

MEMORANDUM

Date: December 14, 2022

From: Sterling M. Burke, President

Re: "Hold the Line" Tax Levy

Many of you may be familiar with our "tax cap" law. The tax cap limits annual property tax increases to the lesser of 5% or the annual increase in the Consumer Price Index. For many years, the CPI inflation increase has been low, and accordingly, the Village and other local governments have generally levied tax increases well below 5%.

Inflation has spiked in the past two years. The CPI is currently 7.7%. As a result, many local governments now have the legal right to increase their tax levies to just under 5%. We expect many local governments in the Southland to put through such increases.

However, the Village of Olympia Fields does not operate that way. Just because we can increase our tax levy by up to 5% does not mean that we should pass such a large increase. As a result of our efforts over the past several years, our Village is in a very strong financial position, and this will continue to be the case. In addition, we are aware that many of our residents have received large increases in their property taxes and must pay their second installment by the end of this year. They will then have to pay their next tax bill just a few months later. This is a difficult burden for many of our residents.

While the Village only accounts for about 12% of the overall tax bill, now is not the time for the Village to be adding any new tax burdens to our residents. Accordingly, this Board will be considering the adoption of a "Hold the Line" tax levy for this year. This ordinance we will be passing tonight will have no new increase in taxes. Our tax levy for this year will be the same as last year.

Our ability to hold the line on property taxes is the result of our continuous economic development efforts, the guidance & policies of our Board and the great cost containment efforts made by the entire Village staff.