

To: Finance and Administration Committee

From: Timothy Sexton, Director of Finance

Date: September 12, 2025

Subject: Statutorily Permissible 2025 Property Tax Levy

INTRODUCTION

The 2025 Statutorily Permissible Property Tax Levy for the Village of Lombard is presented for your review and recommendation to the Village Board. The recommendation is summarized on **Attachment A** and is explained in detail in this report. The tax levy has been prepared in accordance with the requirements of the Property Tax Extension Limitation Act (Tax Cap) and the Truth in Taxation Act. Below is the general overall summary of the tax levy:

2025 Statutorily Permissible Levy		\$12,889,629	
2024 Extended Levy	-	\$12,367,038	
Total 2025 Permissible Increase		\$522,591	4.23% *
*Breakdown of 2025 Permissible Increase			
CPI		\$358,644	2.90%
Fire Pension (Exempt)		\$56,948	0.46%
Total for Existing Properties		\$415,592	3.36%
New Growth/Construction		\$106,999	0.87%
		\$522,591	4.23%

It is estimated that new growth will account for 0.87% of the increase in the levy. If there is no new growth, there will be no levy for this.

The Village's share of the tax bill for the owner of a \$378,000 house is expected to increase approximately \$23.73 per year. The tax bill for the owner of a \$500,000 house is expected to increase \$31.91 per year.

EAV ASSUMPTIONS

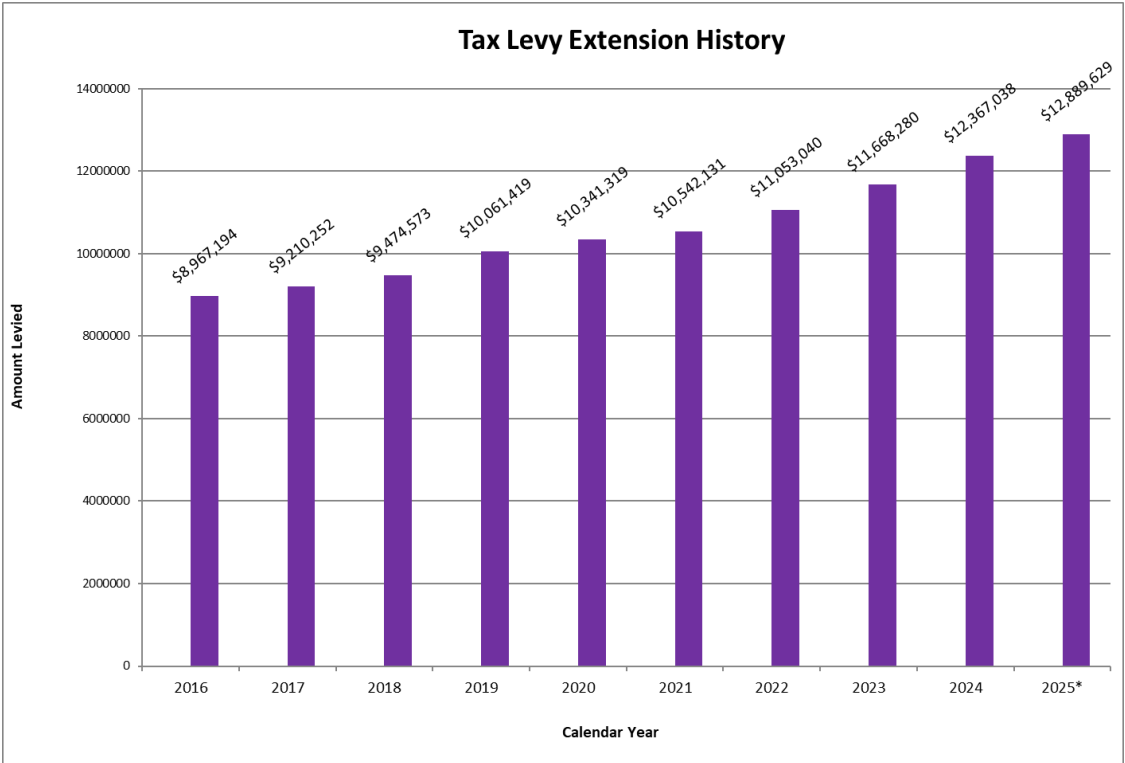
The following is a comparison of the projected 2025 estimated Equalized Assessed Valuation (EAV), including increases in both the base EAV as well as increases due to new construction/annexations for the Village of Lombard, as compared to the 2024 actual EAV.

	<u>2024 Actual</u>	<u>2025 Estimated</u>	<u>Incr over Prior Year</u>	
			<u>Amount</u>	<u>Percent</u>
Base EAV	2,060,595,513	2,125,907,528	65,312,015	3.17%
New Construction/Annexations	5,398,197	20,000,000	14,601,803	270.49%
	2,065,993,710	2,145,907,528	79,913,818	3.87%

Attachment B shows a history of EAV growth in the Village over the last ten years. The Village estimated an increase of 3.87% to the total 2025 EAV over the total 2024 EAV of \$2,065,993,710. If there is no new growth, there will be no levy for this.

2025 STATUTORILY PERMISSIBLE PROPERTY TAX LEVY

The Village’s tax levy is made up of two component areas: The Corporate Levy and Special Levies. The Village has not had a bonded debt tax levy since 1994. For 2025, the total statutorily permissible tax levy for the Village of Lombard is \$12,889,629, an increase of \$522,591 or 4.23% over the prior year’s extended levy. **Attachment C** compares the 2024 extended levy to the 2025 statutorily permissible levy in detail. Below is a ten-year comparison of property tax extensions.



*2025 is the statutorily permissible levy amount prior to extension

CORPORATE LEVY:

General Corporate Levy: The 2025 proposed General Corporate Levy totals \$1,493,912 compared to the 2024 extended levy of \$1,361,490. The 2025 proposed General Corporate levy increased due to an increase of 2.9% in the CPI and an estimated new growth EAV increase of \$20,000,000. The Pensions and Liability Insurance are expected to continue to increase, and the General Corporate levy will once again decline and likely be eliminated. Over the past 3 years, the Special Levies for Pensions/Social Security and Liability Insurance increased \$1,045,257 which reduced the amount available for the General Corporate levy.

The property tax levy increases from 2023 (\$585,742) and 2024 (\$1,284,501, which includes the 2023 and 2024 increases) were allocated to the Building Reserve Fund to support the construction of new public safety buildings. The proposed property tax increase for the 2025 levy (to be received in 2026) is \$522,591. However, because of increased special levies (as noted above), the total proposed transfer to the Building Reserve Fund is \$1,493,912. This amount reflects the cumulative levy increases from 2023, 2024, and 2025, minus \$313,178 for special levies.

- If the Village Board approves the full proposed 2025 property tax levy increase and directs that all three years of available increases be transferred, then the total transfer is estimated to be \$1,493,912.
- If the Village Board approves only “new growth/construction”, estimated to be \$106,999, and directs that all three years of available increases be transferred, then the total transfer is estimated to be \$1,078,320.
- If the Village Board does not approve an increase for the 2025 property tax levy and directs that all three years of available increases be transferred, then the total transfer is estimated to be \$971,321.

SPECIAL LEVIES:

POLICE AND FIREFIGHTERS’ PENSION FUNDS:

Since 1992, the Village has used an independent actuary to determine the annual tax levy requirements for both the Police and Firefighters’ Pension Funds. Tax levy requests are based on Actuarial Valuation Reports for the year ending 12/31/2024. There have been no changes to the plan provisions since the last valuation.

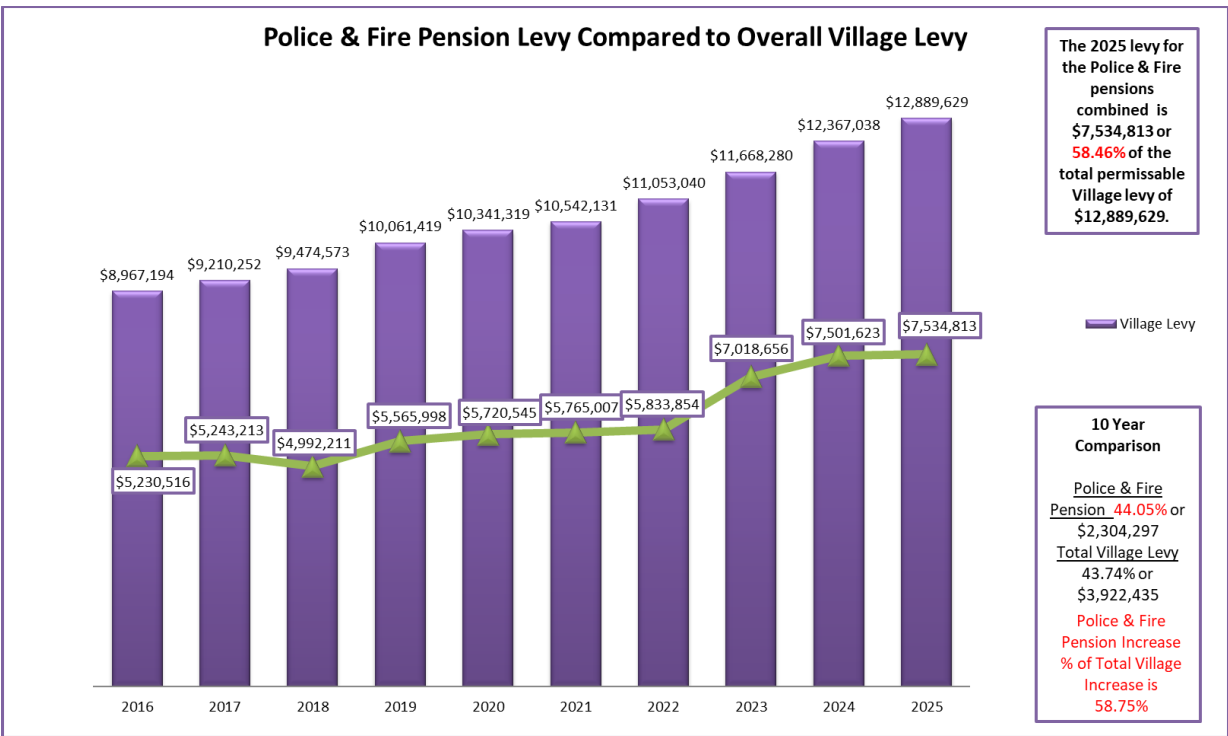
The actuary analysis indicates that the tax levy requirement for the Police Pension Fund for 2025 is \$4,495,037, a decrease of \$21,225 or 0.47% less than the prior year’s extended levy. The percent funded has increased from 67.0% last year to 69.1% this year.

The tax levy requirement for the Firefighters' Pension Fund for 2025 is \$3,039,776, an increase of \$54,415 or 1.82% more than the prior year's extended levy. The percent funded has increased from 79.9% last year to 80.9% this year.

The Police and Firefighters' Pension Funds will see a net combined increase of \$33,190 or 0.44% more than last year's extended levy. A comparison of the annual requirements for this year and last year is shown on **ATTACHMENT D**.

The annual actuarially determined tax levy requirement for the Police Pension Fund, expressed as a percentage of payroll, decreased from 60.61% for 2024 to 59.48% for 2025. The Firefighters' Pension Fund tax levy requirement, expressed as a percentage of payroll, decreased from 41.28% for 2024 to 38.50% for 2025.

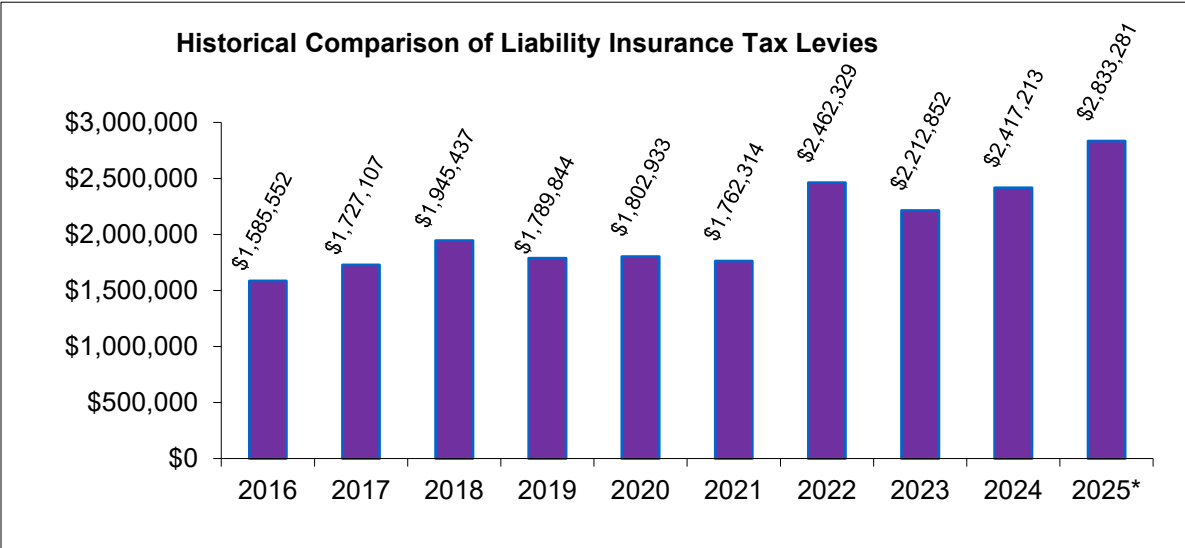
The chart below displays a history of the Police and Firefighters' Pension Fund tax levies over the past ten years. The Village's overall tax levy has increased since 2016 by \$3,922,435, in actual dollars or 58.75% in ten years. The combined levies for the Police and Firefighters' Pension Funds alone have increased by \$2,304,297 or 44.05% in the same period. This means that 58.75% of annual statutorily permissible property tax levy increase has had to fund Police and Firefighters' Pension Funds in the last 10 years.



*2025 is the proposed levy amount prior to extension

LIABILITY INSURANCE:

The 2025 Proposed Tax Levy for Liability Insurance is \$2,833,81, or \$416,068 more than the 2024 levy. The Village has an actuarial study conducted every other year to determine the Village’s reserve requirements for Liability Insurance. In 2016, the Village Board approved a change to the financial policy for the Liability Insurance Account to state that the Village will levy for the actuarially determined normal loss amount and any unfunded liability will be spread over four years. This change helps smooth out increases/decreases and provides time to adjust if there is a year with a large increase. To put the current year tax levy into perspective, the chart on the following page shows tax levies for 2016-2025.



*2025 is the proposed levy amount prior to extension

IMRF/SOCIAL SECURITY:

ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF): The Village’s contribution rate, expressed as a percentage of payroll, decreased from 6.53% in 2023 to 5.94% in 2024. The Village received information from IMRF that indicates that the Village’s rate for 2025 will increase from 5.94% to 7.64%. The 2025 proposed levy for IMRF is \$347,043, a decrease of \$26,902 or 7.19% from the previous year.

SOCIAL SECURITY/MEDICARE: The 2025 proposed levy for Social Security/Medicare is \$675,580, no change compared to the previous year.

The contribution rate for the Village expressed as a percentage of payroll is 6.20% for Social Security and 1.45% for Medicare, for a total of 7.65%. This amount, combined with the 7.64% of payroll for IMRF, means that the total pension cost for non-sworn Village personnel, expressed as a percentage of payroll, is 15.29% as compared to 59.48% for sworn Police and 38.50% for sworn Fire personnel. For sworn Police and Fire personnel hired after 1986, the Village also contributes 1.45% for Medicare in addition to the pension costs above.

Attachment E shows the historical comparison of IMRF, Social Security and Medicare rates and wage bases for the last 10 years. During that timeframe, combined levies for these levies have decreased by \$473,994 or 31.67% as compared to the increases in the combined Police and Firefighters' Pension Fund levies of \$2,304,297 or 44.05% over the same ten-year period.

PUBLIC BENEFIT:

State statute provides that the Village can levy to the maximum rate of \$.05/\$100 of EAV for the Public Benefit Fund to pay for a portion of the Village's share of special assessment projects. The amount of this year's Public Benefit levy is \$5,000. Currently, there are no Special Assessments.

TAX RATES:

The tax cap limits our base tax levy increase over the prior year's extended levy to 5.00% or the national CPI, as reported for December prior to adoption of the levy. For tax year 2025, the December 2024 national CPI increase was 2.9%. We also levy for new construction and annexations that are expected to add an additional 0.87%. Finally, the exempt portion of the Firefighters' Pension Fund increased by \$56,948 or (0.46%) in 2025. These factors bring our total increase allowed to 4.23%. This addition for new growth benefits the Village only for the first year it goes on the tax rolls. If there is no new growth, there will be no levy for this. Next year the new growth amount is rolled into our prior year's extension, which is capped by the CPI increase.

Based on this statutorily permissible levy, the tax capped portion of the tax rates for the Village next year are expected to increase from \$0.5804/\$100 of EAV to \$0.5819/\$100 of EAV. As mentioned earlier, the Firefighters' Pension Fund is allowed to levy for the additional costs associated with the July 2004 fire pension legislation, with these costs being exempt from the tax caps. So, in addition to the tax cap levy of 0.5819/\$100 of EAV, the Firefighters Pension Fund will also levy 0.0187/\$100 of EAV, increasing the total Village levy to 0.6007/\$100 of EAV compared to the 2024 Village extended levy of 0.5986/\$100 of EAV.

A ten-year comparison of tax rates can be found in **Attachment F**. As this comparison indicates, the projected 2025 property tax rate for the Village of Lombard of \$0.6197/\$100 of EAV is 3.97% lower than it was ten years ago.

IMPACT OF THE PROPERTY TAX EXTENSION LIMITATION ACT:

The Statutorily Permissible 2025 Property Tax Levy for the Village of Lombard has been developed to comply with the provisions of the Property Tax Extension Limitation Act. An increase due to new growth of 0.87% has been provided for in the calculations. However, if this new growth estimate or the increase in the current tax base EAV is not realized, it may be necessary to reduce our levy at a later date. Toward the end of March 2026, the DuPage County Clerk will notify us if we are required to reduce our tax

levy further as a result of our final extended 2025 tax levy. At that time, we will be given the opportunity to decide if we want proportional reductions in all levies or if the reduction (if any) should come from one or more levies.

TRUTH IN TAXATION CALCULATION:

For purposes of complying with the statutory requirements of the Truth in Taxation Act, we must compare our 2024 Aggregate Extended Levy to our 2025 Statutorily Permissible Levy. If the amount of the increase in the levy is 5% or greater, a public hearing must be held by the Village Board. The 2024 Aggregate Extended Levy for the Village was \$12,367,038. The 2025 statutorily permissible levy for the Village is \$12,889,629, an increase of \$522,591 or 4.23%. Therefore, a public hearing is not required.

The Finance Committee's recommendation on the 2025 Property Tax Levy will be on the agenda for Village Board approval at their November 6, 2025 meeting.

ATTACHMENT A
STATUTORILY PERMISSIBLE VILLAGE OF LOMBARD PROPERTY TAX LEVY
TAX YEAR 2025

2.9% CPI

0.93% NEW GROWTH ESTIMATE

ASSUMPTIONS		
AGGREGATE EXTENSION FOR 2024 TAX YEAR (Excl Fire Pension-Exempt from Tax Cap)	VILLAGE	\$12,022,017
	FIRE PENSION-EXEMPT	\$345,021
	TOTAL	\$12,367,038
2025 PROJECTED BASE EAV		\$2,125,907,528
2025 PROJECTED "NEW GROWTH"		\$20,000,000
2025 TOTAL PROJECTED EAV		\$2,145,907,528

2025 STATUTORILY PERMISSIBLE LEVIES WITH 2.9% CPI	AMOUNT	RATE
CORPORATE	1,493,912	0.0696
POLICE PENSION	4,495,037	0.2095
PUBLIC BENEFIT	5,000	0.0002
FIREFIGHTERS' PENSION-SUBJECT TO TAX CAP	2,637,807	0.1229
IMRF	347,043	0.0162
LIABILITY INSURANCE	2,833,281	0.1320
SOCIAL SECURITY	675,580	0.0315
TOTAL (VILLAGE ONLY)	12,487,660	0.5819
FIREFIGHTERS' PENSION-EXEMPT FROM TAX CAP	401,969	0.0187
TOTAL (VILLAGE ONLY)-INCL ADD'L FIRE LEVY	12,889,629	0.6007

GRAND TOTAL-EXEMPT FROM TAX CAP	401,969	0.0187
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GRAND TOTAL-SUBJECT TO TAX CAP	12,487,660	0.5819
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TRUTH-IN-TAXATION CALCULATION

CURRENT YEAR PROPOSED LEVY	12,889,629
PRIOR YEAR EXTENDED LEVY	12,367,038
INCREASE IN LEVY	<u>522,591</u>
PERCENTAGE INCREASE IN LEVY	<u>4.23%</u>

PUBLIC HEARING REQUIRED	NO
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ATTACHMENT B
Historical Comparison of EAV Growth
2015-2025

	Base EAV	Inc. over PY	New Construction	% of Base	Annexations	% of Base	Total % of Base	Total EAV	Inc. over PY
Actual 2015	1,310,743,549	3.4%	3,463,340	0.26%	0	0.00%	0.26%	1,314,206,889	3.63%
Actual 2016	1,384,860,088	5.4%	4,756,270	0.34%	0	0.00%	0.34%	1,389,616,358	5.74%
Actual 2017	1,473,640,391	6.0%	8,659,870	0.58%	0	0.00%	0.58%	1,482,300,261	6.67%
Actual 2018	1,540,330,543	3.9%	12,682,460	0.82%	0	0.00%	0.82%	1,553,013,003	4.77%
Actual 2019	1,634,698,799	5.3%	30,272,140	1.82%	0	0.00%	1.82%	1,664,970,939	7.21%
Actual 2020	1,721,270,552	3.4%	10,653,580	0.62%	0	0.00%	0.62%	1,731,924,132	4.02%
Actual 2021	1,756,114,758	1.4%	7,963,420	0.45%	0	0.00%	0.45%	1,764,078,178	1.86%
Actual 2022	1,825,802,999	3.5%	3,036,810	0.17%	528,010	0.03%	0.19%	1,829,367,819	3.70%
Actual 2023	1,873,737,371	2.4%	7,992,400	0.42%	0	0.00%	0.42%	1,881,729,771	2.86%
Actual 2024	2,060,595,513	9.5%	5,058,783	0.24%	339,414	0.02%	0.26%	2,065,993,710	9.79%
Estimated 2025	2,125,907,528	2.9%	20,000,000	0.93%	0	0.00%	0.93%	2,145,907,528	3.87%
Average Inc. Last 5 years (1)		4.0%		0.4%		0.0%	0.4%		4.4%

Note (1) Average includes Years 2020-2024

ATTACHMENT C

COMPARISON OF 2024 PROPERTY TAX LEVY AS EXTENDED
vs.
2025 STATUTORILY PERMISSIBLE PROPERTY TAX LEVY

<i>VILLAGE</i>	2024 EXTENDED LEVY		2025 PROPOSED LEVY		INCREASE/ DECREASE	
	<i>RATE</i>	<i>AMOUNT</i>	<i>RATE</i>	<i>AMOUNT</i>	<i>%</i>	<i>AMOUNT</i>
CORPORATE	0.0659	1,361,490	0.0696	1,493,912	9.73%	132,422
IMRF	0.0181	373,945	0.0162	347,043	-7.19%	-26,902
FIREFIGHTERS' PENSION-SUBJECT TO TAX CAP	0.1278	2,640,340	0.1229	2,637,807	-0.10%	-2,533
POLICE PENSION	0.2186	4,516,262	0.2095	4,495,037	-0.47%	-21,225
LIABILITY INSURANCE	0.1170	2,417,213	0.1320	2,833,281	17.21%	416,068
PUBLIC BENEFIT	0.0003	6,198	0.0002	5,000	-19.33%	-1,198
SOCIAL SECURITY	0.0327	675,580	0.0315	675,580	0.00%	0
TOTAL VILLAGE SUBJECT TO TAX CAP	0.5804	11,991,027	0.5819	12,487,660	4.14%	496,633
*2024 Aggregate Extention	0.0015	30,990	0.0000	0	0.00%	-30,990
FIREFIGHTERS' PENSION-NOT SUBJECT TO TAX CAP	0.0167	345,021	0.0187	401,969	16.51%	56,948
TOTAL VILLAGE LEVY	0.5986	12,367,038	0.6007	12,889,629	4.23%	522,591

ATTACHMENT D

COMPARISON OF ANNUAL TAX LEVY REQUIREMENTS FOR POLICE AND FIREFIGHTERS' PENSION FUNDS TAX YEAR 2024 vs. 2025

	A	B	C	
	2024 Extended TAX LEVY	ACTUARY AS OF 1/1/25	INC./(DEC.) OVER 2024	
			AMOUNT	PERCENT
POLICE PENSION FUND	\$4,516,262	\$4,495,037	(\$21,225)	-0.47%
FIREFIGHTERS' PENSION FUND				
Subject to Tax Cap	\$2,640,340	\$2,637,807	(\$2,533)	-0.10%
Exempt from Tax Cap	\$345,021	\$401,969	\$56,948	16.51%
TOTAL FIREFIGHTERS' PENSION FUND	\$2,985,361	\$3,039,776	\$54,415	1.82%
TOTAL	\$7,501,623	\$7,534,813	\$33,190	0.44%

NOTES:

- A. Amount levied and extended by the County Clerk for the 2023 Village Tax Levy.
- B. Updated Actuarial Valuations based on membership data and asset information as of 12/31/23
- C. Increase in 2025 tax levy request over 2024 levy.

	2024		2025	
<u>POLICE PENSION FUND</u>	AS LEVIED	PERCENT OF PAYROLL	AS LEVIED	PERCENT OF PAYROLL
Employer's Share of Normal Cost	\$793,574 *	10.65%	\$826,887 *	10.94%
*this would be the levy if 100% funded				
Amoritization of Unfunded Liability	\$3,722,570	49.96%	\$3,668,150	48.53%
Annual Actuarial Requirement as a Percentage of Payroll	\$4,516,144	60.61%	\$4,495,037	59.48%
<u>FIREFIGHTERS' PENSION FUND</u>				
Employer's Share of Normal Cost	\$916,373 *	12.68%	\$1,065,212 *	13.49%
*this would be the levy if 100% funded				
Amoritization of Unfunded Liability	\$2,066,669	28.60%	\$1,974,564	25.01%
Annual Actuarial Requirement as a Percentage of Payroll	\$2,983,042	41.28%	\$3,039,776	38.50%

ATTACHMENT E
ANALYSIS OF IMRF FUND
IMRF/SOCIAL SECURITY/MEDICARE
RATES, WAGE BASES & TAX LEVIES

IMRF				
	CALENDAR YEAR	EMPLOYER'S CONTRIBUTION	EMPLOYEE'S CONTRIBUTION	WAGE BASE
	2016	18.37%	4.50%	NONE
	2017	15.93%	4.50%	NONE
	2018	15.92%	4.50%	NONE
	2019	13.12%	4.50%	NONE
	2020	15.61%	4.50%	NONE
	2021	14.25%	4.50%	NONE
	2022	10.44%	4.50%	NONE
	2023	6.68%	4.50%	NONE
	2024	6.53%	4.50%	NONE
	2025	5.94%	4.50%	NONE
	2026	7.64%	4.50%	NONE

SOCIAL SECURITY/MEDICARE					
	CALENDAR YEAR	EMPLOYER'S CONTRIBUTION	EMPLOYEE'S CONTRIBUTION	WAGE BASE	
				SS	MEDICARE
	2016	7.65%	7.65%	\$118,500	Unlimited
	2017	7.65%	7.65%	\$127,200	Unlimited
	2018	7.65%	7.65%	\$128,700	Unlimited
	2019	7.65%	7.65%	\$132,900	Unlimited
	2020	7.65%	7.65%	\$137,700	Unlimited
	2021	7.65%	7.65%	\$142,800	Unlimited
	2022	7.65%	7.65%	\$147,000	Unlimited
	2023	7.65%	7.65%	\$160,200	Unlimited
	2024	7.65%	7.65%	\$168,600	Unlimited
	2025	7.65%	7.65%	\$168,600	Unlimited

Property Tax Levies (IMRF, SS & Medicare combined)				
	TAX LEVY YEAR	TAX LEVY	INC./(DEC.) OVER PY	
			AMOUNT	PERCENT
	2016	\$1,496,617	-\$9,464	-0.63%
	2017	\$1,506,060	\$9,444	0.63%
	2018	\$1,520,306	\$14,246	0.95%
	2019	\$1,471,834	-\$48,472	-3.19%
	2020	\$1,469,539	-\$2,295	-0.16%
	2021	\$1,256,024	-\$213,515	-14.53%
	2022	\$1,081,156	-\$174,867	-13.92%
	2023	\$1,113,953	\$32,796	3.03%
	2024	\$1,049,525	-\$64,428	-5.78%
	2025*	\$1,022,623	-\$26,902	-2.56%

**2024 is the statutorily permissible levy amount prior to extension*

Total increase		
2016-2025	(\$473,994)	-31.67%
Avg. Annual Inc.	(\$47,399)	-3.17%

ATTACHMENT F

VILLAGE OF LOMBARD **HISTORICAL TAX RATE INFORMATION** **2016-2025**

LEVY YEAR	TOTAL TAX RATE ⁽¹⁾	VILLAGE ONLY	VILLAGE SHARE OF TOTAL
2016	8.8082	0.6453	7.33%
2017	8.4932	0.6250	7.36%
2018	8.2998	0.6151	7.41%
2019	7.9778	0.6043	7.57%
2020	7.9582	0.5971	7.50%
2021	7.9396	0.5976	7.53%
2022	7.9797	0.6042	7.57%
2023	8.0415	0.6201	7.71%
2024	7.7695	0.5986	7.70%
2025⁽²⁾	TBD	0.6197	TBD

NOTE (1) This table is based on tax code 6011. There are 30 tax codes in Lombard and each receives a different property tax bill depending on whether the area is included within a given taxing district's boundaries. This tax code was selected as an example only.

(2) 2016-2024 as extended; 2025 prior to extension