

Request For Board Action

REFERRED TO BOARD: March 2, 2015

AGENDA ITEM NO: 7

ORIGINATING DEPARTMENT: Administration

SUBJECT: **Approval of a Resolution Urging the Governor and General Assembly to Protect Full Funding of Local Government Distributive Fund Reserves**

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

In Governor Rauner's recent state budget address it was proposed that the municipal share of state income taxes (known as LGDF, the Local Government Distributive Fund) be cut in half. Based on numbers reported, a 50% cut in the municipal share of income taxes would result in a reduction of \$714,285 to the Village of Antioch.

On February 25, 2015, Mayor Hanson sent a letter to Governor Rauner expressing his opposition to these cuts. The proposed resolution further urges the Governor and members of the General Assembly to protect full funding of the LGDF and other revenue sources that allow local governments to continue to provide services to their community.

DOCUMENTS ATTACHED:

1. Resolution
2. Letter to Governor Rauner from Mayor Hanson

RECOMMENDED MOTION:

Move to approve a resolution Urging the Governor and General Assembly to Protect Full Funding of Local Government Distributive Fund Reserves

RESOLUTION NO. 15-xx

**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 proposed a 50 percent reduction in the local share of the income tax during his FY2016 Budget Address, reducing local revenues by over \$600 million; and

WHEREAS, the loss of this state-shared income tax revenue would result in elimination of countless jobs, local tax increases, program and service cuts, and could increase debt burdens that would be felt by all citizens.

WHEREAS, the Village of Antioch would lose \$714,285; and

NOW, THEREFORE, BE IT RESOLVED that the Village of Antioch urges the Governor and the General Assembly to protect full funding of the Local Government Distributive Fund and other revenue sources that allow local governments to provide for the health, safety and general welfare of their residents.

Passed by the board of trustees of the village of Antioch, Illinois, on this ____ day of _____, 2015.

ATTEST:

LAWRENCE M. HANSON, MAYOR

LORI K. FOLBRICK, VILLAGE CLERK

Trustees
Dennis B. Crosby
Mary C. Dominiak
Jerry T. Johnson



Trustees
Jay Jozwiak
Scott A. Pierce
Ted P. Poulos

Lawrence M. Hanson, Mayor
Lori K. Folbrick, Village Clerk

The Honorable Bruce Rauner
Office of the Governor
207 State House
Springfield, IL 62706

February 25, 2015

All of us know that sacrifice and tough decisions come during hard times, but so do common sense, logic and reason. The state is dealing with a massive budgetary mess of its own making – made through years and years of putting off pension payments and borrowing and spending beyond its limits – none of which is the fault of local governments or their elected officials. In fact, during that same time, municipal governments balanced their budgets every year, provided for the health, safety and welfare of their residents, invested in infrastructure improvements, and were able to do all of that under the pressure of property tax limitations, declining revenues, unfunded state mandates, and pension benefit sweeteners sent out from the capitol building.

Now is not the time to penalize our city hall for their good stewardship of the local share of state income taxes. Why should our hometowns suffer the drastic cuts being proposed against local governments when they didn't create the problem?

Based on the numbers reported, a 50% cut in the municipal share of income taxes would result in a reduction of \$714,285.00 to my community. Along with a proposed property tax freeze and the likelihood of more unfunded mandates from the state, how are our elected leaders supposed to find the dollars to pay for critical local services? We have already made the tough decisions and we are already operating efficiently and effectively, especially when compared to the state. We balance our budget every year and we watch each dollar to make sure it is returned to the local taxpayers through quality programs and services. When these cuts are passed down to the local level, the message being sent is: thanks for doing the right thing, now you have to pay again for our mistakes.

Please take a stand against the unnecessary and unrealistic cuts that have been proposed against local governments. This is not a case of "don't cut my pet program," this is a case of common sense governing.

Thank you for your support.



Lawrence Hanson
Village of Antioch

Cc: Senator Pamela Althoff, Senator Melinda Bush, Representative Barbara Wheeler and Representative Sherry Jesiel; File