

October 22, 2019

**ANNUAL DISCLOSURE REPORT
FOR THE FISCAL YEAR ENDED APRIL 30, 2019**

OF THE

**CITY OF BELLEVILLE
ST. CLAIR COUNTY, ILLINOIS**

IN CONNECTION WITH

**SPECIAL AD VALOREM TAX BONDS
SERIES 2006**

**GENERAL OBLIGATION REFUNDING BONDS
SERIES 2009**

**GENERAL OBLIGATION BONDS
SERIES 2011A**

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012

GENERAL OBLIGATION BONDS, SERIES 2014

GENERAL OBLIGATION BONDS, SERIES 2015

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The information set forth herein has been furnished by the City and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Financial Advisor. This Annual Disclosure Report is not to be construed as a contract or agreement between the City and the purchasers or owner of any of the Bonds. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of the Annual Disclosure Report is not under any circumstances, to create any implication that there has been no change in the affairs of the City since the date hereof.

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**THE CITY OF BELLEVILLE
ST. CLAIR COUNTY, ILLINOIS**

MAYOR
Mark Eckert

CITY CLERK
Jennifer Meyer

CITY TREASURER
Dean Hardt

DIRECTOR OF FINANCE
Jamie Maitret

COUNCIL MEMBERS

Joseph Hazel, Ward 1
Jane Pusa, Ward 2
Kent Randle, Ward 3
Johnnie Anthony, Ward 4
Michelle Schaefer, Ward 5
Chris Rothweiler, Ward 6
Phil Elmore, Ward 7
Roger W. Barfield, Ward 8

Kenneth Kinsella, Ward 1
Carmen Duco, Ward 2
Scott Ferguson, Ward 3
Raffi Ovian, Ward 4
Ed Dintelman, Ward 5
Dr. Mary G. Stiehl, Ward 6
Dennis C. Weygandt, Ward 7
Roger Wigginton, Ward 8

FINANCIAL ADVISOR
WM Financial Strategies
St. Louis, Missouri

**ANNUAL DISCLOSURE REPORT
OF THE
CITY OF BELLEVILLE
Relating to**

**SPECIAL AD VALOREM TAX BONDS, SERIES 2006
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009
GENERAL OBLIGATION BONDS, SERIES 2011A
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012
GENERAL OBLIGATION BONDS, SERIES 2014**

and

GENERAL OBLIGATION BONDS, SERIES 2015

INTRODUCTION

This Annual Disclosure Report is provided by the City of Belleville, Illinois (the “City”) to furnish information in connection with its Special Ad Valorem Tax Bonds, Series 2006 (the “SSA Bonds”), General Obligation Refunding Bonds, Series 2009 (the “Series 2009 Bonds”), General Obligation Bonds, Series 2011A (the “Series 2011A Bonds”), General Obligation Refunding Bonds, Series 2012 (the “Series 2012 Bonds”), General Obligation Bonds, Series 2014 (the “Series 2014 Bonds”) and General Obligation Bonds, Series 2015 (the “Series 2015 Bonds”). The general obligation bonds are collectively referred to herein as the “Bonds.”

THE CITY

General

The City is located in west-central Illinois approximately 20 miles east of downtown St. Louis, Missouri and covers an area of approximately 12.7 square miles. The City is the county seat of St. Clair County, Illinois, and is a part of the St. Louis, MO-IL Metropolitan Statistical Area (“St. Louis MSA”).

The City has a diverse economic base which includes manufacturing, retail trade, professional services, agriculture and mining.

Government

The City was incorporated in 1850 and is a “Home Rule Unit” organized and existing pursuant to the constitution and laws of the State of Illinois. The governing body is the City Council and is comprised of sixteen council members elected from wards. Two council members are elected from each of the City’s eight wards and serve four-year staggered terms. The Mayor, City Clerk and City Treasurer are elected at large, serve four-year terms and are full-time officials of the City.

The Mayor’s responsibilities include: presiding over City Council meetings, enforcing laws and ordinances of the City, and supervising City departments. The Mayor may cast a vote in the event of a tie, or if a measure has received a favorable vote of one-half of the City Council and there is no tie, or in the event of a tie when a vote greater than a majority is required. The Mayor may veto any ordinance, motion or resolution which creates a liability against the City or provides for the expenditure or appropriation of funds, provided, however, that a veto may be overridden by a two-thirds vote of the council members.

The City Council is divided into 9 committees. The committees are as follows: Economic Development & Annexation, Finance, Ordinance & Legal Review, Personnel, Public Health & Housing, Public Safety, Public Works, Traffic and Master Sewer. City business is referred to the appropriate committee where it is considered for action. Committees are responsible for presenting their opinions and recommendations to the City Council as a whole.

Employees

The City currently has approximately 300 full-time and 100 seasonal and part-time employees. All employees, other than management and part-time employees, are represented by labor unions. Unions representing employees of the City include the Teamster's Local 50, International Association of Firefighters Local 53, Operating Engineers #148, Laborers Local 459, Belleville Police Union Local 814, AFSCME 1765, Local 116 Service Employees International Union and Illinois Order of Police (telecommunicators and clerical).

The City has no record of a strike or work stoppage.

In recent years, major contracts have been negotiated with four year terms. Presently all contracts expired on April 30, 2019 except for the contract with the Operating Engineers #148 which expires on April 30, 2020 and the contract with AFSCME 1765 which expires on April 30, 2021. The expired contracts are presently being renegotiated.

Flood Plain

A portion of the City lies in a flood plain that was flooded in 1996. The City received Federal grants to acquire the land and to acquire and demolish the homes that were affected by the flood.

Community Services

Utilities

The City owns and operates its sewer utility. The City's sewage treatment plant was built in 1938 and has undergone several additions and/or improvements since that time. A \$26 million expansion was completed in 2014.

The plant is an activated sludge-type tertiary treatment facility. The plant has a design capacity to treat an average flow of 12.4 million gallons per day with a peak capacity of 20 million gallons per day including stormwater holding and high flow treatment.

Water service is provided by Illinois-American Water Company. The company has treatment capacity of 69.3 million gallons per day. Natural gas and electricity are provided by Ameren Corporation.

Public Safety

The City's Fire Department (the "Fire Department") employs 63 full-time firefighters and 2 full-time clerical employees. The Fire Department provides service from 4 fire stations located in the City's corporate limits. The City's fire insurance rating is presently "2," among ratings ranging from 1 to 10 with 1 as the highest rating. This rating is based on several factors including the number of firefighters and their training, the water distribution system, response time, fire fighting equipment and fire prevention programs of the Fire Department. Small portions of the City along its boundaries are served by fire protection districts.

The City's Police Department provides police protection throughout the corporate limits of the City. Services are provided by 80 full-time officers, 25 civilian staff and 3 part-time support staff. The police department provides several community service programs including Gang Awareness, Seminars and Neighborhood Watch.

Communications and Media

Telecommunication services are provided principally by AT&T. The City receives all St. Louis radio stations and television channels. Local newspapers include the Illinois Edition of the St. Louis Post Dispatch, published daily, and the Belleville News-Democrat, published daily. The City receives cable television from Charter Communication and AT&T.

The City owns a public library housed in a main library building and in a branch. An appointed Library Board is responsible for the operation and management of the City's library.

The main library encompasses 19,649 square feet. The library has an adult book collection, a children's book collection, as well as numerous periodicals, records and audio materials, and videos.

Recreation Activities and Attractions

The City's park system includes 20 parks encompassing 250 acres of land. The City's park system also includes the Nichols Center, a 17,000 square foot community center, and 12 playgrounds. Facilities are available at City parks for picnicking, tennis, softball and other ball sports, and hiking. There are lakes at three parks with fishing. In addition to City parks, there is a public golf course, several private swimming pools, a tennis club, a skating center, a bowling alley and a nearby country club.

There are several attractions in or near the City including the following: the National Shrine of Our Lady of the Snows, a 200-acre expanse of unique architecture, imaginative landscaping and devotional areas; the Victorian Home-Museum, an 1866 home that now houses historic artifacts; the Emma Kunz Home Museum, a recreated 1830 Greek Revival house; the Cathedral of St. Peter, an 1842 cathedral rich with sculpture and stained glass; and Eckert's Country Store and Farms, an orchard open to the public that features seasonal fresh fruits and vegetables as well as holiday festivals and events. The Koerner House, a historic home, is presently being restored.

Medical Services

There are numerous hospitals located in the St. Louis Metropolitan Area, many of which are within easy access of the City. Within the City is Memorial Hospital with approximately 222 beds. Long-term care is provided by 13 state licensed nursing homes and retirement communities in the City. In addition, numerous dentists and doctors provide medical services from offices located in the City.

Education

The public school system within the City is operated under the administration and control of school districts that are independent of the City, having their own elected or appointed officials, budgets and administrators. The majority of the City is served by Belleville Township High School District #201, providing high school education, and Belleville Public School District #118, providing elementary and middle school education. More than 10 other school districts overlap small portions of the City. Each of the districts is empowered to levy taxes, separate and distinct from those levied by the City. Within the City, the school districts collectively own and operate fifteen elementary, three junior high and two senior high schools.

Higher education is provided by the Southwestern Illinois College, a tax supported junior college district. Lindenwood University, which has a main campus in St. Charles, Missouri, offers its evening graduate and undergraduate classes in the City. In addition, there are ten major universities and colleges within commuting distance of the City including: Southern Illinois University of Edwardsville; McKendree University in Lebanon, Illinois; Washington University in St. Louis; and Saint Louis University.

Economic and Demographic Data

Economy

The City has a diverse economic base which includes manufacturing, retail trade, professional services, agriculture and mining.

The City is located approximately 7 miles from Scott Air Force Base which is the headquarters of several major and small Air Force commands. Scott Air Force Base employs approximately 13,000 employees. Many civilian and military personnel and retired personnel from Scott Air Force Base reside in the City.

Transportation

The City is intersected by Highway 159 which intersects with Interstate Highway 64 ten miles from the City. Interstate 64 intersects Interstate 55, connecting the City with St. Louis to the west, and Springfield and Chicago to the north. State Highway 15, which runs through the City, connects to Interstate 255 approximately 5 miles west of the City.

Regularly scheduled air passenger and freight service is available at Lambert-St. Louis International Airport approximately 35 miles west of the City. Private air service is available at the Parks Airport in Cahokia approximately 11 miles from the City.

MidAmerica Airport is located adjacent to Scott Air Force Base. MidAmerica Airport was constructed in order to convert the base to a joint military/commercial facility to enhance military operations and is intended to provide the St. Louis region with a second major commercial airport. MidAmerica is presently used for private and charter air service.

Commercial rail transport is provided by the Illinois Central Gulf Railroad and Norfolk & Southern railroad which traverses the Belleville area. In addition, Amtrak serves the City.

Public bus transportation is provided by the Bi-State Development Agency of the Missouri-Illinois Metropolitan District, a body corporate and politic established by a compact between Missouri and Illinois and approved by an Act of Congress. The public bus system provides access to and from most parts of the St. Louis Metropolitan Area.

MetroLink, the commuter railroad that serves the St. Louis area, offers service in St. Clair County and has 3 stations in Belleville that extend to Scott Air Force Base.

Population

The following table sets forth population statistics for the City:

<u>Year</u>	<u>Population</u>	<u>Change From Prior Census</u>
1970	41,223	—
1980	41,580	.87 %
1990	42,705	2.71
2000 ⁽¹⁾	42,685	(.05)
2010	44,478	4.20

(1) The United States Census Bureau released a 2000 population count of 41,410. The City determined that the Bureau of Census had omitted several annexed areas. As a result, the City paid for a recount by the Bureau of Census. The figure above reflects the revised census count.

Source: United States Department of Commerce, Bureau of Census.

Employment

The following table sets forth certain statistics relating to employment for the City and, for comparative purposes, St. Clair County and the State of Illinois:

	<u>Civilian Labor Force</u>	<u>Number Employed</u>	<u>Percent Unemployed</u>
The City of Belleville	20,938	19,404	7.3%
Other Entities:			
St. Clair County	127,381	117,401	7.8
State of Illinois	6,690,195	6,181,653	7.4

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Major Employers

The largest employer in the area is Scott Air Force Base. Located approximately 7 miles from the City, Scott Air Force Base has approximately 13,000 employees. Scott Air Force Base is the home to the United States Transportation Command, which coordinates all military transportation movements, the Air Mobility Command which handles transportation movements for the United States Air Force, the 375th Airlift Wing, 932nd Reserve Airlift Wing and the 126th Air National Guard Refueling Wing. In May 2005, the United States government announced the proposed closure of several bases throughout the nation under a program known as the Base Realignment and Closure Commission (BRAC). Scott Air Force Base was not a base proposed for closure.

The top ten largest employers located within a seven-mile radius of the City are as follows:

<u>Name</u>	<u>Service</u>	<u>Number of Employees</u>
Scott Air Force Base	Military/airport	13,000
Memorial Hospital	Healthcare	2,275
Southwestern Illinois College	Education	1,600
St. Clair County	Government	900
Township High School District #201	Education	750
Belleville School District #118	Education	600
Wal-Mart	Retail Sales	425
Empire Comfort Systems	Manufacturer Heating Systems	385
Allsup, Inc.	Consulting	350
Eckert's County Store & Farm	Specialty Destination Retail Sales	250

Source: City of Belleville, Economic Development and Planning Department, 2019 Survey.

Building and Construction Data

The following table sets forth the number and value of building permits issued for new construction in the City for the past five fiscal years:

<u>Fiscal Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Total</u>	
	<u># Units</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2015	23	\$3,132,811	15	\$14,727,760	38	\$17,860,571
2016	23	3,958,548	1	4,170,000	24	8,128,548
2017	47	6,711,505	6	8,253,254	53	14,964,759
2018	32	5,245,100	2	2,822,300	34	8,067,400
2019	34	15,067,271	4	745,000	38	15,812,271

Source: Office of the Building Inspector.

Housing

The following table sets forth certain statistics relating to housing for the City and, for comparative purposes, St. Clair County and the State of Illinois:

	<u>Median Value of Owner Occupied Housing</u>	<u>% Built from 2000 or later</u>	<u>% Built Before 1940</u>
City of Belleville	\$ 96,000	10.2%	25.8%
Other Entities:			
St. Clair County	122,600	17.8	14.1
State of Illinois	179,700	12.7	21.8

Source: US Bureau of Census, 2013-2017 American Community Survey 5-Year Estimates.

Income

The following table sets forth certain income statistics for the City and, for comparative purposes, St. Clair County and the State of Illinois:

	<u>Per Capita Income</u>	<u>Median Family Income</u>	<u>% Population Below Poverty Level</u>
City of Belleville	\$25,275	\$74,055	17.9%
Other Entities:			
St. Clair County	28,643	66,898	17.0
State of Illinois	32,924	76,533	13.5

Source: US Bureau of Census, 2013-2017 American Community Survey 5-Year Estimates.

THE CITY’S FINANCES

Accounting and Reporting Practices

All funds of the City operate on a fiscal year commencing May 1 of each year and ending on April 30 of the following calendar year (the “Fiscal Year”).

Prior to the 2018 Fiscal Year, all funds of the City except for its proprietary funds were accounted for using the modified cash basis of accounting, a comprehensive method of accounting other than generally accepted accounting principles. Under the cash basis of accounting, revenues are recognized when received and available and expenditures are recognized when paid.

Beginning with the 2018 Fiscal Year, the City began reporting its financial activities using generally accepted accounting principles. See the notes to the audit that accompanies this annual disclosure report for a description of the basis of accounting.

The City annually engages a certified public accountant for the purpose of performing an annual audit of the books of account, financial records, and transactions of the City.

Summary of Operations

In accordance with established accounting procedures for governmental units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. The following table sets forth the revenues, expenditures and changes in fund balance for the General Fund for the fiscal years ended April 30, 2016 through 2019 based on the modified cash basis of accounting. As mentioned hereinbefore, prior to the 2018 Fiscal Year the City’s General Fund was reported using the modified cash basis of accounting which is a method of accounting other than Generally Accepted Accounting Principals (“GAAP”). Accordingly, the following table is not intended to provide year to year comparisons consistent with GAAP. A statement of the City’s revenues, expenditures and changes in fund balance based on the accrual basis of accounting (GAAP) is available on page 17 of the audited financial statements that accompany this annual disclosure report.

General Fund
Revenues, Expenditures and Changes in Fund Balance
(Modified Cash Basis of Accounting)

	Fiscal Year Ending April 30			
	2016	2017	2018	2019
REVENUE				
Utility Taxes	\$ 3,430,672	\$ 3,271,331	\$ 3,445,902	\$ 3,631,115
Licenses and permits	1,646,803	1,651,803	1,909,334	2,149,146
Hotel/Motel Tax	—	86,362	90,114	83,775
Intergovernmental ⁽¹⁾	15,995,217	15,751,476	16,122,347	16,016,306
Fines and Forfeitures	301,196	321,170	166,097	153,595
Charges for Services	3,073,448	3,102,836	3,461,363	3,510,248
Interest	4,598	10,781	21,357	12,834
Contributions	6,164	8,751	—	—
Miscellaneous	<u>580,413</u>	<u>630,853</u>	<u>579,285</u>	<u>490,213</u>
Total Revenue	<u>25,038,511</u>	<u>24,835,363</u>	<u>25,795,799</u>	<u>26,047,232</u>
EXPENSES				
Current	27,115,452	26,992,325	26,689,199	26,819,154
Capital Outlay	301,965	667,161	—	—
Debt Service	<u>252,490</u>	<u>442,665</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>27,669,907</u>	<u>28,102,151</u>	<u>26,689,199</u>	<u>26,819,154</u>
REVENUE OVER (UNDER)				
EXPENDITURES BEFORE OTHER				
FINANCING SOURCES (USES)	(2,631,396)	(3,266,688)	(893,400)	(771,922)
OTHER FINANCING				
SOURCES (USES)				
Proceeds from Debt	300,000	247,946	—	—
Proceeds from Fixed Asset Sales	24,647	106,514	14,020	650
Net Transfers in ⁽²⁾	<u>1,706,377</u>	<u>1,717,950</u>	<u>1,716,005</u>	<u>1,700,000</u>
Total Other Financing Sources				
(Uses)	2,031,024	2,072,410	1,730,025	1,699,350
Excess of Receipts and Other				
Financing Sources Over				
Disbursements	(600,372)	(1,194,278)	836,625	928,728
NET CHANGE IN FUND				
BALANCE	(600,372)	(1,194,278)	n/a ⁽³⁾	n/a ⁽³⁾
FUND BALANCE				
BEGINNING OF YEAR	<u>3,812,270</u>	<u>3,211,898</u>	n/a ⁽³⁾	n/a ⁽³⁾
FUND BALANCE				
END OF YEAR	<u>\$3,211,898</u>	<u>\$2,017,620</u>	n/a ⁽³⁾	n/a ⁽³⁾

Footnotes to Prior Page

- (1) As described below under the subcaption “Revenue Sources,” the City derives a substantial portion of Intergovernmental Revenue from State Income Taxes that are intended to be distributed to local governments monthly. In recent years, the State has periodically been late in its payments to local governments and subsequently made up payments. As a result, in the 2013 Fiscal Year the City received 14 payments, in the 2014 Fiscal Year the City received 12 payments, in the 2015 Fiscal Year and 2016 Fiscal Year the City received 12 payments, received 14 payments in the 2018 Fiscal Year and received 12 payments in the 2019 Fiscal Year.
- (2) Transfers principally represent amounts transferred to the General Fund that are allocable to general government functions. For the 2018 and 2019 Fiscal Year the amounts reflect only transfers in. See page 17 of the Audited Financial Statements that accompany this Annual Disclosure Report
- (3) As noted hereinbefore the City changed its method of accounting beginning with the 2018 Fiscal Year. See the audited financial statements including the notes that accompany this Annual Disclosure Report that were filed on <https://emma.msrb.org> for prior fiscal years.

Source: Audited Financial Statements of the City.

Revenue Sources

The City derives its revenues from a variety of sources. The following list sets forth the primary sources of City revenues for the general fund for the 2019 Fiscal Year based on the modified cash basis of accounting:

	<u>Amount</u>	<u>Percent of Revenues</u>
INTERGOVERNMENTAL		
State Income Tax	\$ 4,318,323	16.58%
Sales Tax	8,939,562	34.32
Local Use	1,315,084	5.05
Personal Property Replacement Tax	246,955	0.95
Telecommunications Tax	899,041	3.45
Gaming Tax	296,354	1.14
Grants	987	0.00
	<u>16,016,306</u>	<u>61.49</u>
- HOTEL/MOTEL TAX	83,775	0.32
UTILITY TAX	3,631,115	13.94
LICENSES AND PERMITS	2,149,146	8.25
FINES AND FORFEITURES	153,595	0.59
CHARGES FOR SERVICES	3,510,248	13.48
INTEREST AND OTHER	503,047	1.93
	<u>\$26,047,232</u>	<u>100.00%</u>

Source: Audited Financial Statements of the City.

Revenues classified as intergovernmental revenue comprise the largest source of general fund revenue. The following is a brief description of intergovernmental revenue:

Sales Taxes

Sales taxes are collected by the Illinois Department of Revenue and distributed to the City monthly. The State of Illinois charges a 6¼% sales tax of which 1% is distributed to cities based on sales within their corporate limits. In 1990, the State authorized home rule municipalities to impose additional local sales taxes. There is no limit on the amount of the sales tax provided that it must be implemented in increments of ¼%. The City has had a local ¼% sales tax since 1990. The 1% and ¼% sales tax described above are referred to herein as the “General Sales Tax”.

The following table sets forth the General Sales Tax receipts for the past five Fiscal Years based on the modified cash basis of accounting:

<u>Year</u>	<u>General Sales Taxes</u>	<u>Percentage Change</u>
2015	\$8,489,317	—
2016	8,512,864	0.28%
2017	8,878,600	4.30
2018	8,715,445	-1.84
2019	8,939,562	2.57

Source: Audited financial statements of the City.

To address a decline in revenues primarily attributable to the withholding of state income taxes by the State of Illinois, on September 19, 2011, the City passed an ordinance to adopt an additional ¼% sales tax for general corporate purposes. The tax became effective on January 1, 2012 and had a sunset date of December 31, 2013 which was subsequently extended to December 31, 2017. In September 2017, the City Council voted to extend the sales tax without a sunset provision.

On June 20, 2005, the City passed an ordinance to adopt a ¼% sales tax in addition to the General Sales Tax (referred to herein as the “Street Sales Tax”). Although the City may use this sales tax for any lawful purpose, since its passage the City has allocated the tax for the retirement of principal and interest on bonds used to finance street improvements. In particular, the City expects to utilize the Street Sales Tax to pay for a portion of the principal and interest on the General Obligation Bonds, Series 2011B Bonds, the principal and interest on the General Obligation Bonds, Series 2012 Bonds and, to the extent available, for payment of the principal and interest on the General Obligation Bonds, Series 2011A Bonds or other street projects. The Street Sales Tax is accounted for in the “2011 Bond Fund.”

The following table sets forth the Street Sales Tax receipts for the past five Fiscal Years based on the modified cash basis of accounting:

<u>Year</u>	<u>Street⁽¹⁾</u>
2015	\$1,141,906
2016	1,129,693
2017	1,135,945
2018	1,138,729
2019	1,148,315

(1) This tax is not imposed on car dealership sales.

Source: Audited financial statements of the City.

State Income Taxes

Illinois municipalities and counties receive a portion of the Illinois State income tax as a form of revenue sharing. A portion of the Illinois State income taxes are deposited into the Local Government Distributive Fund and are then distributed to municipalities and counties monthly. The amount of such funds allocable to each such municipality and county is the proportion of the number of individual residents of such municipality or county to the total population of the State, determined in each case on the basis of the latest census of the State, municipality or county conducted by the Federal government and certified by the Secretary of State. In recent years, the State of Illinois' distributions to local government have been delayed due to financial constraints which has resulted in significant annual variances in receipts since then.

PROPERTY TAXATION

Property Assessment

The following table indicates the equalized assessed valuation for the City for the past five tax years:

<u>Year</u>	<u>Non-Farm Property</u>	<u>Farm Property</u>	<u>Total Equalized Assessed Valuation</u>
2014	\$398,890,693	\$2,163,921	\$401,054,614
2015	392,588,766	2,182,307	394,771,073
2016	401,393,937	1,989,252	403,383,189
2017	404,398,830	2,042,590	406,441,420
2018	397,993,536	1,854,442	399,847,978

Source: Office of the St. Clair County Clerk.

The following table sets forth the composition of the 2018 equalized assessed valuation and the estimated market value:

<u>Assessment Category</u>	<u>Assessed Value</u>	<u>Market Value</u>
Residential	\$290,903,349	\$ 872,710,047
Commercial	98,544,908	295,634,724
Industrial	7,817,098	23,451,294
Railroads	728,181	2,184,543
Farmland ⁽¹⁾	<u>1,854,442</u>	<u>1,854,442</u>
Total Taxable Properties	<u>399,847,978</u>	<u>1,195,835,050</u>
Exemptions (Homestead and Others)	87,347,698	262,043,094
Incremental Property Value in TIF Areas	<u>170,496,513</u>	<u>511,489,539</u>
Total All Properties	<u>\$657,692,189</u>	<u>\$1,969,367,683</u>

(1) The value of farmland is based on productivity value rather than market value.

Source: Equalized assessed values were provided by the County Clerk.

Tax Rates

The following table sets forth the City's tax rates per \$100 equalized assessed valuation for the tax years 2014 through 2018:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General City	\$.0773	\$.0887	\$.0819	\$.1181	\$.1188
Retirement (I.M.R.F)	.3437	.2083	.1986	.1797	.1814
Fire Pension	.6317	.7010	.7220	.8366	.9504
Police Pension	.5261	.5864	.7220	.8366	.7503
Liability Insurance	.1816	.2043	.1999	.1723	.1776
Playground & Rec	.0923	.0963	.0943	.0935	.0951
Social Security	—	.1634	.1630	.1612	.1651
Library	.3018	.3167	.3187	.3162	.3227
General Assistance ⁽¹⁾	—	—	—	.0371	.0418
General ⁽¹⁾	—	—	—	.0280	.0310
Bond and Interest	—	—	—	—	—
	<u>\$2.1545</u>	<u>\$2.3651</u>	<u>\$2.5004</u>	<u>\$2.7793</u>	<u>\$2.8342</u>

(1) During the 2018 Fiscal Year (2017 tax year) the Belleville Township was dissolved and their responsibilities and tax levies were assumed by the City.

Source: Office of the County Clerk.

Tax Extensions and Collections

<u>Tax Year</u>	<u>Taxes Extended</u>	<u>Taxes Collected</u>	<u>% Collected</u>
2013	\$ 8,348,055	\$ 8,304,947	99.48%
2014	8,640,721	8,588,031	99.39
2015	9,335,312	9,228,726	98.86
2016	10,086,012	10,029,160	99.44
2017	11,296,068	11,182,097	98.99

Source: Audited Financial Statements.

Major Taxpayers

The following table sets forth information regarding the top taxpayers in the City based on 2018 assessed valuation:

<u>Taxpayer</u> ⁽¹⁾	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u> ⁽²⁾
THF Green Mount Development LLC	\$4,578,073	0.80%
Wal-Mart Stores, Inc.	3,892,235	0.68
Target Corporation	2,797,434	0.49
AT Belleville Crossings IL Inline LLC	2,775,905	0.49
Bison Limited LLC	2,559,066	0.45
THF Belleville Development LP	2,522,348	0.41
Illinois American Water Co.	1,880,191	0.33
Stokes Distributing LLC	1,672,342	0.29
Home Depot USA, Inc.	1,647,334	0.29
Memorial Healthcare Service I	1,491,754	0.26

- (1) All of the taxpayers above are located in tax increment financing areas, as described in the subcaption “Tax Increment Financing” below, except for Illinois American Water Co. and Stokes Distributing.
- (2) Based on the ratio of the assessed valuation of the taxpayer to the taxable assessment of the City including the incremental property value in TIF Areas which is equal to \$570,344,491 (\$399,847,978 plus \$170,496,513).

Source: *Office of the County Assessor.*

Tax Increment Financing

The City of Belleville has several Tax Increment Financing Redevelopment Project Areas that were established to provide a funding mechanism to promote and enhance redevelopment of specific areas of the City. Incremental revenues, as described hereinafter, generated within the districts are retained by the City and used for a variety of activities including; acquisition of property, infrastructure improvements, low interest loans to businesses and other eligible costs as specified in Illinois statutes and included in the Tax Increment Financing Plans as required to be adopted by the City for each Tax Increment Financing Area.

Pursuant to the Tax Increment Allocation Redevelopment Act (the “Act”), cities may implement Tax Increment Financing in order to induce development in areas which qualify as a conservation, industrial park conservation or blighted area pursuant to the Act. Tax Increment Financing provides a source of funds by which a city may pay for Redevelopment Project Costs (as defined by the Act) over a period not longer than twenty-three years from the date in which Tax Increment Financing was adopted.

Pursuant to the Act, a city designates Tax Increment Financing by approving ordinances adopting a Redevelopment Plan, a Redevelopment Project, tax increment finance and designating a Redevelopment Area (“TIF Area”). The certified total equalized assessed valuation of a TIF Area, as determined by the Assessor immediately following passage of the ordinance designating the TIF Area, is considered the initial equalized assessed valuation. All taxes collected by applying the tax rate of all taxing bodies having the power to tax real property in the TIF Area upon any increase in the equalized assessed valuation over the initial equalized assessed valuation is deposited in a Special Tax Allocation Fund for the TIF Area. Monies in the Special Tax Allocation Fund may be used for payment of Redevelopment Project Costs or for payment of principal and interest on obligations issued to finance Redevelopment Project Costs.

In 1986, the State passed legislation (Public Act 84-1417) that allowed cities to use incremental sales taxes, as described hereinafter, generated from TIF Areas formed prior to January 1, 1987. Incremental sales taxes are the amount of state and local sales taxes generated from a TIF Area above the amount of such taxes generated in the year prior to the adoption of the TIF Area. As a result of this legislation numerous municipalities enlarged existing TIF Areas or created new TIF Areas. Due to the loss of State sales tax revenue, in 1988 legislation was introduced (Public Act 85-1142) which modified and limited the amount of incremental sales tax that could be passed on to municipalities with active TIF Areas.

Public Act 85-1142, includes complicated formulas that set forth the amount of State sales taxes that the State is obligated to distribute to municipalities as incremental revenues. The amount of revenue each municipality may receive is in part dependent upon the performance of all sales tax TIF Areas in the State.

Tax increment financing may affect the future finances of the City. During the time in which tax increment financing is in effect, the City may not realize any increase in ad valorem taxes attributable to any increase in assessed valuation in the applicable TIF area. Some of the City's outstanding bonds are being paid from incremental sales tax revenues derived from the State. Receipt of a substantial portion of such incremental sales tax revenues is subject to annual appropriation by the State and there is no assurance that appropriations will be made nor that legislation will not be amended changing the amount of State sales tax distributions. In the event of a reduction in incremental sales tax revenues the City would be required to appropriate available money from current City funds or allow the extension of property taxes for payment of the bonds that the City presently abates annually. In addition, some of the City's tax increment financing obligations are being paid from the City's sales tax revenues derived from the respective TIF Area.

Following, is a brief description of the various active TIF Areas in Belleville:

TIF #3 was established in 1986 and encompasses approximately 70% of the entire corporate limits of Belleville. The purpose of the TIF is to provide funding support for several commercial projects including the Westfield Plaza development located along North 74th Street and Old St. Louis Road. Other developments in this TIF included the construction of the Richland Creek Office Complex, the Carlyle Plaza Marketplace, and a 170,000 sq. ft. Operations Center for Magna Group. The term of the TIF was originally December 2009 and has been extended to December 2021. The initial assessed valuation of this TIF is \$97,917,026 and the 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$116,609,376.

The City has intergovernmental agreements with several of the taxing districts having properties within TIF # 3 whereby the City makes payments to the various districts for the property taxes captured by the TIF. A complex formula is used to determine the payment level but generally is based on a formula of the initial assessment compared to their tax levy and the current tax base for the entire TIF.

TIF #3 was originally established with the objective of obtaining incremental sales taxes. Effective December 2013, the City no longer receives incremental sales tax revenue.

TIF #8 (Downtown South) was established in 1999. The District covers an area from Lincoln Street, between 3rd Street and High Street, and the railroad right-of-way (downtown Belleville). Several commercial projects have been completed and several other commercial projects are in the preliminary stages of design. The initial assessed valuation of this TIF is \$2,373,687. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,912,843.

TIF #9 (Southwinds) was established in 1999. TIF #9 includes five adjoining lots consisting of 10 acres along Lebanon Avenue, between Central Plaza and Southwinds Drive. Private development

in the area is to consist of commercial buildings. The initial assessed valuation of TIF #9 is \$0. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,0070,889.

TIF #10 (Lower Richland Creek) is comprised of an area that was annexed and established as a TIF Area in 2000. TIF #10 encompasses approximately 1,800 acres in size and is located in the southwestern quadrant of the City, between Illinois Routes 15 and 159. The redevelopment plan and agreement contemplate the construction of several hundred homes, villas, an assisted living complex, a golf course and a convention center. The developer originally selected by the City and the City has entered into a new agreement for the construction of 390 homes. The initial assessed valuation of this TIF is \$362,396. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$12,059,438.

TIF #11 (Industrial Job's Recovery) was established in 1999. TIF #11 is located at the northwest corner of Greenmount Road and Illinois Route 177/Mascoutah Avenue, extending northward to Windrift Drive and westward, stopping parallel to College Avenue. The first phase of the development has been completed with the construction of a golf driving range and related amenities. The initial assessed valuation of TIF #11 is \$29,590. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$327,865.

TIF #12 (Sherman Street) was established in 2001. TIF #12 is located in the eastern portion of the City and encompasses approximately 69 acres. The infrastructure improvements within this area are expected to result in new commercial development. The initial assessed valuation of TIF #12 is \$4,041,250. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,695,237.

TIF #13 (Drake Road) was established in 2001. TIF #13 is located in the northwest portion of the City and encompasses approximately 45 acres. The redevelopment plan provides for the extension of a sewer line as part of a joint venture with the Village of Swansea. The City contributed \$60,000 for its share of the project cost. The sewer line extension is expected to result in new residential and commercial construction. The initial assessed valuation is \$666 and the 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$291,243.

TIF #14 (Route 15 East) was established in 2005. TIF #14 encompasses approximately 390 acres that were recently annexed by the City. The area is in the Eastern portion of the City near Freeburg. The redevelopment plan provides for up to \$9,650,000 of City financing for roadway construction and improvements and for utilities. The public improvements are intended to result in the development of automobile dealerships and additional commercial uses. The initial assessed valuation is \$597,837. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$1,597,538.

TIF #15 (Carlyle/Green Mount) was established in 2006. The District is 140 acres in size centered at the northeast corner of Illinois Route 161 and Greenmount Road. The redevelopment plan provides for up to \$23,190,000 of City financing for the construction of street improvements, utility improvements, drainage improvements, a fire station and a park. TIF funds were used in the development of a retail complex anchored by Lowe's home improvement center, which opened in 2007, and a Super Wal-Mart, which opened in 2008. Funds were also used to develop a number of out parcels that are currently under construction. The City expects a significant increase in sales tax revenue due to this new development. The initial assessed valuation is \$87,173. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$19,526,020.

TIF #16 (Route 15 Corridor) was established in 2006. TIF #16 is located in the Illinois Route 15 and 17th Street and encompasses approximately 450 acres. The redevelopment plan provides for \$4,150,000 of City financing for public improvements. The public improvements are intended to result in the development of automobile dealerships, single family housing and commercial uses. The

initial assessed valuation is \$342. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$2,772,000.

TIF #17 (East Main St.) was established in 2005. TIF #17 is located on East Main Street near the City's central business district and encompasses approximately 24 acres. The redevelopment plan provides for \$4,150,000 of City financing for public improvements. The public improvements are intended to result in the development of a mixed use residential/commercial project. The initial assessed valuation is \$2,863,727. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$521,040.

TIF #18 (Scheel Street) was established in 2008. TIF #18 is approximately 83 acres and is bounded roughly by Scheel Street on the west, Florida Avenue on the North, Carlyle Avenue on the east and Missouri Avenue on the south. TIF #18 was established to eliminate blighting factors and to promote a mixed-use residential/commercial development centered on the MetroLink light rail transit system. It is anticipated that TIF #18 revenues will be used for infrastructure improvements. The initial assessed valuation is \$2,622,104. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$584,897.

TIF #19 (Frank Scott Parkway Redevelopment Project) was established in 2006. TIF #19 is located at Route 15 and Frank Scott Parkway. TIF #19 encompasses approximately 350 acres. Within TIF #19 is a \$50,000,000 retail complex anchored by Home Depot and Target. The redevelopment plan calls for infrastructure and road work. The initial assessed valuation is \$48,084. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$9,994,432. Five phases of commercial development are planned with a private investment of \$150,000,000.

TIF #20 (Route 15/South Green Mount Road) was established in 2009. TIF #20 is approximately 30 acres in size and is located at the northwest corner of Illinois Route 15 and South Green Mount Road. TIF #20 was site specific and related to assistance for Eckert's Orchard and roadway improvements along South Green Mount Road. The initial assessed valuation is \$542,951. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$715,951.

TIF #21 (Belle Valley III) was established in 2010. TIF #21 is approximately 190 acres and is generally bounded on the north by Green Mount Lane, on the west and south by Freeburg Ave. (Route 13) and Route 13/15, and on the east by the east property line of a parcel of private property. TIF #21 was established to aid in the expansion of the Belle Valley Industrial Park Phase III. TIF #21 funds are expected to be used for infrastructure improvements to accommodate Belle Valley III Industrial Park. The initial assessed valuation is \$13,787. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$64,278.

TIF #22 (TIF 22) was established in 2015. The District is approximately 33 acres in size and is generally bounded by Illinois Route 15 and DeMazenod Drive. TIF 22 was established to assist the development of the Missionary Ventures project to include a convention center, hotels, and restaurants. TIF 22 funds are expected to be used for site development, infrastructure improvements, and possibly employment of police. The initial assessed valuation is \$541. The 2018 incremental assessed valuation (increase in the assessed valuation) of this TIF is \$817,068.

DEBT OF THE CITY

General

As a Home Rule Unit, the City is not subject to statutory debt limits. In addition, the City may issue general obligation bonds payable from unlimited ad valorem taxes to finance capital improvements without voter approval.

Outstanding Debt and Payment

As indicated above, as a Home Rule Unit the City is not subject to statutory debt limits. In order to obtain the lowest cost of financing, the City ordinarily issues general obligation bonds for its borrowing needs and then repays the debt from the general fund, special revenue fund or enterprise fund relating to the borrowing.

The following is a list of the City’s outstanding general obligation bonds, the fund(s) from which debt service payments are made and the current outstanding principal balance:

<u>Issue Name</u>	<u>Source of Payment</u>	<u>Principal</u>
General Obligation Refunding Bonds, Series 2009	Sewerage Fund and General Fund	\$ 1,935,000
General Obligation Bonds, Series 2011A	Tax Increment Financing Districts #3 and #14, General Fund and Street Sales Tax ⁽¹⁾	5,000,000
General Obligation Refunding Bonds Series 2012	Street Sales Tax	6,720,000
General Obligation Bonds Series 2014 (the “Series 2014 Bonds)	Tax Increment Financing District #3 and General Fund ⁽²⁾	8,145,000
General Obligation Bonds Series 2015	Tax Increment Financing District #3 and General Fund ⁽²⁾	<u>7,110,000</u>
Total		<u>\$28,910,000</u>

(1) A small portion of the proceeds were used to reimburse the City for a street constructed in Tax Increment Financing District #14. Most of the proceeds were spent for the reconstruction of a street located in Tax Increment Financing District #3. The City intends to pay for this portion of the bonds from Tax Increment Financing District #3 until 2021, at which time the District expires, and thereafter from the Street Sales Tax. After 2021, and to the extent the Street Sales Tax is insufficient to pay the bonds, the City intends to pay for the bonds from the City’s General Fund.

(2) The City intends to pay for the Series 2014 Bonds and the Series 2015 Bonds from Tax Increment Financing District #3 until 2021, at which time the District expires. After 2021, the City will pay for the Series 2014 Bonds and the Series 2015 Bonds from an extension of sales taxes or an increase in the General Fund property tax rate. Alternatively, the City may allow the tax levy included in the bond ordinances to be extended as a debt service tax levy.

The following table sets forth the debt service on the City's outstanding general obligation bonds allocated to the fund from which debt service is expected to be paid as of the end of the 2019 Fiscal Year:

<u>Fiscal Year</u>	<u>General Fund</u> ⁽¹⁾	<u>Sewer Fund</u>	<u>TIF Funds</u> ⁽¹⁾	<u>Street Sales Tax</u>	<u>Total Debt Service</u> ⁽²⁾
2020	\$ 15,858	\$ 246,685	\$1,523,813	\$ 1,052,455	\$ 2,838,811
2021	15,757	245,125	1,522,413	1,052,205	2,835,500
2022	15,635	243,218	1,523,688	1,046,505	2,829,046
2023	1,543,229	245,651	—	1,052,805	2,841,685
2024	1,541,000	247,535	—	1,052,165	2,840,700
2025	1,542,532	244,153	—	1,049,625	2,836,310
2026	1,537,631	249,772	—	1,050,625	2,838,028
2027	1,286,419	245,306	—	1,158,800	2,690,525
2028	1,286,982	245,118	—	1,158,550	2,690,650
2029	1,270,588	—	—	1,156,050	2,426,638
2030	1,271,563	—	—	1,161,300	2,432,863
2031	1,271,075	—	—	1,157,750	2,428,825
2032	1,273,938	—	—	—	1,273,938
2033	1,269,950	—	—	—	1,269,950
2034	1,269,313	—	—	—	1,269,313
2035	1,275,025	—	—	—	1,275,025
2036	583,800	—	—	—	583,800
Total	<u>\$18,270,295</u>	<u>\$2,212,563</u>	<u>\$4,569,914</u>	<u>\$13,148,835</u>	<u>\$38,201,607</u>

- (1) A portion of the principal and interest on the General Obligation Bonds, Series 2011A is allocable to Tax Increment Financing District #14 and the balance is allocable to Increment Financing District #3 until the Tax Increment Financing District #3 is terminated. The City intends to pay the General Obligation Bonds, Series 2011A from Tax Increment Revenues. After the Tax Increment Financing District #3 is terminated, debt service is expected to be paid from property taxes or sales taxes. In addition, to the extent that revenues from Tax Increment Financing District #14 are insufficient to pay for that portion of the General Obligation Bonds, Series 2011A allocable to Tax Increment Financing District #14, the debt service will be paid from the General Fund or the Street Sales Tax. The City intends to pay for the Series 2014 Bonds and the Bonds from Tax Increment Financing District #3 until 2021, at which time the District expires. After 2021, the City will pay for the Series 2014 Bonds and the 2015 Bonds from an extension of sales taxes or an increase in the General Fund property tax rate. Alternatively, the City may allow the tax levy included in the Bond Ordinance to be extended as a debt service tax levy.
- (2) To the extent lawful, the City may change the allocations above in future years.

In addition to the foregoing, the City has financed various capital acquisitions and construction projects with loans, notes and leases. The loans, notes, and leases are described in Note 4 to the financial statements that accompany this Annual Disclosure Report.

Direct and Overlapping Debt

The following table sets forth information relating to the direct and overlapping general obligation debt of the City:

	Outstanding Bonds ⁽¹⁾	Percent Applicable to The City ⁽²⁾	City's Direct and Overlapping Debt
City of Belleville	\$ 28,910,000	100.00%	\$ 30,600,000
Special Service Area #3	700,000	100.00	700,000
St. Clair County ⁽³⁾	54,479,898	11.11	6,052,716
Southwestern Illinois College (Dist. 522)	12,865,000	5.81	747,457
French Village Fire Protection District	1,635,000	5.88	96,138
Belleville Township High SD #201	54,688,704	25.10	13,726,865
Belleville Public School District #118	<u>27,159,144</u>	92.20	<u>25,040,731</u>
Subtotal ⁽⁴⁾	<u>180,437,746</u>		<u>76,963,907</u>
Belle Valley School District #119	33,325,700	46.75	15,579,765
East St. Louis School District #189	7,235,000	4.21	304,594
Freeburg School District #70	1,265,000	9.07	114,736
Freeburg High School District #77	5,925,000	4.92	291,510
Grant Community School District #110	460,000	1.60	7,360
Harmony-Emge School District #175	6,391,235	31.09	1,987,035
High Mount School District #116	550,172	1.18	6,492
Mascoutah School District #19	50,159,827	13.69	6,866,880
Whiteside School District #115	<u>1,355,000</u>	3.26	<u>44,173</u>
	<u>\$287,104,680</u>		<u>\$102,166,452</u>

- (1) Excludes taxing districts whose overlapping assessed valuation is less than 1%. The amounts include general obligation bonds and other obligations treated as direct debt of the political subdivision, but exclude alternate revenue bonds.
- (2) Represents the ratio of the 2018 assessed valuation (excluding the value of State assessed railroads) of the taxing district within the City to the total assessed valuation (excluding the value of State assessed railroads) of the taxing district.
- (3) Includes lease revenue bonds of the St. Clair County Public Building Commission. Lease payments on such bonds are a general obligation of the County. Amounts shown are as of December 31, 2018.
- (4) The debt of the overlapping taxing districts included in the subtotal, overlap all or a majority of the City. The taxing districts listed after the subtotal, overlap only small portions of the City and not more than one school district overlaps another school district.

Source: Bond amounts were provided by the overlapping taxing district and publicly available documents and assessments used in computing the percentages above were provided by the Office of the County Clerk.

Future Debt

The City has no current plans for the incurrence of additional debt.

SPECIAL SERVICE AREA NUMBER THREE

Outstanding Bonds

In December 2006, the City issued \$1,350,000 of Special Ad Valorem Tax Bonds, Series 2006 (the “Series 2006 Bonds”), of which \$700,000 are currently outstanding.

Establishment of Special Service Area #3

Special Service Area #3 encompasses an area approximately 12 blocks long by 5 blocks wide and representing substantially all of the City’s central business district. At the time of formation of the Special Service Area #3 there were 384 parcels of land of which 75 are tax-exempt properties owned by St. Elizabeth Hospital, the City of Belleville (City Hall, the City’s square and several parking lots), St. Clair County Public Building Commission and St. Clair County (County government building and several parking lots), Jerald J Bonifield Trustee, 20 E. Main LLC, Faith Baptist Church, Public Library Building, Belleville Bible Way Church, Merideth Memorial Home and the Regional Board of School Trustees (School District Administration Building). Taxable properties included approximately 80 houses (including several multi-family units), approximately 6 apartment buildings (including a senior citizens’ apartment building), several banks, numerous restaurants, the Belleville News Democrat (a daily newspaper), a banquet center, a motel, a post office, a private ambulance company, numerous small shops and several mixed use (retail/apartment) buildings. The majority of houses in Special Service Area #3 are located in a historic district.

Assessed Valuation and Taxpayers

The following table sets forth the assessed valuation of the Special Service Area #3 for the years 2014 through 2018:

<u>Year</u>	<u>Assessed Valuation</u>
2014	\$7,739,028
2015	7,453,294
2016	8,688,836
2017	8,708,906
2018	8,268,335

Source: Office of the St. Clair County Clerk

The following table sets forth the composition of the 2018 equalized assessed valuation of Special Service Area #3 including property in tax increment financing areas and the estimated market value:

<u>Assessment Category</u>	<u>Assessed Value</u>	<u>Market Value</u>
Residential	\$ 145,506	\$ 436,518
Commercial	8,122,829	24,368,487
Railroad	0	0
Industrial	0	0
Total	8,268,335	24,805,005
Incremental Property Value in TIF Areas	2,928,447	8,785,341
	<u>\$11,196,782</u>	<u>\$33,590,346</u>

Source: Equalized assessed values were provided by the County Clerk

The largest taxpayers in Special Service Area #3 are as follows:

<u>Taxpayer</u>	2018 Assessed <u>Valuation</u>	% of Total SSA #3 Assessed <u>Valuation</u>
RD Richland LLC % Blake Brown Traswestern	\$1,318,156	11.77%
St. Elizabeth Hospital Sisters	700,559	6.26
MMRG Building LLC	618,869	5.53
UMB First National Bank	366,995	3.28
Market Square Partners LLC	324,216	2.90
First Financial Bank	282,972	2.53
Kern Mark A 7 Fred J	232,487	2.08
Conkright John D & Wamble Beth A	230,109	2.06
Nex Home Inc.	215,198	1.92
HH Innovations LLC	184,343	1.65

Source: Office of the St. Clair County Assessor.

Levy, Extension and Collection of Taxes

Special Taxes

The SSA Bonds are payable from taxes levied on all taxable tangible real property within Special Service Area #3 (the “Special Tax”), without limitation as to rate or amount, in an amount sufficient to retire the SSA Bonds. This levy is in addition to and exclusive of all other taxes authorized to be levied by the City.

The Special Tax will be extended upon the tax rolls in each year in which the SSA Bonds remain outstanding and are expected to be levied and collected by St. Clair County at the same time and in the same manner as property taxes are levied and collected by St. Clair County. The Special Taxes derived from Special Service Area #3 shall be deposited in the Principal and Interest Account, shall be kept separate and apart from all other funds of the City, and shall be used solely for the payment of the principal of, premium, if any, and interest on the SSA Bonds as and when the same shall become due.

These Special Taxes are a lien against the real property to which they apply. Detailed procedures covering the sale of property for delinquent taxes are prescribed in the Illinois Property Tax Code.

For the 2018 tax year, Special Taxes levied totaled \$139,082 which included \$100,182 for payment of the Series 2006 Bonds.

Direct and Overlapping Debt

The following table sets forth information relating to the direct and overlapping general obligation debt of Special Service Area #3 as of the end of the 2019 Fiscal Year except as noted in footnote (3) below:

	Outstanding Bonds	Percent Applicable to The SSA ⁽¹⁾	SSA's Direct and Overlapping Debt
Special Service Area #3	\$ 700,000	100.00%	\$ 700,000
The City of Belleville ⁽²⁾	28,910,000	2.07	598,437
St. Clair County ⁽³⁾	54,479,898	.23	125,304
Southwestern Illinois College	12,865,000	.12	15,438
Belleville School District #118	27,159,144	2.44	662,683
Belleville Township High SD #201	54,688,704	.52	284,381
	<u>\$178,802,746</u>		<u>\$2,386,243</u>

(1) Based on 2018 assessed valuation, excluding property in tax increment financing areas.

(2) Includes all general obligation bonds although such bonds are paid from Special Revenue and Enterprise Funds and the City does not levy taxes for the payment of such bonds.

(3) Includes lease revenue bonds of the St. Clair County Public Building Commission. Lease payments on such bonds are a general obligation of the County. Amounts shown are as of December 31, 2018.

Source: Bond amounts were provided by the overlapping taxing district and assessments used in computing the percentages above were provided by the Office of the County Clerk

FINANCIAL ADVISOR

WM Financial Strategies, St. Louis, Missouri, is employed as Financial Advisor to the City to assist the City in the preparation of this Annual Disclosure Report.

ADDITIONAL INFORMATION

For clarification of information contained in this Annual Disclosure Report contact the following:

City of Belleville
Attention: Finance Director
101 S. Illinois Street
Belleville, Illinois 62220