

ITEM RES 2015-6151

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
3/17/2015

SUBJECT:	SUBMITTED BY:
Resolution Opposing a Reduction in the Allocation of the State of Illinois Local Government Distributive Fund	Enza I. Petrarca Village Attorney

SYNOPSIS

Resolution opposing changes to the allocation of local government distributive fund revenues.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 include *Steward of Financial Sustainability*.

FISCAL IMPACT

Under Governor Rauner's proposed budget, the Village would lose \$2.4 million in annual state shared revenues.

UPDATE & RECOMMENDATION

This item was discussed at the March 10, 2015 Council meeting. The attached resolution has been revised to reflect the Village Council discussion.

BACKGROUND

At the March 3, 2015 Village Council meeting, the Village Council discussed Governor Rauner's proposed budget, which includes a 50 percent reduction in the allocation of state income tax revenue for municipal governments. This reduction would equal \$2.4 million annually. Based on the discussion, staff prepared a resolution opposing the reduction for Council consideration.

ATTACHMENTS

Resolution

RESOLUTION NO. _____

**A RESOLUTION URGING THE GOVERNOR
AND GENERAL ASSEMBLY TO PROTECT FULL FUNDING OF
LOCAL GOVERNMENT DISTRIBUTIVE FUND REVENUES**

WHEREAS, municipalities are front-line providers of government services to citizens and these services include police and fire protection, parks, infrastructure, water, sewer and utility services, and snow removal; and

WHEREAS the State of Illinois has a long-standing tradition of collecting tax revenues on behalf of municipal governments and municipalities have relied on shared income tax revenue to provide services to taxpayers; and

WHEREAS, municipalities have fewer options to raise significant revenue and rely on the full amount of revenue that the State collects on their behalf in order to fund the essential quality-of-life services expected and relied upon by community residents; and

WHEREAS, the General Assembly increased the State income tax without providing any of the new revenues to municipalities and this loss of revenue has left the municipal share at levels collected during the Great Recession; and

WHEREAS, the Governor has proposed a fifty percent (50%) reduction in the local share of the income tax during his FY2016 Budget Address, reducing local revenues by over \$600 million annually; and

WHEREAS, the loss of this state-shared income tax revenue may force local governments to make up the difference through program and front-line service cuts, raising local taxes, delaying needed projects or repairs, and/or laying off workers, including police officers and firefighters, and could increase debt burdens that would be felt by all citizens;

WHEREAS, the Village of Downers Grove alone would lose approximately \$2.4 Million Dollars annually from a fifty percent reduction in the local share of the income tax;

WHEREAS, the Village of Downers Grove firmly supports the goals of balancing the state's budget and ensuring that its financial systems are sustainable, and also supports efforts to rebuild the state's infrastructure to drive economic growth, create jobs to put people back to work and enhance public safety to protect our communities, but believes that depleting the Local Government Distributive Fund will have an adverse impact on these goals;

WHEREAS, the Village of Downers Grove and municipalities statewide endeavor to work closely with the Governor and the General Assembly to instead identify solutions to the state's financial crisis that can help achieve these goals but do not undermine the ability of municipalities to provide essential services to their constituents; and

WHEREAS, in any event, and as part of any comprehensive state budget solution, the Village of Downers Grove urges the Governor and the General Assembly to take steps to free Illinois municipalities from the 280 costly unfunded mandates they are presently obligated to comply with, to remove barriers to additional collaboration among and consolidation of local units of government, and to protect and enhance municipal self-determination and local control;

NOW, THEREFORE, BE IT RESOLVED that the Village of Downers Grove urges the Governor and the General Assembly to work with municipal governments around the state to insure funding of the Local Government Distributive Fund and other revenue sources that allow local governments to continue to fill their role as front line providers of government services ensuring the health, safety and general welfare of their residents in a manner locally determined to best suit the community.

Mayor

Passed:

Attest: _____

Village Clerk