

# VILLAGE OF HOMEWOOD



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## PROCESS FOR SETTING THE VILLAGE OF HOMEWOOD'S 2022 TAX LEVY

1. Calculate the change in the Consumer Price Index (CPI) for the past 12 months. This is known here in November, as it is the change in December 2021 CPI versus December 2020 CPI. This is 7% for the 2022 real estate tax levy.
2. Number 1 above is capped at 5% maximum so lower 7% to 5%.
3. Estimate the increase in new construction EAV. Since this will not be known until the summer of 2023, we will estimate 1%. Cook County will make the necessary adjustments depending on how close this estimate is to the actual.
4. Apply this 6% increase (5% plus 1%) to the tax capped levies of pensions and operating as released by Cook County. Since Cook County has not released this data as of today we will apply the 6% increase to the recommended 2021 levy as presented to the Board in November/December 2021. This can be adjusted assuming Cook County has the numbers by our December 13, 2022 Board meeting. Any adjustments should be minor. For this draft discussion we have \$6,599,691 which is an increase of \$373,567 from last year's real estate tax levy discussion. In addition, this 6% increase is in excess of the 5% in the tax cap rules so the Village is required to publish and hold a Truth in Taxation Hearing at the Board's December 13, 2022 meeting.
5. Allocate real estate tax levy dollars to police pension \$2,140,536 and fire pension \$708,599 line items as calculated by an independent actuary.
6. Internally calculate IMRF pension requirements of \$500,000 based on information provided by IMRF actuary. IMRF pension pool covers non-police pension and non-fire pension Village of Homewood employees.
7. Internally calculate the real estate tax levy amount required for social security and Medicare \$467,416.
8. Take number 4 calculation of \$6,599,691 and subtract number 5, 6, and 7. This amount totals \$2,783,140 and will be used for the day-to-day operating section of the real estate tax levy
9. Add \$534,770 real estate tax levy dollars required to meet principal and interest (P&I) payments from any outstanding general obligation (GO) bonds outstanding. This debt levy is not subject to tax cap rules. It is set each year at the amount of principal & interest due.
10. Add \$11,000 to reflect the effect of State's passage of PA-93-0689 for fire pension members.