

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
DECEMBER 8, 2009 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
Adopted FY10 Municipal Budget Implementation Items	✓ Resolution Ordinance Motion Discussion Only	Dave Fieldman Village Manager

SYNOPSIS

Staff has prepared the following items associated with the implementation of the adopted FY10 Municipal Budget:

- An ordinance increasing the Home Rule Sales Tax Rate by 0.25%, from 0.75% to 1.00%.
- An ordinance amending Chapter 2 of the Municipal Code regarding the Community Grants Program.
- A resolution modifying the Village Council Policy related to the Taxi Subsidy Program for seniors and persons with disabilities.

STRATEGIC PLAN ALIGNMENT

The Five Year Plan and Goals for 2008-2013 includes *Exceptional Municipal Organization*. A supporting objective is *Financially Sound and Sustainable Village Government*.

FISCAL IMPACT

The projected fiscal impact of the proposed FY10 Municipal Budget implementation items is as follows:

- The proposed quarter cent increase in the Home Rule Sales Tax is forecasted to generate an additional \$1 million in revenue for the General Fund in FY10.
- The proposed suspension of funding for the Village's Community Grants Program will reduce General Fund expenses by \$72,000 in FY10.
- The proposed modifications of Village Council Policy related to the Taxi Subsidy Program for seniors and persons with disabilities are forecasted to reduce General Fund expenses by \$50,000.

RECOMMENDATION

Approval on the December 15, 2008 active agenda.

BACKGROUND

The Village Council adopted the FY10 Municipal Budget on December 1, 2009. The adopted FY10 budget calls for multiple substantive changes to the Village's business model in an effort to address the issues of declining revenues and increasing operational and capital expenses. Several of the changes associated with the FY10 budget require official Village Council action prior to implementation. The FY10 Municipal Budget implementation items requiring formal Village Council action prior to implementation are outlined in the sections below:

- *Home Rule Sales Tax Rate Increase* – The LRF 2010 action plan calls for \$1 million of revenue enhancements from revenue sources other than the real estate tax levy. Several options for revenue enhancements were presented and discussed during the financial planning process. The FY10 budget includes a quarter cent increase to the Home Rule sales tax. The increase would go into effect on July 1, 2010. Based on the current retail sales activity within the Village, the quarter cent increase is expected to generate \$1 million revenue. All of the revenue would be used to fund core

police, fire and emergency services. The Village currently has a Home Rule sales tax at a rate of .75% or three quarters of cent. The quarter-cent increase will bring the rate to 1.0%.

- *Suspension of the Community Grants Program* – The Village currently operates a Community Grants Program. Per Village Code, the program is funded by a portion of the hotel tax revenues. Specifically, the program is funded at a rate of 8% of the previous year’s hotel tax revenues or \$48,000, whichever is greater. This program was classified as a secondary Village service during the long range financial planning process. The adopted FY10 budget calls for the suspension of the program and would reduce General Fund expenses by \$72,000 (8% of the estimated hotel tax revenue for FY09). Chapter 2 of the Municipal Code would be amended to state that the amount of funds for the program shall be established on an annual basis through the normal budgeting process.

- *Modification of the Taxi Subsidy Program* - The Village Taxi Subsidy Program was classified in the Long Range Financial Planning Process as a secondary Village service. The adopted FY10 budget includes a reduction of the expenses of this program by \$50,000. In 2009, the Village estimates spending \$150,000 on subsidizing taxi rides. The FY 2010 Budget includes \$100,000 for the Village share of the subsidy. To accomplish this reduction, staff proposes implementing the following changes to the Taxi Subsidy Program:
 - Change the subsidy rate from its current 70% subsidy to a 50% subsidy. A coupon will be valued at \$1.00 and cost the participant \$0.50 (50% subsidy)
 - Limit purchases to a maximum of 60 coupons (\$60) per month. Currently the purchase limit is 100.

ATTACHMENTS

Ordinances

Resolution

Sales Tax

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE HOME RULE MUNICIPAL RETAILERS OCCUPATION TAX

BE IT ORDAINED by the Village Council of the Village of Downers Grove in DuPage County, Illinois, as follows: (Additions are indicated by **shading**/underline; deletions by ~~strikeout~~):

Section 1. That Section 21.201. is hereby amended to read as follows:

21.201. Home Rule Municipal Retailers Occupation Tax.

(a) A tax is hereby imposed upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered, with an agency of the State of Illinois at retail in the Village of Downers Grove, at the rate of ~~three-fourths of one percent~~ **(1%)** of the gross receipts from such sales made in the course of such business while this ordinance is in effect. Such "Home Rule Municipal Retailers Occupation Tax" shall not be applicable to the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, and syringes and needles used by diabetics.

The imposition of this home rule tax is pursuant to the provisions of Section 8-11-1 of the 'Illinois Municipal Code' (65 ILCS 5/8-11-1, as amended).

(b) The tax hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Department of Revenue shall have full power to administer and enforce the provisions of this Section.

Section 2. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 3. That this ordinance shall be in full force and effect from and after its passage and publication in the manner provided by law.

Mayor

Passed:
Published:
Attest: _____
Village Clerk

Community Grants Funding

ORDINANCE NO. _____

AN ORDINANCE AMENDING COMMUNITY GRANTS FUNDING

BE IT ORDAINED by the Village Council of the Village of Downers Grove in DuPage County, Illinois, as follows: (Additions are indicated by **shading**/underline; deletions by ~~strikeout~~):

Section 1. That Section 2.86. is hereby amended to read as follows:

2.86. Funding and Limits.

(a) The Downers Grove Village Council intends to provide funds for the Downers Grove Community Grants Program from a portion of the Downers Grove Hotel Use Tax proceeds and from such other funds as may be received from donations or other sources as determined by the Council. The amount of funds for the Downers Grove Community Grants Program shall be established on an annual basis through the normal budgeting process ~~and shall equal eight percent (8%) of the Downers Grove Hotel Tax generated in the fiscal year preceding the budget year or \$48,000.00, whichever is greater.~~ The amount budgeted shall be exclusive of any donations.

(b) The Community Grants Program is not intended nor shall it impose or create any liability or obligation on the Village to grant any funds or to take any other action. No liability shall be imposed on the Village, its officers, agents or employees, as a result of the existence of the Community Grants Program, or any actions or inactions taken with respect thereto. It is further expressly acknowledged that any grants or other activities undertaken by the Village in relation to this Program shall be within budgetary limitations as may from time to time be set by the Village Council.

Section 2. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 3. That this ordinance shall be in full force and effect from and after its passage and publication in the manner provided by law.

Mayor

Passed:

Published:

Attest: _____

Village Clerk



Village of Downers Grove

Official Village Policy Approved by Village Council

Description:	Taxi Fare Subsidy Program for Senior Citizens and Persons with Disabilities	
Res. or Ord. #:	Res. <u>2006-062009-</u>	Effective Date: <u>01/17/06 12/15/09</u>
Category:	Financial Services	
	New Council Policy	
	X	Amends Previous Policy Dated: <u>2006-06; 7/1/00; 4/13/98 and 5/26/92</u>
	Description of Previous Policy (if different from above):	
	Taxi Fare Subsidy Res. #98-22, #92-29, #2000-30, <u>2006-06</u>	

RESOLUTION 2006-062009-

A RESOLUTION ~~REGARDING AMENDING~~ THE TAXI FARE SUBSIDY PROGRAM FOR SENIOR CITIZENS AND PERSONS WITH DISABILITIES

WHEREAS, the Village Council of the Village of Downers Grove has received studies and information identifying various needs of senior citizens and persons with disabilities; and

WHEREAS, such studies have identified transportation as one of the most significant needs of senior citizens and persons with disabilities; and

WHEREAS, the Village Council has determined that an appropriate role for the Village in terms of supporting senior citizens and persons with disabilities is transportation assistance; and

WHEREAS, the Village Council desires to continue its policies and rules for the orderly implementation of such program,

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Downers Grove, DuPage County, Illinois as follows:

1. That the Council hereby reaffirms its policy of providing limited transportation support to senior citizens and persons with disabilities through the Taxi Fare Subsidy Program.
2. That the Council will annually budget an amount for the Taxi Fare Subsidy Program, said amount to represent the maximum commitment to be provided by the Village for that particular year.

3. That there shall be a fifty percent (50%) ~~70%~~ taxi fare subsidy program for senior citizens and persons with disabilities which shall be administered by the Village Manager generally in accordance with the policies outlined herein.
4. That the following guidelines shall be applied by the Village Manager in the administration of the program:
 - a. The taxi fare subsidy shall be limited to Downers Grove residents, age 65 or over, or to Downers Grove residents with disabilities as defined by Section 22-1 of the Downers Grove Municipal Code.
 - b. Individuals desiring to purchase taxi coupons under the program shall present proof of their qualifications for participation in the program in person at Village Hall, and shall thereafter be permitted to purchase taxi coupons by mail for one year at which time proof of qualifications shall be reconfirmed in person.
 - i. acceptable proof of residency includes a utility bill, library card, lease or bank statement.
 - ii. acceptable proof of age includes a social security card, Medicare card, driver's license, State identification card, citizenship papers, RTA reduced fare card or passport.
 - iii. acceptable proof of handicap includes an RTA reduced fare card or affidavit from a doctor or any other proof of handicap approved by the Director of Finance.
 - c. No individual shall purchase more than ~~\$100.00~~\$60.00 worth of coupon sheets per month.
 - d. The subsidized tickets shall not be used, and shall not be collected by taxicab companies, for taxicab rides to or from any airport.
5. That the Village Manager shall promulgate appropriate administrative policies, consistent with the terms of this Resolution, for the administration of the program and shall from time to time advise the Village Council of the progress thereof and any modifications which may be appropriate.
6. That Resolutions 92-29, 98-22, ~~and~~ 2000-30, and 2006-06 and all resolutions or parts of resolutions in conflict with the provisions of the Resolution are hereby repealed.
7. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Brian KrajewskiRonald L. Sandack, Mayor

Passed:

Attest: April K. Holden