



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

Truth in Taxation Public Hearing for the Proposed Tax Year 2020 Property Tax Levy

Overview

Each year the Village Board adopts a tax levy to fund general Village operations, debt service payments, and mandatory employer contributions to the police and fire pension plans. Excluding the Oak Park Library's levy, the Fiscal Year 2021 (tax year 2020 levy) is expected to be exactly 3% greater than last year's extension. Including the Oak Park Public Library levy, the increase is expected to be only .3%, as the Library reduced its levy.

According to state statute, a public hearing and additional posting is required when the increase is 5% or more. Although the anticipated increase is below the 5.00%, holding a truth in taxation hearing will provide public transparency.

Staff Recommendation

Hold the public hearing and receive comments.

Fiscal Impact

N/A.

Background

State statute (35 ILCS 200/18-70) requires a public hearing to be held prior to the approval of the proposed property tax levy if the proposed levy for the next tax year exceeds 105% of the current tax year's levy.

The Village portion, excluding the Oak Park Public Library, for the Fiscal Year 2021 (tax year 2020) year tax levy is a 3.00% increase from the FY 2020 (tax year 2019) extended levy. Including the Oak Park Public Library's request, the proposed tax levy is a .3% increase from the FY 2020 (tax year 2019) extended levy.

Excluding the Library, the Village's total levy for next year as published in the truth in taxation notice calls for an increase of \$1,020,462. The Village's total levy for FY20 was \$33,948,782 and the initial estimate of the levy for FY21 is \$34,969,244.

The following items account for the primary increases to the Village's levy:

- a) Police Pension Levy increase=\$635,293
- b) Fire Pension Levy increase=\$699,264
- c) Debt Service Levy increase=\$0
- d) General Operations Levy decrease=(\$314,095)

It is important to note that the Oak Park Public Library has a separate and independent Board from that of the Village. The Village merely provides a service to the Library and levies the amount they request under the Village's levy ordinance. The combined recommended levy (for both Village and Library) results in an increase of \$135,080 or .3%, over the prior year. This relatively insignificant increase is due to the fact that a large debt service issue for the Library was paid in full in current fiscal year 2020 which reduces their levy for this annual debt service expense going forward by slightly over \$1 million.

For additional information regarding Oak Park Public Library budgets, please refer to the following link to their website:

<https://www.oppl.org/about/budget/>

Alternatives

Reduce expenditures and/or implement new local taxes or increase existing taxes/fees to reduce reliance on the property tax levy.

Previous Board Action

N/A

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

The Village Board will hold a public hearing on the Budget November 16, 2020.

Intergovernmental Cooperation Opportunities

N/A.

Performance Management (MAP) Alignment

N/A.