

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: December 10, 2024

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Amy Zukowski, Director of Finance

Topic: 2024 Final Real Estate Tax Levy

PURPOSE

After the Board of Trustees discusses the 2024 Real Estate Tax Levy during the Truth in Taxation Hearing, the Board is required to approve three (3) ordinances for the final 2024 Real Estate Tax Levy. The ordinances will then be filed with Cook County.

PROCESS

Staff discussed the setting of the 2024 Real Estate Tax Levy with the Board of Trustees at the November 12, 2024 Board meeting. It was requested that the Board approve staff's recommendation to use the State's Consolidated Funds Actuarial Calculation to meet the required statutory minimum for Police and Fire pension funding through the levy and direct staff to publish and hold a Truth in Taxation Hearing prior to the December 10, 2024 regular Board meeting. A Truth in Taxation hearing is required because the total 2024 recommended tax levy increased by more than 5.0% over the prior year's final tax extension. A Truth in Taxation notice was published in the Southtown newspaper on November 29, 2024.

The total 2024 Real Estate Tax Levy for the Village of Homewood's municipal operations, pension obligations, and debt service is **\$7,824,367**, which is an overall increase of 13.62% from the prior year's extended tax levy (\$6,886,315).

3.35% - increase in CPI

1.50% - capturing of new construction

8.77% - issuance of the 2024 General Obligation Limited Tax Bond debt service payments

13.62%

OUTCOME

The 2024 Real Estate Tax Levy meets the rules contained in the Property Tax Extension Limitation Law (PTELL). It provides the Village with revenue of \$7,824,367; of which \$3,583,400 will be used in the General Fund for day-to-day operations and Social Security and Medicare employer costs, \$3,494,279 will be used for Police and Fire Pension funding obligations, and \$746,688 is allocated for debt payment obligations.

VILLAGE OF HOMEWOOD



The Village of Homewood's share of the 2023 real estate tax bills was approximately 10%. For every dollar of property tax that a resident pays, only ten cents goes to the Village for the many services provided (i.e., downtown event series and farmers market, snow removal, road de-icing and salting, tree removal and reforestation, police, fire, public works, and other municipal services). We anticipate that the Village's portion will increase slightly due to the addition of the debt service amount on the 2024 tax levy and an expected decrease in the total Equalized Assessed Valuation following resident tax appeals.

The total 2024 Real Estate Tax Levy of \$7,824,367 is an important revenue stream for the Village. It provides approximately 10.0% of General Fund revenue used to fund day-to-day operating expenses and provide high-quality municipal services to our residents.

FINANCIAL IMPACT

The final 2024 tax levy will be used to create and develop Homewood's Fiscal Year 2025-2026 budget amounts.

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass an ordinance levying taxes for corporate purposes and for special funds for the fiscal year commencing on the first day of May 2025 and ending on the thirtieth day of April 2026 for the Village of Homewood; and, pass an ordinance increasing the 2024 Street and Bridge tax levy in the Village of Homewood; and, pass an ordinance directing the Cook County Clerk to reduce the Village of Homewood's 2024 levy, if necessary, to comply with the property tax extension limitation law.

ATTACHMENT(S)

Ordinances for 2024 Real Estate Tax Levy