

Staff Recommendation
2020 Property Tax Levy

RECOMMENDATION

Recommended by	Gavin Morgan	Date Recommended	11/17/2020
Recommendation	Approve the 2020 Property Tax Levy with an increase of 2.78% over the 2019 Property Tax Extension.		
Approved by		Approved?	

BACKGROUND

The Board will consider the tentative levy at its meeting on November 17, 2020, and the public hearing will occur at the December 8, 2020 regular Board meeting, so that it can be submitted to the County Clerk by the end of December deadline. The Property Tax Extension Limitation Law (PTELL) limits the property tax levy increase to the previous year’s Consumer Price Index (CPI) over the previous year’s property tax extension plus an amount to capture the assessed value of new growth. The December 2018 to December 2019 CPI was 2.3%. The attached worksheet shows the range of options from a 0% increase, a 2.3% increase for the CPI, and a 2.78% to capture the value of new growth. The other attachment shows Option C in detail. The Financial Advisory Committee discussed the levy options at its meeting on November 12th and concurs with the recommendation for a 2.78% increase over the 2019 Property Tax Extension. Per the Town Board’s standing policy, with regard to fund balance and the levy, the increase in the levy is shown going to the Town Fund.

RATIONALE

During the pandemic, the Township has, in several areas, stepped up to a leadership role in the Oak Park community. We have been communicating and developing programs with our community partners, which has led to opportunities to invest more in existing programs and to expand the services available to those we serve in the community. There is also potential for increased demand because of the anticipated recession. After 2018, the Township experienced an increase in the General Assistance caseload and increased needs in other areas of the Township. Another factor then was the loss of other providers in the community that depended on Federal and State funds and private donations for revenue. Because of the stable nature of property taxes and an appropriate fund balance level, the Township was able to partially fill the gap in some areas. Finally, changes to the State budget could have a negative impact on the Township’s budget. Because the income tax amendment did not pass in the recent election, the State is expected to make cuts to its budget. After the 2008 recession, budget cuts hit Social Services particularly hard. There was also a delay in payments from the State to reimburse our costs for Senior Service, and we were able to avoid service cuts because of our fund balance.

PROJECT PLANNING

Potential Return	Anticipated Cost
<ul style="list-style-type: none"> • The Township will continue to provide a consistent level of service to residents while keeping up with inflation. • OPT will fulfill its vision “to be a well-known and respected community partner and the leading provider of proactive, responsive and relevant supportive services for all residents at every stage of life.” 	<ul style="list-style-type: none"> • A 2.78% increase in the Property Tax Levy Extension is \$145,362 over the 2019 Property Tax Extension of \$5,222,170.