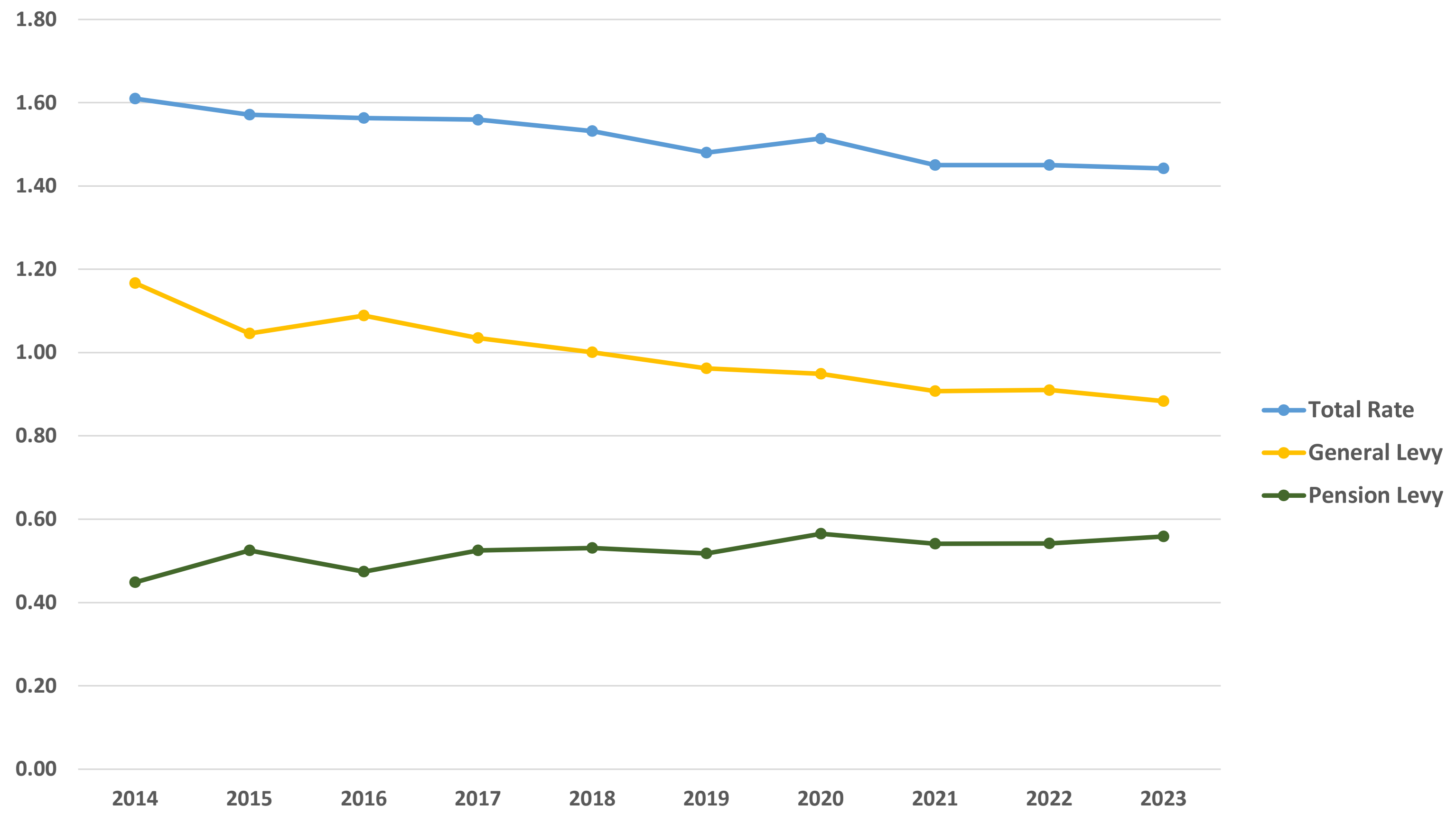
POLICE AND FIRE PENSIONS

- Completely funded by tax levy.
- Independent actuary completes an annual valuation to determine our funding requirement to meet 90% funded by 2040.
- The minimum state required contribution will result in Police 58% funded, and Fire 67% funded.

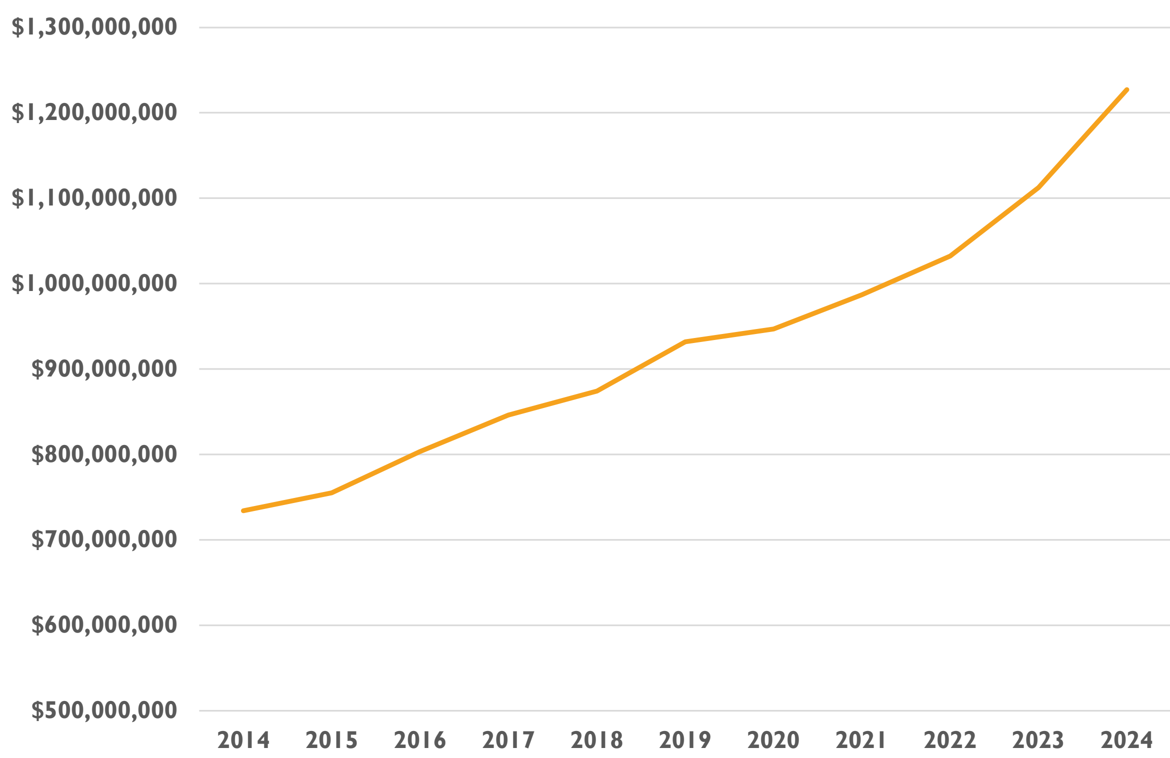
TAX LEVY COMPONENTS



TAX RATES - HISTORICAL



PROPERTY ESTIMATED ASSESSED VALUE (EAV)



VILLAGE OF MUNDELEIN HISTORICAL TAX LEVY AND 2024 PROPOSED OPTIONS

	EAV	EAV Change	EAV % Change	Tax Rate	% Increase in Levy	Total Levy	Corporate	Bonds	Road & Bridge	Police Pension	Fire Pension	IMRF	Social Security	
2013 -2023 Historical Tax Levies														
2013	755,958,958	(47,357,950)	-5.9%	1.57	0.0%	11,850,206	6,399,108	1,352,621	1,064,000	1,252,721	561,756	530,000	690,000	
2014	734,020,134	(21,938,824)	-2.9%	1.61	0.0%	11,850,206	6,139,258	1,352,621	1,064,000	1,309,898	584,429	600,000	800,000	
2015	754,877,076	20,856,942	2.8%	1.57	0.0%	11,850,206	5,848,001	975,000	1,064,000	1,701,682	661,523	700,000	900,000	
2016	803,467,616	48,590,540	6.4%	1.56	5.9%	12,550,000	6,267,964	975,000	1,500,000	1,438,964	618,072	750,000	1,000,000	
2017	846,067,676	42,600,060	5.3%	1.56	5.0%	13,179,151	6,267,964	975,000	1,500,000	1,824,647	786,540	755,000	1,070,000	
2018	874,027,373	27,959,697	3.3%	1.53	1.5%	13,381,048	6,267,964	975,000	1,500,000	1,941,213	896,871	700,000	1,100,000	
2019	931,954,514	57,927,141	6.6%	1.48	3.0%	13,782,479	6,267,964	975,000	1,711,312	2,038,532	939,671	725,000	1,125,000	
2020	946,981,890	15,027,376	1.6%	1.51	3.7%	14,293,654	6,267,964	975,000	1,711,312	2,381,996	1,107,382	725,000	1,125,000	
2021	986,898,889	39,916,999	4.2%	1.45	0.0%	14,293,654	6,267,964	975,000	1,711,312	2,456,776	1,007,602	725,000	1,150,000	
2022	1,032,159,798	45,260,909	4.6%	1.45	4.9%	14,990,166	6,706,721	975,000	1,711,312	2,659,326	1,037,807	725,000	1,175,000	
2023	1,112,289,363	80,129,565	7.8%	1.44	7.0%	16,042,170	7,142,658	975,000	1,711,312	2,886,387	1,151,813	775,000	1,400,000	
2024 - Rate Same; 16.9% Corp; Alt Pen +	1,227,066,072	114,776,709	10.3%	1.44	10.3%	17,701,021	8,350,000	975,000	1,711,312	3,234,365	1,255,344	775,000	1,400,000	
Proposed 2024 Tax Levy Options														**Change to $300,000 Homeowner Tax Bill**
Option 1: 2024 - 4.1% Corp; Police +360K, Fire +180K	1,227,066,072	114,776,709	10.3%	1.37	4.6%	16,787,021	7,436,000	975,000	1,711,312	3,234,365	1,255,344	775,000	1,400,000	$ 66
Option 2: 2024 - 0% Corp; Police +360K, Fire +180K	1,227,066,072	114,776,709	10.3%	1.34	2.8%	16,493,679	7,142,658	975,000	1,711,312	3,234,365	1,255,344	775,000	1,400,000	$ 40
Option 3: 2024 - $ Unchanged, Police +12K, Fire +77K	1,227,066,072	114,776,709	10.3%	1.31	0.0%	16,042,170	7,142,658	975,000	1,711,312	2,886,387	1,151,813	775,000	1,400,000	$ (1)

VILLAGE OF MUNDELEIN
2024 PROPOSED TAX LEVY OPTION 1

	EAV	EAV Change	EAV % Change	Tax Rate	% Increase in Levy	Total Levy	Corporate	Bonds	Road & Bridge	Police Pension	Fire Pension	IMRF	Social Security	Change to $300,000 Homeowner Tax Bill
2023	1,112,289,363	80,129,565	7.8%	1.44	7.0%	16,042,170	7,142,658	975,000	1,711,312	2,886,387	1,151,813	775,000	1,400,000	
Proposed 2024 Tax Levy Option 1														
	1,227,066,072	114,776,709	10.3%	1.37	4.6%	16,787,021	7,436,000	975,000	1,711,312	3,234,365	1,255,344	775,000	1,400,000	$ 66

Option 1 Total Tax Levy includes:

- Corporate Increase of 4.1%
- Police and Fire Pension Contributions at State Minimum Required plus additional $360,000 to Police and $180,000 to Fire
- IMRF Unchanged
- Social Security Unchanged

Increase Levy Amount $745K (Corporate $293K, Police Pension $348K, and Fire Pension $104K) from 2023 and Lowers Rate to 1.37 from 2023 Rate of 1.44.

VILLAGE OF MUNDELEIN
2024 PROPOSED TAX LEVY OPTION 2

	EAV	EAV Change	EAV % Change	Tax Rate	% Increase in Levy	Total Levy	Corporate	Bonds	Road & Bridge	Police Pension	Fire Pension	IMRF	Social Security	Change to $300,000 Homeowner Tax Bill
2023	1,112,289,363	80,129,565	7.8%	1.44	7.0%	16,042,170	7,142,658	975,000	1,711,312	2,886,387	1,151,813	775,000	1,400,000	
Proposed 2024 Tax Levy Option 2														
	1,227,066,072	114,776,709	10.3%	1.34	2.8%	16,493,679	7,142,658	975,000	1,711,312	3,234,365	1,255,344	775,000	1,400,000	$ 40

Option 2 Total Tax Levy includes:

- Corporate Increase of 0%
- Police and Fire Pension Contributions at State Minimum Required plus additional $360,000 to Police and $180,000 to Fire
- IMRF Unchanged
- Social Security Unchanged

Increase Levy Amount $452K (Corporate $0, Police Pension $348K, and Fire Pension $104K) from 2023 and Lowers Rate to 1.34 from 2023 Rate of 1.44.

VILLAGE OF MUNDELEIN
2024 PROPOSED TAX LEVY OPTION 3

	EAV	EAV Change	EAV % Change	Tax Rate	% Increase in Levy	Total Levy	Corporate	Bonds	Road & Bridge	Police Pension	Fire Pension	IMRF	Social Security	Change to $300,000 Homeowner Tax Bill
2023	1,112,289,363	80,129,565	7.8%	1.44	7.0%	16,042,170	7,142,658	975,000	1,711,312	2,886,387	1,151,813	775,000	1,400,000	
Proposed 2024 Tax Levy Option 3														
	1,227,066,072	114,776,709	10.3%	1.31	0.0%	16,042,170	7,142,658	975,000	1,711,312	2,886,387	1,151,813	775,000	1,400,000	$ (1)

Option 3 Total Tax Levy includes:

- Corporate Unchanged
- Police and Fire Pension Contributions at State Minimum Required plus additional $12K to Police and $77K
- IMRF Unchanged
- Social Security Unchanged

Increase Levy Amount $ 0K and Lowers Rate to 1.31 from 2023 Rate of 1.44.

TOP FACTORS IMPACTING VILLAGE GENERAL OPERATIONS

- Sales Tax Revenue continues to Decline largely due to Increased Cannabis Dispensaries in the Surrounding Area. (Estimated decline of $700K for FY25)

- Labor Costs continue to Increase due to labor contract commitments and salary costs to retain and attract talented staff. (Wage and Salary Increases of approximately 3.6% estimated for FY26 Budget)

- Investment Earnings beginning to Decrease as interest rates decline. (Estimated decline of $400,000 for FY26 budget)

- Supplies and Services are at the Higher costs charged during the 2022 Inflationary Period and increases continue. The Consumer Price Index for this area reports inflation at 4.1% for September 2024 which rose from 2.3% for September 2023.

Comments / Questions