



Agenda Item Summary

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LKS

Agenda Item Title

Truth in Taxation Public Hearing for the Proposed Tax Year 2019 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 2020 (tax year 2019 levy) is expected to be 3.00% greater than last year's extension. Including the Oak Park Public Library levy, the increase is expected to be 4.55%.

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 the Village Board with the flexibility to increase the levy over 3.00% if needed.

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 2020 (tax year 2019) year tax levy is a 3.00% increase from the FY 2019 (tax year 2018) extended levy. Including the Oak Park Public Library's request, the proposed tax levy is a 4.55% increase from the FY 2019 (tax year 2018) 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 \$988,798. The Village's total levy for FY19 was \$32,959,984 and the initial estimate of the levy for FY20 is \$33,948,782.

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

- a) Police Pension Levy increase=\$126,991
- b) Fire Pension Levy increase=\$280,815
- c) Debt Service Levy increase=\$128,483
- d) General Operations Levy increase=\$452,509

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. While the Village's levy for tax year 2019 (fiscal year 2020) has been capped at 3% in the Proposed Budget, the Library has opted to capture additional levy dollars on the approximate \$114 million in newly available equalized assessed valuation resulting from the termination of the Downtown and Madison TIFs at December 31, 2019. This new EAV allows the Library to capture an additional \$693,000 and thus results in a Library total levy increase of \$938,064, translating to a 9.98% increase.

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 18, 2019 at 7:30 p.m. in Council Chambers.

Intergovernmental Cooperation Opportunities

N/A.

Performance Management (MAP) Alignment

N/A.