



# BOARD REPORT

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES

**FROM:** KARIN JOHNS, FINANCE DIRECTOR

**SUBJECT:** ORDINANCE FOR THE TAX LEVY FOR THE FISCAL YEAR MAY 1, 2026 TO APRIL 30, 2027

**AGENDA:** 12/16/2025

**DATE:** 12/10/2025

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## ISSUE

The Village must adopt a property tax levy ordinance and file with the County by the last Tuesday of December.

## DISCUSSION

Staff has been working with the County to receive the most up to date new construction figures for the 2025 levy. For your discussion tonight there are the two options previously discussed with the updated construction numbers. The attached Ordinance reflects capturing new property only which had previously been the consensus.

- To capture new property, the total levy of \$2,055,576 will increase by \$48,196 or 2.40%. This levy includes new property from the dissolution of TIF #1. Also specified in this levy is the amount requested by the Police Pension Board.
- To capture new property and a portion of the CPI, the total levy of \$2,105,691 will increase the total levy by \$98,311 or 2.90%. This levy includes new property from the dissolution of TIF #1. Also specified in this levy is the amount requested by the Police Pension Board.

### Previous Discussions

**November 4, 2025**, Village Board meeting the Board discussed the various options for the proposed 2025 tax levy. Some members preferred to only take the new construction amount because of a budget surplus in previous years. Staff recommended taking the 2.69% increase based on increased reoccurring costs. The Village Board decided to continue the discussion at future meetings. **The last regularly scheduled meeting to approve the levy is December 16, 2025.** In addition, the Village President has traditionally announced the property tax levies for the official record at meeting. Staff is recommending that the Village President read the amounts listed at the bottom of this memo during the November 16, 2025, meeting. The schedule for passage of the levy was updated in this memo.

**November 18, 2025**, Village Board meeting the Board continued their discussion and the majority of members noted their preference to only take the CPI. Staff is preparing the necessary documents that only includes a 2.21% increase to capture new construction. The property tax levy ordinances will be included on the December 16, 2025, Village Board meeting agenda. President Stillwell stated that the estimate and proposed 2025 property tax levy is at the amount of \$2,105,691. The Special

Assessment (SBA No. 17) for the Mallard Point/Rolling Oaks Levy is in the amount of \$75,218.92. Then Special Service Area No. 10 at Sugar Grove Center is at \$0.25 per \$100 EAV.

### **Property Tax Levy Process**

The Village must pass the Tax Levy Ordinance and file the Ordinance with the County Clerk's office no later than Tuesday, **December 30, 2025**. During the beginning of the following calendar year, the County Clerk's office calculates the limiting extension and, if the Village's request has exceeded the tax extension limitation, the levy amount will be reduced accordingly. The Village will then receive tax collections from Kane County in various installments from May 2026 through December 2027.

There are two State Statute provisions that affect the Village's tax levy process. The first provision is what is commonly known as the "Tax Cap". In the early 1990's, State legislators approved the Property Tax Limitation Act, which provides that operating levy increases cannot exceed the Consumer Price Index increase for the prior calendar year, plus new growth. New growth consists of annexations of property and new building activity. For the 2025 tax levy, the CPI is 2.9%. Kane County Clerk released an estimated Tax Year EAV generally in September of each year showing the change in the Village's EAV, as well as estimated New Construction numbers.

The second State Statute provision that affects the levy process is what is known as the Truth in Taxation Act. The Act provides that if the proposed property tax levy, excluding the debt portion, exceeds the prior year's property tax extension (excluding debt) by more than 5%, then the Village must meet certain public hearing and notice/publication requirements outlined in the Act. In addition, the amount of the proposed property tax levy, regardless of size, must be announced at least 20 days prior to passage of the Tax Levy Ordinance.

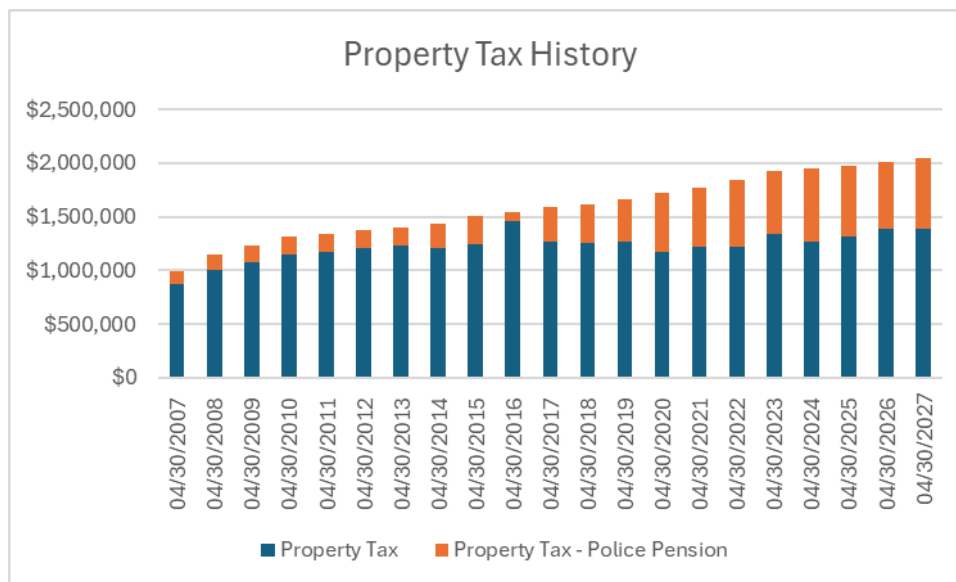
State statute requires that the Village announce and approve its estimated and proposed 2025 property tax levy at least 20 days prior to the passage of the tax levy ordinance. The tax levy ordinance is scheduled for approval on December 2, 2025, in advance of the December 30, 2025, deadline.

### **Analysis**

For Tax Year 2024 Staff Recommended Levy request is **\$2,105,691**, an increase of 4.9% over the last year's adjusted extension of \$2,007,380. The Staff recommendation is a **2.50% increase** on the existing EAV of the Village, with **2.40% increase** to capture the increased property taxes from estimated New Construction and the termination of TIF #1 EAV coming into the tax rolls for all taxing districts for the tax year. With the current estimates from Kane County on New Construction, it is anticipated the Village would receive 2.40% increase in Property Taxes for Tax Year 2025 from New Construction, roughly \$48,196 and 2.50% increase from CPI, roughly \$50,115. Early in 2026, Kane County will finalize EAV's and new construction, at which point, if there is no change to the New Construction EAV's, the amount of \$2,105,691 will be approved for the Village's Tax Year 2025 Extension (*\$2,007,379 Tax Year 2024 Aggregate Extension + \$50,115 Tax Year 2025 CPI Amount + \$48,196 Tax Year 2025 New Construction*).

A large factor in Staff's recommendation in taking the larger amount is due to the rising costs of personnel, health insurance, and police pension costs. Last year the Police Pension ended the year at 58% funded. Current Statute requires all Police Pension Funds achieve 100% funded by 2035. The

costs of the Police Pension contributions have often risen quicker than CPI and new property so that the General Fund receives little or no increase in revenue.



As with all tax capped entities, if the CPI increase is not taken the Village loses that increment in future levies.

Also, be advised that for levy purposes, the Village has one remaining General Obligation Alternate Revenue Bonds outstanding dated 2017. These bond issues use revenue sources other than property taxes to fund debt service payments; however, the bond issues have an ultimate funding backup of property taxes. State Law provides that each year the Village must pass abatement ordinances, so property taxes are not extended on the bond issues. Staff will place the Abatement Ordinances before the Board for consideration at the December 2, 2025, Board Meeting.

In addition, the Village passed a special assessment ordinance in 2012 to assess a tax levy to cover the costs of improvements in the Mallard Point/Rolling Oaks Area. These taxes are required to pay down the principal and interest on the debt assumed by the Village to cover the cost of the improvements. The Special Assessment (SBA No. 17) for the Mallard Point/Rolling Oaks Area project will continue in the amount of \$75,218.92.

There currently is an SSA No. 10 on the properties that comprise the Sugar Grove Center. The detention basin at the southeast corner of Capitol Drive and Park Avenue have not been maintained for years. There are 15 PINs that are currently in this SSA. SSA No. 10, which consists of the Sugar Grove Center, will have a tax levy for tax year 2025, collectible in 2026. With the Board discussion during the Mallard Point maintenance, the levy amount has been increased for Tax Year 2025. The Levy is calculated in an amount that does not exceed an annual rate of one-half percent (0.5%, being \$0.50 per \$100) of the equalized assessed valuation thereof. Based on historical costs ranging from \$10,000-\$12,500 annually plus the request for additional maintenance per SSA No. 10, the Tax Year 2025 Levy will be \$0.25 per \$100 EAV, totally an estimated \$18,800 in tax collections in 2026.

**COST**

There is no cost associated with this Ordinance.

**ATTACHMENTS**

- An Ordinance for the Tax Levy for Fiscal Year May 1, 2026 to April 30, 2027

**RECOMMENDATION**

Staff recommends that the Board adopt a tax levy ordinance.



**Village of Sugar Grove  
Kane County, Illinois**

Ordinance No.: 20251216FDA

**An Ordinance for Tax Levy for the Fiscal Year May 1, 2026 to April 30,  
2027**

**Adopted by the  
Village Board  
of the  
Village of Sugar Grove  
12/16/2025**

Published in pamphlet form by  
Authority of the Village Board  
of the Village of Sugar Grove,  
Kane County, 12/16/2025

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Village Clerk

(seal)



VILLAGE OF SUGAR GROVE  
KANE COUNTY, ILLINOIS

ORDINANCE NO.: 20251216FDA

**An Ordinance for Tax Levy for the Fiscal Year May 1, 2026 to April 30, 2027**

An Ordinance levying taxes for all corporate purposes for the VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS, for the fiscal year commencing on May 1, 2026, and ending April 30, 2027.

BE IT ORDAINED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois:

**SECTION ONE:** That the amounts herein after set forth or so much thereof as may be authorized by law, and the same is hereby levied for such purposes as General Corporate, Police Protection, Police Pension, Audit, Liability Insurance, Illinois Municipal Retirement Fund, Social Security, Street Lighting, General Obligation Bonds, for the fiscal year of the said Village of Sugar Grove, Kane County, Illinois, beginning May 1, 2026, and ending April 30, 2027.

**SECTION TWO:** The amounts levied for each object or purpose is as follows:

	BUDGET	TO BE PAID BY SOURCES OTHER THAN PROPERTY TAX	AMOUNT TO BE PAID BY PROPERTY TAX
<b>I. GENERAL FUND</b>			
<u>Information Technology</u>			
Contractual services	\$ 116,719		
Commodities	<u>0</u>		
Total Information Technology	<u>116,719</u>		
 <u>Administration</u>			
Personnel services	299,576		
Contractual services	80,783		
Commodities	<u>2,185</u>		
Total Administration	<u>382,544</u>		
 <u>Police</u>			
Personnel services	3,065,608		
Contractual services	370,533		
Commodities	194,575		
Transfers	<u>212,004</u>		
Total Police	<u>3,842,720</u>		

	BUDGET	TO BE PAID BY SOURCES OTHER THAN PROPERTY TAX	AMOUNT TO BE PAID BY PROPERTY TAX
<b>I. GENERAL FUND (CONTINUED)</b>			
<u>Economic Development</u>			
Personnel services	90,164		
Contractual services	32,625		
Commodities	<u>21,893</u>		
Total Economic Development	<u>144,682</u>		
<u>Streets Division</u>			
Personnel services	745,056		
Contractual services	271,064		
Commodities	279,550		
Transfers	<u>221,456</u>		
Total Streets	<u>1,517,126</u>		
<u>Community Development</u>			
Personnel services	493,491		
Contractual services	125,166		
Commodities	7,621		
Transfers	<u>3,436</u>		
Total Community Development	<u>629,714</u>		
<u>Finance</u>			
Personnel services	175,958		
Contractual services	49,867		
Commodities	<u>2,925</u>		
Total Finance	<u>228,750</u>		
<u>Board &amp; Commissions</u>			
Personnel services	63,096		
Contractual services	57,150		
Commodities	5,675		
Transfers	<u>315,000</u>		
Total Board & Commissions	<u>440,921</u>		
<b>TOTAL FOR GENERAL FUND:</b>	<b><u>\$7,303,176</u></b>	<b><u>\$5,247,600</u></b>	<b><u>\$2,055,576</u></b>

**SAID AMOUNTS ARE HEREBY LEVIED:**

GENERAL CORPORATE TAX	\$918,151
ILLINOIS MUNICIPAL RETIREMENT TAX	45,000
POLICE PROTECTION TAX	165,000
POLICE PENSION TAX	667,925
AUDIT TAX	12,000
LIABILITY INSURANCE TAX	15,000
STREET LIGHTING TAX	55,000

<b>SOCIAL SECURITY TAX</b>		<u><b>177,500</b></u>	
<b>TOTAL</b>		<u><b>\$2,055,576</b></u>	
	<b>BUDGET</b>	<b>TO BE PAID BY SOURCES OTHER THAN PROPERTY TAX</b>	<b>AMOUNT TO BE PAID BY PROPERTY TAX</b>
<b>II. BOND DEBT FUND</b>			
*2017 Principal payment	200,000		
*2017 Interest payment	20,200		
*2017 Fiscal agent fees	<u>800</u>		
2017 GO Bond Debt	<u>221,000</u>	<u>800</u>	<u>\$220,200*</u>
Total GO Bond Debt	221,000		
* Total Amount Abated	<u>(220,200)*</u>		
Total Requested for Bond Debt	<u>\$ 800</u>	<u>\$800</u>	<u>\$ 0</u>
<b>SAID AMOUNTS ARE HEREBY LEVIED:</b>			
<b>BOND DEBT TAX</b>			<u><b>\$ 0</b></u>

**SECTION THREE:** That the Village Clerk shall make and file with the County Clerk of said County of Kane, a duly certified copy of this Ordinance and that the amount levied by Section Two of the Ordinance is required by said Village of Sugar Grove as aforesaid and extended upon the appropriation tax book for the fiscal year of said Village of Sugar Grove beginning May 1, 2026, and ending April 30, 2027.

**SECTION FOUR:** If any section, subdivision, sentence or clause of the Ordinance is for any reason held invalid or to be unconstitutional, such decision shall not affect the validity of the remaining portion of this Ordinance.

**SECTION FIVE:** This Ordinance shall be in full force and effect from and after its passage, approval and recording according to law.

**PRESENTED, PASSED AND APPROVED** by the President and the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, on this **16th**, day of **December 2025**.

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Sue Stillwell, Village President

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Tracey R. Conti, Village Clerk



BOARD VOTE:

	<b>Aye</b>	<b>Nay</b>	<b>Absent</b>	<b>Abstain</b>	<b>Recuse</b>
Trustee Heidi Lendi	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trustee Matthew Bonnie	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trustee Sean Michels	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trustee Anthony Speciale	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trustee Nora London	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trustee Michael Roskopf	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## **CERTIFICATE**

I, Tracey Conti, certify that I am the appointed Municipal Clerk of the Village of Sugar Grove, Kane County, Illinois.

I further certify that on December 16, 2025, the President and Board of Trustees of the Village of Sugar Grove adopted Ordinance, An Ordinance for Tax Levy for the Fiscal Year May 1, 2026, to April 30, 2027.

I hereby certify that the attached Ordinance is a true copy of the Ordinance that was duly adopted by the Village of Sugar Grove Board of Trustees, at a meeting which was held on December 16, 2025 at 6:00 p.m. at which a quorum was present and acting throughout and that said copy has been compared by me with the original ordinance which was signed by the Village President on December 16, 2025.

Dated at Sugar Grove, Illinois this 16th day of December 2025.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village, this 16th day of December 2025.

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Tracey Conti, Village Clerk

(Seal)