



CITY COUNCIL AGENDA ITEMS

To: Mayor and City Council
From: Dean Rich, Director of Finance
Walter Denton, City Administrator
Date: December 1, 2008
Subject: Ordinances Establishing 2008 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 EAV is the base for the next years estimate and had a multiplier added by the county. The 2008 levy reflects a \$71,269,280 increase in new property in O'Fallon (fewer homes but more commercial). This is a 10% increase in new property 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 .0211 from last years rate..

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.