

## ORDINANCE 2019-02 TOWNSHIP 2019 PROPERTY TAX LEVY

An Ordinance levying taxes for the OAK PARK TOWNSHIP, COOK COUNTY, STATE OF ILLINOIS.

In pursuance of authority vested in them by "an act in relation to Township Organization" approved March 4, 1874, as amended, the Board of Trustees in a meeting assembled, do hereby find and declare that there will be required to be raised by general taxation the amounts herein after set down.

**BE IT ORDAINED** by the Board of Trustees of Oak Park Township, Cook County, Illinois as follows:

**Section 1:** That the sum of **Five Million Four Hundred Forty One Thousand and Sixty Seven Dollars (\$5,441,067)** is hereby levied upon all property subject to taxation within the Township as that property is assessed and equalized, in order to meet and defray all the necessary expenses and liabilities of the Township as required by statute or voted by the people in accordance with the law, for such purposes as set forth below.

**Section 2:** That the amount levied for each object and purpose shall be as follows:  
For necessary expenses for the general uses and purposes of the Township:

Town Fund	Anticipated Expenditures FY 21
<b>Total Expenditures Town Fund</b>	<b>\$4,961,120</b>

<b>To be raised by taxation:</b>	
For IMRF purposes	\$ 140,000
For general purposes	<u>\$3,597,396</u>
<b>Grand Total</b>	<b>\$3,737,396</b>

Making the amount to be raised by taxation and levied on all taxable property in said Township for the uses and purposes aforesaid, for the **Town Fund, the sum of Three Million Seven Hundred Thirty Seven Thousand Three Hundred and Ninety Six (\$3,737,396).**

For necessary expenses for the general uses and purposes of the Township:

General Assistance Fund	Anticipated Expenditures FY 21
<b>Total Expenditures General Assistance</b>	<b>\$501,602</b>

<b>To be raised by taxation:</b>	
For IMRF purposes	\$ 7,000
For general purposes	<u>\$132,141</u>
<b>Grand Total</b>	<b>\$139,141</b>

Making the amount to be raised by taxation and levied on all taxable property in said Township for the uses and purposes aforesaid, for the **General Assistance Fund, the sum of One Hundred Thirty Nine Thousand One Hundred and Forty One Dollars (\$139,141).**  
 For necessary expenses for the general uses and purposes of the Township:

<b>Community Mental Health Fund</b>	<b>Anticipated Expenditures</b>
	<b>FY 21</b>
<b>Total Expenditures Community Mental Health</b>	<b>\$2,077,328</b>

<b>To be raised by taxation:</b>	
<b>For IMRF purposes</b>	<b>\$15,000</b>
<b>For general purposes</b>	<b>\$1,492,756</b>
<b>Grand Total</b>	<b>\$1,564,530</b>

Making the amount to be raised by taxation and levied on all taxable property in said Township, for the uses and purposes aforesaid, for the **Community Mental Health Fund, the sum of One Million Five Hundred Sixty Four Thousand Five Hundred and Thirty Dollars (\$1,564,530).**

Making the aggregate sum of dollars **Five Million Four Hundred Forty One Thousand and Sixty Seven Dollars (\$5,441,067)** to be raised by taxation and levied on all taxable property in said Township, in order to meet and defray all the necessary expenses and liabilities of the Township as required by statute or voted by the people in accordance with law.

**Section 3:** That the Town Clerk shall make and file with the County Clerk of said County of Cook on or before the last Tuesday of December, a duly certified copy of this ordinance.

**Section 4:** That if any section, subdivision, or sentence of this ordinance shall for any reason be held invalid or to be unconstitutional, such finding shall not effect the validity of the remaining portion of this ordinance.

**Section 5:** That this ordinance shall be in full force and effect after its adoption, as provided by law.

Adopted by the Township Board of Trustees, pursuant to a roll call vote, in a meeting assembled on the 10th day of December 2019.

\_\_\_\_\_  
 Clarmarie I. Keenan, Supervisor

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 Gregory P. White, Clerk

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 Eric Davis, Trustee

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 Michelle Mbekeani-Wiley, Trustee

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 Ade Onayemi, Trustee

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 Margaret Trybus, Trustee

# Memorandum

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To: Supervisor Keenan and the Board of Trustees  
From: Gavin W. Morgan, Township Manager  
Re: 2019 Levy Recommendation  
Date: November 4, 2019

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Township staff recommends that the Board realize at least a portion of the revenue available due to the expiration of the Downtown and Madison Street Tax Increment Financing (TIF) districts to compensate for lost revenue, to fund programming that will fill identified community needs, and to provide financial security for the Township with the least impact on current and future property tax payers.

The first attached table shows the last few years of tax levy history, and a range of options for this year's levy; including, A: CPI + New Growth without the TIFs, B: CPI + New Growth + 70% of the new EAV from the TIFs expiring, and C: CPI + New Growth + 100% of the new EAV from the TIFs. The Finance department has prepared the attached Levy Ordinance based on Option C. The Board may elect to pass this Tentative Levy Ordinance at this meeting to be presented at the public hearing on December 10, 2019 for consideration, or the Board can adjust the Tentative Levy. In either case, the Tentative Levy Ordinance will be posted for public review and comment up until the public hearing at the Board's December 10, 2019 meeting.

Due to the expiration of the TIF districts, Oak Park Township will be losing about \$150,000 a year in TIF Distributions that have come to the Township's three funds as a result of the settlement agreement. This will require a reduction in services, at a time when we have identified greater needs that the Township is positioned to fill; such as expanded Transportation Services, Youth Services Case Management and mentoring, General Assistance Job Coaching, implementing the federal Drug-Free Communities grant awarded to Prevention Services, and Senior Services activities around dementia and memory loss.

If the Town Board chooses to lease office space in the Community Recreation Center that the Park District is building, to be used by Township staff from all the service departments (Youth, Seniors, Prevention, General Assistance), I have proposed the \$70,000 in Personal Property Replacement Tax (PPRT) that currently comes to the Town Fund from the State of Illinois as a source of funding for the lease. This would allow the Board an alternative to using new local property tax dollars for office space. Funding from property taxes would still be needed for operations.

The Community Mental Health Board (CMHB) is planning to invest \$1,000,000 for a 35 year lease on space in the Community Recreation Center, regardless of whether the Township takes this opportunity. That investment will lower the Community Mental

Health Board's fund balance to a level below its current policy. Over the last decade, the Town Board has held the CMHB levy flat because the CMHB Fund Balance was above its policy. The CMHB has discussed asking the Town Board to reconsider that policy based on its planned investment, which will lower the CMHB fund balance. A change in this policy would also lower revenue that has been coming to the Town Fund.

Last year, the Board had committed to not taking advantage of the TIFs expiring in an effort to encourage the other taxing bodies to follow suit. There was discussion among the bodies about the possibility; however, it appears that all of the other tax-capped taxing bodies are increasing their levy to capture the new EAV. The Township alone could capture an additional \$350,000 just from the properties that were previously in the TIF districts. This amount will become part of the Township's base in calculating future levies, so forgoing the additional levy this year will result in a loss in revenue that would be compounded into the future.

This is the one opportunity the Township will have to capture the value from the TIFs expiring. Taxes have been paid on these properties over the life of the TIF; however, they have been collected by the Village and designated for redevelopment in the TIF. In other words, these are not new taxes, just new revenue to the Township. Taking this revenue now will have the least negative impact on Oak Park taxpayers, because these property owners have already been paying these taxes. If the Board elects to take this revenue now, the Board can avoid raising the levy at a higher rate in the future. This is consistent with the purpose of TIF Districts, which is to set aside funding to be used for redevelopment, so that when a TIF district expires, all of the taxing bodies benefit from the newly created Equalized Assessed Value of those properties that were in the TIF district.

The second attached table shows recommended adjustments among the levies for the three funds. The first is to replace lost TIF distributions that were going to the General Assistance and Mental Health funds. The second adjustment lowers the General Assistance levy by just over \$387,000 to bring that fund within the Board's fund balance policy, while moving that amount to the Town Fund levy. This is a one year adjustment that will not increase the overall levy; therefore, it does not counteract any loss in revenue from a lower levy, which would be compounded into the future. Regardless of the Board's decision on the TIF, staff recommends the levy adjustments because the impact on taxpayers would be neutral and the General Assistance Fund would be within policy as a result.

OAK PARK TOWNSHIP  
PROPERTY TAX HISTORY/PROPOSED OPTIONS

10/23/2019

YEAR OF LEVY	Extension History			2019 Levy options				
	2016	2017	2018	A	B	C		
FISCAL YEAR	2018	2019	2020	CPI + Growth	CPI + Gr @ 70%	CPI + Gr + 100%		
FUND	Max. Rate				Tax Rate			
<b>Cap Funds</b>								
TOWN	0.250	2,703,974	2,831,377	2,946,137	0.185	3,065,330	3,305,171	3,418,584
GENERAL ASSISTANCE	0.000	485,329	496,733	509,602	0.032	509,602	509,602	509,602
MENTAL HEALTH DISTRICT	0.150	1,497,586	1,506,756	1,512,881	0.095	1,512,881	1,512,881	1,512,881
		-	-	-				
<b>TOTAL</b>		4,686,889	4,834,866	4,968,620	0.312	5,087,813	5,327,654	5,441,067
% Inc All Levies		1.22%	3.16%	2.77%		2.40%	7.23%	9.51%
						<-----Estimates----->		
ASSESSED VALUATION		1,386,653,517	1,655,776,153	1,592,506,276		1,641,911,439	1,719,311,439	1,755,911,439
Combined TAX RATE		0.3380	0.2920	0.3120		0.3099	0.3099	0.3099
TAX RATE @ EAV = C						0.2898	0.3034	0.3099
CPI %		0.7%	2.1%	2.1%		1.9%	1.9%	1.9%
% INCREASE IN EAV		0.3%	19.4%	-3.8%		3.10%	7.96%	10.26%
Est. NEW GROWTH		1,469,886	8,225,071	7,936,909		8,000,000	85,400,000	122,000,000
% NEW GROWTH		0.1%	0.5%	0.5%		0.5%	5.0%	6.9%

**OAK PARK TOWNSHIP**

PROPERTY TAX HISTORY/PROPOSED OPTIONS

Seperately Considered Adjustments

	<u>Option C</u>	<u>Adjustments</u>		
	<u>CPI + Gr +100%</u>	<u>Lost TIF</u>	<u>Funding</u>	<u>After</u>
		<u>3/31/2019</u>	<u>Reduction</u>	<u>Adjustments</u>
FUND				
<b>Cap Funds</b>				
TOWN	3,418,584	(68,579)	387,391	3,737,396
GENERAL ASSISTANCE	509,602	16,930	(387,391)	139,141
MENTAL HEALTH DISTRICT	1,512,881	51,649		1,564,530
<b>TOTAL</b>	<u>5,441,067</u>	<u>-</u>	<u>-</u>	<u>5,441,067</u>

Lost TIF Revenues

Adjust the flat levies for previous TIF revenues received, based on the Township's last fiscal year.

General Assistance Fund Balance

Fund Balance 3/31/19	555,543
Target Maximum per Board Policy	<u>168,152</u>
Proposed 1 Time Reduction	<u>387,391</u>

Reduce fund balance to within Board policy. Future levies would be adjusted according to experience, in a similar manner.