

## TRANSMITTAL LETTER FOR SPECIAL MEETING OF DECEMBER 12, 2013

### COMMITTEE ON BUDGET AND EMPLOYMENT

Mr. David St. Pierre, Executive Director

..Title

Authority to Adopt Ordinance O13-004, of the Metropolitan Water Reclamation District of Greater Chicago providing for a Tax Levy Reduction for Compliance with the Property Tax Extension Limitation Law (PTELL), directing the Cook County Clerk to reduce the 2013 Construction Fund Tax Levy by the necessary amount required to comply with PTELL, effective January 1, 2013

..Body

Dear Sir:

The Cook County Clerk is required under PTELL to reduce the aggregate property tax levy extension of the District, if that levy extension exceeds the statutorily calculated maximum amount. Without direction from the taxing district, the Cook County Clerk would reduce all funds that comprise the aggregate levy in a proportional manner.

The Cook County Clerk has been directed by the District on several occasions to reduce the tax levy extensions in certain ways. The District through Ordinance O03-001 adopted a policy to reduce the Construction Fund Tax Levy and not to reduce the Retirement Fund Tax Levy, if the aggregate tax levy must be reduced. At the meeting of December 17, 2009, based on a historically low 0.1 percent Consumer Price Index increase for 2008, and since there wasn't enough Construction Fund Tax Levy to absorb the entire reduction, the Board of Commissioners adopted Ordinance O09-011, as an Amendment of Ordinance O03-001 to direct the Cook County Clerk that reductions be made to the Corporate and Construction Fund Tax Levies for 2009. The amended ordinance directed the Cook County Clerk, for the year 2010 and subsequent years, to reduce the Construction Fund Tax Levy, if needed to comply with the PTELL and that no reduction shall be made from the Retirement Fund Tax Levy. However, it requires an annual filing with the Cook County Clerk each year.

At the meeting of December 20, 2012, the Board of Commissioners adopted Ordinance O12-004 that was required to be filed with the Cook County Clerk since a reduction in the aggregate levy was anticipated based on the 2011 Consumer Price Index of 3.0 percent. Ordinance O12-004 replaced and superseded the prior PTELL Ordinance, as previously adopted and/or amended on December 17, 2009 and May 15, 2003, providing for a tax levy reduction for compliance with PTELL. Additionally, a change was implemented with the 2013 Budget such that the Construction Fund Tax Levy ordinance will include language to formally direct the Cook County Clerk to reduce the Construction Fund Tax Levy, if necessary, to comply with PTELL; thereby, eliminating the need to file a separate annual ordinance. Ordinance O12-004 directed the Cook County Clerk to reduce the Construction Fund Tax Levy by the amount necessary to comply with PTELL; and, for the year 2013 and subsequent years, to reduce such levy or levies as may be directed without requiring a separate Cook County Clerk annual filing. However, the 2013 annual filing of the Construction Fund Tax Levy ordinance omitted the necessary direction to the Cook County Clerk.

It is therefore recommended that the Board of Commissioners adopt Ordinance O13-004 directing the Cook County Clerk to reduce the 2013 Construction Fund Tax Levy by the necessary amount required to comply with PTELL, beginning January 1, 2013, and for the year 2013 and subsequent years, to reduce such levy or levies as may be directed without requiring a separate Cook County Clerk annual filing.

Requested, Eileen McElligott, Administrative Services Manager, EM:BKS:RMH:HSW  
Respectfully Submitted, Kari K. Steele, Chairman Committee on Budget and Employment

Disposition of this agenda item will be documented in the official Special Board Meeting Minutes of the Board of Commissioners for December 12, 2013

Attachment