



PROPOSED STATUTORILY PERMISSIBLE
2021 TAX LEVY DISCUSSION
NOVEMBER 4, 2021

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OVERVIEW

- The Village is able to raise property taxes each year by the lesser of 5% or Consumer Price Index plus new growth without a referendum.
- The annual increase funds public services from police, fire, community development, public works, finance and governance.
 - The Village's overall tax levy has increased since 2012 by \$2,060,526, in actual dollars or 23.77% in ten years. The combined levies for the Police and Firefighters' Pension Funds alone have increased by \$1,583,287 or 43.77% in the same period. This means that all of the annual statutorily permissible property tax levy increase during this period went to fund Police and Firefighters' Pension Funds.
 - It is a common misconception that the majority of property taxes go to the Village. The Village of Lombard currently receives 7.50% of property tax dollars, or 7.50 cents of each property tax dollar paid.
- The Village proposes a 3.74% increase for the 2021 property tax levy, which translates to an increase of approximately \$7.30 for the owner of a \$300,000 home.

PROPOSED 2021 Statutorily Permissible Levy

2021 Statutorily Permissible Levy	\$10,728,440	
2020 Levy Extended	- \$10,341,319	
Total 2021 Permissible Increase	\$387,121	3.74%*
*Breakdown of 2021 Permissible Increase		
CPI	\$144,778	1.40%
Fire Pension (exempt)	(\$10,667) [†]	-0.10%
Total for Existing Properties	\$134,111	1.30%
New Growth/Construction	\$253,010	2.44%
	\$387,121	3.74%

It is estimated that new growth will account for 2.44% of the increase in the levy. If there is no new growth, there will be no levy for this.

SCHEDULE/COMMUNICATIONS PLAN

SCHEDULE

- September 13, 2021 -Finance & Administration Committee reviewed and recommended Proposed 2021 Tax Levy
- November 4, 2021-- 1st Reading on Proposed 2021 Tax Levy and Public Hearing/1st Reading on Proposed 2022 Budget
- November 18, 2021 –2nd Reading on Proposed 2021 Tax Levy and 2nd Reading on Proposed 2022 Budget
- December 2021 – Village of Lombard files the Board approved 2021 Tax Levy and 2022 Budget ordinances with DuPage County
- DuPage County mails tax bills on or about April 30th of each year

2022 BUDGET, WATER & SEWER RATES, 2021 TAX LEVY COMMUNICATIONS PLAN/FAQ

- Communicate to the majority of residents and business owners about the factors that contribute to a long-term budget deficit and how COVID-19 has impacted the Village's budget.
- Prepare public adequately for potential impacts and challenges
 - Village's past and ongoing expenditure reductions
 - Impact of decreased sales tax base
 - Potential residential tax implications as detailed by Township and Assessor's Office
- Communicate the monthly and annual impact of the tax levy and water rate increase to the average homeowner.

Recommendation

The Finance & Administration Committee, at their meeting on September 13, 2021, voted unanimously to recommend the proposed statutorily permissible 2021 tax levy to the President and Board of Trustees.

Ordinance on First Reading is on Separate Action:

A. 200284 – Ordinance Providing for the Levy and Assessment of Taxes for the Fiscal Year beginning January 1, 2021 and ending December 31, 2021 for the Village of Lombard