

THE TOWN OF DUNE ACRES

The Cumulative Capital Development (CCD) Fund Proposed Increase *Frequently Asked Questions*

The Town Council is proposing an increase in the CCD property tax rate. Why?

While public officials of other communities have regularly addressed their CCD property tax rate over the years, Dune Acres has not moved incrementally forward. Our Town now lags behind in its ability to meet infrastructure maintenance needs.

How does the Dune Acres 2017 CCD rate and levy compare to surrounding communities?

Chesterton:	.0399	\$267,196
Ogden Dunes:	.0350	\$ 51,589
Beverly Shrs:	.0363	\$ 68,038
Porter:	.0318	\$ 72,656
Burns Harbor:	.0304	\$171,799
Dune Acres:	.0105	\$ 10,330

A CCD rate of **.0275** per \$100 assessed valuation is being proposed by the Town Council, which represents an overall fund increase of .0170.

How much will my tax bill change?

Because an increase in the CCD levy is tied to the TAX RATE, the amount each homeowner will pay varies, depending on the property's Net Assessed Valuation. Sample projections:

SAMPLE #1, **\$300,000** Net Assessed Valuation

	<u>Tax Rate per \$100</u>	<u>CCD Paid</u>	<u>Increase over Current</u>
Current CCD:	0.0105	\$32.00	
Proposed CCD:	0.0275	\$82.00	+ \$50.00 per year

SAMPLE #2, **\$500,000** Net Assessed Valuation

	<u>Tax Rate per \$100</u>	<u>CCD Paid</u>	<u>Increase over Current</u>
Current CCD:	0.0105	\$ 52.00	
Proposed CCD:	0.0275	\$137.00	+ \$85.00 per year

SAMPLE #3, **\$900,000** Net Assessed Valuation

	<u>Tax Rate per \$100</u>	<u>CCD Paid</u>	<u>Increase over Current</u>
Current CCD:	0.0105	\$ 94.00	
Proposed CCD:	0.0275	\$247.00	+ \$153.00 per year

Dune Acres homeowners may estimate how the new CCD rate will impact their property tax bill as follows:

$$(\text{Property NET Assessed Valuation} / 100) \times .017 = \text{CCD impact}$$

Your NET Assessed Valuation may be found on your tax bill. (it is the gross value, minus all deductions)

Why aren't small incremental increases to the CCD levy made every year like other tax funds?

The CCD Fund is outside the State's annual maximum levy calculation, so although other tax funds generally increase 1% to 3% every year, CCD revenue has been static. In fact, Dune Acres' CCD collections were higher fifteen years ago than they are today due to legislative changes in assessed valuation guidelines.

The Town Council has no authority to increase the State-determined maximum levy on any fund except CCD.

How will additional CCD funds be used?

Every year, the Council reviews capital needs throughout town and allocates dollars for selected projects. There may be building-related needs associated with the Security Office, Town Hall or Clubhouse such as replacing a furnace, roof, or broken window. In any given year, our Parks Commissioner may be authorized to utilize CCD monies to replace broken playground equipment, make repairs to the tennis courts, or purchase a new ice rink liner. And in some years, when general fund snow plowing expenses are particularly high, the CCD fund may be used for road repairs.

The Town's capital improvement needs always exceed available resources. While the modest proposed CCD increase will not meet every capital demand, the Council is committed to its responsibility of protecting revenue sources and making the challenging decisions regularly required by town government officials.

Can the Town's Rainy Day Fund be used for infrastructure expenses?

The Town's Rainy Day Fund balance of \$131,930 represents a one-time deposit of water sale proceeds, along with a one-time revenue deposit in budget year 2012. The Council is committed to maintaining the Rainy Day Fund for future emergency needs that may arise. It is the Council's belief that the Rainy Day Fund should not be used for regular, ongoing maintenance expenses.