

Amendment passed to stabilize bond interest levy

If the abatement was not passed taxes would have saw an increase

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MT. VERNON — The Mt. Vernon Airport Authority Board of Commissioners approved a bond interest levy abatement to stop a tax increase during Tuesday's meeting.

According to a press release from Mt. Vernon Outland Airport, the Mt. Vernon Airport Authority adopted an ordinance to abate \$15,053.75 in property taxes to be levied in 2017. Airport Director Chris Collins said the amendment was necessary to keep the airport's promise to its taxpayers. Assumptions were made by airport officials on the amount of bonds sold in 2016 and the tax levy schedules necessary for the debt services.

"I was looking at our EAVs (Equalized Assessed Values) and they did not increase, they were flat lined. I had made a mistake, thinking the debt service extension had risen, because the EAV had went up," Collins said. "It had not, it was something statutory by the legislature that went ahead and granted additional amount of monies, on top of the debt service extension. It wasn't based on EAV, it was something given in Springfield and it was up to the individual taxing districts to take it or not."

Collins said the original issuance was to be \$617,500, which was calculated at the airports old \$205,900 Debt Service Extension Base (DSEB) multiplied by three years. The DSEB is the maximum annual bond and interest amount a district can levy without a referendum.

The Mt. Vernon Airport Authority (MVAA) was informed its DSEB had increased to \$230,000 by its Bond Placement Agent Kevin Wills of First MidState Bank. A week or so

prior to the public hearing, Wills and Collins talked about the newly established DSEB of \$230,000. Collins and the MVAA Board of Commissioners agreed to increase the bond and interest levy to \$220,000 for the Momentum 2020 Capital Development Plan.

The ordinance instructs the County Clerk's Office to amend the Tax Levy Schedule provided by First MidState reflecting a \$15,053.75 reduction of the bond and interest levy. Doing so places the bond and interest levy back to \$205,900 therefore stabilizing the overall tax rate.

"If we would have took it without an equivalent rise in EAV it would have been an increase to our taxpayers," Collins said. "So the only way out of it was to do an abatement. Because we told our taxpayers we were going to try really hard not to raise taxes, and we are sticking to it."

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Collins said since the bonds have already been sold and the airport's Capital Projects Account contains the bond proceeds, he must oversee having the additional funds on account. Collins has postponed some of the projects contained in momentum 2020 plan to ensure the money remains to repay the bond holders by the end of the term.

"The easy route would have been to just let things proceed, but that would not be fair to our taxpayers," Collins said. "The board of commissioners and I have always strived to operate with 100 percent transparency and live within our means. We do not take the taxpayers for granted."

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