



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Dean Rich, Director of Finance
Walter Denton, City Administrator
Date: December 4, 2006
Subject: Ordinances Establishing 2006 Annual Tax Levy

List of committees that have reviewed: Finance and Administration

Background: The annual Tax Levy must be filed with the county by the third Thursday in December. The levy is based on the previous year's budget and a city can not levy more in the next year than it budgeted the previous year. The 2006 levy reflects a \$65,564,000 increase in new property in O'Fallon that is backed by an Occupancy Permit for each lot. This is a 14% increase this year and continues a trend of increasing EAV going back to at least 1992. The levy reflects the council's guidance to keep the property tax rate as low as possible and is a reduction of .0561 from last year's rate. In addition we are working with St Clair County and will adjust this rate to nullify a Township Multiplier if possible. If the county determines a multiplier is necessary we will reduce our EAV or rate and will request no more than the dollar amount as shown.

Legal Considerations, if any: None when filed on time.

Budget Impact: The tax levy is the revenue source for the Fire Department, EMS & Library and provides additional funds to the general fund, pension related accounts and Parks.

Staff recommendation: Recommend approval