






Memorandum

TO: Kevin J. Jackson, Village Manager 

FROM: Rob Sproule, Public Works Director 
Steve Drazner, CFO 

FOR: Village President and Board of Trustees

DATE: November 10, 2022

SUBJECT: 2023 Increase Tax Levy Use

The purpose of this memo is to provide the Village Board with possible uses for 2023 Tax Levy funds if it so chose to recommend to increase the tax year 2022 property tax year levy and apply the funds to Fiscal Year 2023 Capital Projects.

Background

At the November 7, 2022 Village Board Meeting, the Village Board requested staff provide information related to the possible funding created by an increase in the property tax levy for the Village and potential options for its use in support of the Village's capital improvement program.

Tax Levy Increase Information

Based on current taxing levels, a single percent increase in the property tax levy equates to approximately \$360,000 in new revenue for the Village. Incremental increases beyond a single percent create additional funding at the same rate of increase (two percent = \$720,000 and three percent = \$1,080,000).

Capital Improvement Project Options

If the Board so desires to increase the tax levy in support of additional Capital Improvement Projects, there are a number of possible options as follows:

- **Alley Improvement:** The Village Engineering Staff have designs prepared for a number of alleys across the Village schedule for future improvement. With an average cost of \$100,000 per alley, additional funding would allow staff to move forward with approximately three to four alleys for every percent increase in the levy. Staff have engineering complete on a sufficient number of alleys to accommodate up to a 3% tax levy increase.

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- **Pavement Preservation Treatment & Public Works LED Light Upgrades:** A combined \$180,000 for these projects was deferred to fiscal year 2024 as part of the ongoing budget discussions. With an additional .5% increase in the levy, staff would support reinstating this work in 2023.
- **Village Hall Building Improvements:** Two proposed building projects for Village Hall, Pneumatic Control Replacements and South Building Entrance Improvements, were deferred as part of the ongoing budget discussions. A 2.5% tax levy increase would allow these projects or other Village Hall Building Envelope improvement projects move forward in fiscal year 2023. Staff would recommend dedicating the funding, but waiting for the Property Condition Assessment Report and Energy Audit scheduled in the first quarter of the year before determining most appropriate and sustainable use of the funds.

Please contact Steve Drazner, Chief Financial Officer, with any questions at sdrazner@oak-park.us or 708-358-5460.

cc: Lisa Shelley, Deputy Village Manager
Ahmad Zayyad, Deputy Village Manager
All Department Directors
Christina M. Waters, Village Clerk