

**Item #5:**  
**Ordinance Approving Village Budgets FY 2010/11**



## **VILLAGE OF LONG GROVE, ILLINOIS PRESS RELEASE**

**FOR IMMEDIATE RELEASE  
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### **Village of Long Grove Strongly Opposes Quinn Proposed Reduction to Municipal Governments Income Tax Revenue**

**Long Grove, IL** – Gov. Quinn made some alarming comments today in his State Budget Address concerning income tax revenue shared by municipal, county and state governments. The governor's budget proposal includes a \$300 million cut to monies guaranteed to municipal governments under the Local Government Distributive Fund (LGDF). The proposal will cut the amount of income tax that goes to local governments from 10 percent to 7 percent. This 30 percent slash in local tax revenue will undoubtedly increase the burden that municipalities are already feeling during this recession.

This cut comes at a time when local governments are trying to balance their budgets for the next fiscal year. The fiscal year of most municipalities begins on May 1. The governor's proposal would force them to re-evaluate an already dire budget situation without sufficient time to fill the gaps created by this cut.

The \$300 million that would be cut from local governments will not do much to help solve our state's nearly \$13 billion deficit. However, \$300 million pulled away from local governments will be felt on Main Street. The re-allocation of these funds will impact personnel and services in localities all over the state. Local governments are at the core of the struggle during this recession and they are feeling the pain more than the governor acknowledges.

The governor's remarks Wednesday came after he made a pledge at the Illinois Municipal League's Annual Conference in September guaranteeing municipalities 10 percent of current tax revenue and 10 percent of any additional tax revenue created from a tax increase. Pending a tax increase, this would have resulted in a growth of the funds distributed to municipal governments under LGDF. Gov. Quinn has now backtracked on his promise and wants to strip local governments of these funds. The governor's budget proposal must be approved by both the House and Senate in the Illinois General Assembly before becoming law.

In response to the proposal, Long Grove Village President Maria Rodriguez stated, "This proposal means that our small town alone would lose more than \$155,000 dollars a year, or approximately 7% of our total annual budget, at a time when we are already cutting services to balance the books. This kind of theft by the state of funds it owes our local communities is simply unacceptable.

Rodriguez continued, "We and many other local communities have made very difficult decisions to reduce funding for critical programs such as: police protection; downtown operations; park district operations, road maintenance, mosquito abatement, and more in order to have a balanced budget. If this change in funding is approved, we and other towns across the state will be forced to consider

deeper cuts including the possibility of completely eliminating funding for critical local services.

Right now the state is four months behind in distributing the State Income & Sales Tax payments to municipalities and are owed more than \$164,000 in sales taxes collected in our community. The state must stop attempting to balance its budget woes on the backs of others."

To interview Maria Rodriguez, call 847-571-1780.

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# Daily Herald

Big Picture . Local Focus

## Mayors say cut to income tax money would devastate local budgets

By Timothy Magaw | Daily Herald Staff

Published: 3/14/2010

SPRINGFIELD - Gov. Pat Quinn appears to be breaking a promise to suburban communities that he wouldn't toy with their share of the state's income tax revenue, and area officials say such a move could have a devastating impact.

Quinn's budget director, David Vaught, said the governor is looking at trimming back municipalities' 10 percent share of income tax revenue to 7 percent - a \$300 million hit for villages and cities throughout the state.

Needless to say, suburban officials aren't taking kindly to the governor's proposal, as Vaught put it, to "share the pain."

"It would have a dire effect as our budget is concerned," Schaumburg Mayor Al Larson said. "It really would."

Larson said Quinn vowed during a visit with the Metropolitan Mayors Caucus before the Feb. 2 primary that he wouldn't cut the amount promised to municipalities, calling the move "off limits." Chicago Mayor Richard Daley recently told reporters a similar story of Quinn's promise at the pre-election meeting.

Quinn's staff did not respond to inquiries about that meeting but since proposing the cut, the governor has defended it, saying that everyone must sacrifice.

Larson said Quinn's maneuver, which would need to be approved by the General Assembly, would add \$1.7 million to Schaumburg's \$17.6 million budget shortfall, which the village is already trying to mitigate with higher property taxes.

"I don't know where the money's going to come from," Larson added.

Naperville City Manager Doug Krieger said the proposal is like "kicking us when we're down," and foresees more personnel cuts if the governor's plan is kicked into gear.

"It's unfair to try to solve some of the state's problems just by pushing it over to the local municipalities," said Krieger, adding that the proposal could cost Naperville roughly \$3 million.

Arlington Heights Village Manager Bill Dixon said the village's board expressed concern over the governor's proposal at a meeting last week. He said Quinn's plan would cost the village about \$2 million "at a time when many of our other revenue sources have been negatively impacted by the recession."

Local officials' objections aren't being ignored at the Capitol, where the General Assembly has no shortage of former mayors, village presidents and other municipal officials.

Political observers consider Quinn's idea has little chance of passing and note that the local share was part of the original deal when Illinois first instituted an income tax.

Legislative leaders are similarly cool to the idea.

Senate President John Cullerton, a Chicago Democrat, said it would be "difficult" to pass such a measure given the outcry from municipalities throughout the state.

Quinn wasn't the first candidate for governor to support such a move. GOP candidate Adam Andrzejewski, a Hinsdale businessman who garnered 14.5 percent vote in the Republican race, proposed going as far as eliminating municipalities' income tax share altogether.

If such a cut were to occur, municipal officials have predicted it would spur the single largest property tax increase ever across the Illinois as communities scramble to make up lost millions from the state.

## Income tax share

Gov. Pat Quinn's budget plan calls on saving \$300 million by no longer sending local governments their full share of the state's income tax money. Quinn would reduce the current local share from 10 percent to 7 percent.

**Here's a look** at how much each area community received in state income tax money last year.

Town	Income tax received in FY'09	Town	Income tax received in FY'09
Addison	\$3,193,174	Lindenhurst	\$1,239,349
Algonquin	\$2,634,502	Lisle	\$2,031,580
Antioch	\$1,186,140	Lombard	\$3,793,676
Arlington Heights	\$6,650,039	Long Grove	\$582,093
Aurora	\$14,233,070	Maple Park	\$113,739
Bannockburn	\$123,506	Marengo	\$660,052
Barrington	\$878,801	McHenry	\$5,670,846
Barrington Hills	\$339,662	Mettawa	\$31,719
Bartlett	\$3,578,297	Montgomery	\$1,436,759
Batavia	\$2,183,520	Mount Prospect	\$4,862,879
Bensenville	\$1,789,321	Mundelein	\$2,673,654
Big Rock	\$73,377	Naperville	\$12,045,660
Bloomington	\$1,975,228	North Aurora	\$1,373,602
Bolingbrook	\$6,019,862	North Barrington	\$252,197
Buffalo Grove	\$3,733,263	North Chicago	\$3,104,325
Bull Valley	\$62,747	Northbrook	\$2,974,770
Burlington	\$39,065	Northfield	\$494,887
Campton Hills	\$1,122,810	Oak Brook	\$752,098
Carol Stream	\$3,520,909	Oak Park	\$4,539,551
Carpentersville	\$2,995,772	Oakbrook Terrace	\$198,785
Cary	\$1,617,330	Oakwood Hills	\$189,623
Crystal Lake	\$3,438,802	Old Mill Creek	\$21,693
Darien	\$2,041,000	Oswego	\$2,251,131
Deer Park	\$268,100	Palatine	\$5,774,093
Deerfield	\$1,592,006	Park Ridge	\$3,264,822

Des Plaines	\$5,074,195	Park City	\$573,623
Downers Grove	\$4,211,124	Pingree Grove	\$283,443
East Dundee	\$255,395	Plainfield	\$3,226,708
Elburn	\$408,027	Port Barrington	\$137,853
Elgin	\$8,920,567	Prairie Grove	\$148,483
Elk Grove Village	\$3,001,390	Prospect Heights	\$1,476,279
Elmhurst	\$3,742,165	Riverwoods	\$337,502
Evanston	\$6,416,338	Rolling Meadows	\$2,126,478
Fox Lake	\$924,694	Roselle	\$1,997,786
Fox River Grove	\$420,213	Rosemont	\$365,072
Geneva	\$1,892,862	Round Lake	\$1,432,287
Gilberts	\$550,029	Round Lake Beach	\$2,234,945
Glen Eilyn	\$2,333,473	Round Lake Heights	\$239,665
Glencoe	\$757,283	Round Lake Park	\$521,853
Glendale Heights	\$2,745,389	St. Charles	\$2,751,353
Glenview	\$3,841,125	Schaumburg	\$6,563,006
Grayslake	\$1,757,084	Sleepy Hollow	\$307,079
Green Oaks	\$308,721	South Barrington	\$324,970
Gurnee	\$2,693,965	South Elgin	\$1,801,508
Hainesville	\$297,658	Spring Grove	\$466,539
Hampshire	\$329,723	Streamwood	\$3,389,452
Hanover Park	\$3,308,296	Sugar Grove	\$764,716
Hawthorn Woods	\$650,199	Third Lake	\$117,110
Highland Park	\$2,615,488	Tower Lakes	\$113,221
Highwood	\$495,320	Trout Valley	\$51,770
Hinsdale	\$1,550,520	Vernon Hills	\$2,018,356
Hoffman Estates	\$4,370,411	Villa Park	\$1,946,102
Holiday Hills	\$71,822	Virgil	\$22,990
Huntley	\$1,502,260	Volo	\$139,668
Indian Creek	\$47,881	Wadsworth	\$289,880
Inverness	\$583,303	Warrenville	\$1,154,939
Island Lake	\$704,648	Wauconda	\$1,090,204
Itasca	\$717,526	Waukegan	\$7,948,103
Johnsburg	\$591,687	Wayne	\$184,697
Kaneville	\$38,028	West Chicago	\$2,319,817

Kenilworth	\$215,552	West Dundee	\$628,937
Kildeer	\$361,097	Westmont	\$2,265,368
Lake Barrington	\$411,139	Wheaton	\$4,789,501
Lake Bluff	\$523,409	Wheeling	\$3,332,236
Lake Forest	\$1,733,489	Willowbrook	\$775,001
Lake in the Hills	\$2,523,269	Wilmette	\$2,389,824
Lake Villa	\$743,455	Winfield	\$782,202
Lake Zurich	\$1,658,054	Winnetka	\$1,073,351
Lakewood	\$299,198	Wood Dale	\$1,169,805
Lakemoor	\$412,003	Woodridge	\$3,070,584
Libertyville	\$1,792,692	Woodstock	\$2,104,100
Lily Lake	\$71,303	Yorkville	\$1,004,980
Lincolnshire	\$585,401		

Source: Illinois Department of Revenue

[www.chicagotribune.com/news/elections/ct-met-quinn-budget-speech-0311-20100310,0,4512692.story](http://www.chicagotribune.com/news/elections/ct-met-quinn-budget-speech-0311-20100310,0,4512692.story)

## chicagotribune.com

### Raise taxes or cut education, Quinn says

#### Governor calls for 'some difficult, painful choices'

By Ray Long, Monique Garcia and Bob Sexter, Tribune reporters

9:32 PM CST, March 10, 2010

#### SPRINGFIELD

— Democratic Gov. Pat Quinn pitched a 33 percent income tax increase Wednesday, framing the debate as a choice between finding more money or hurting schoolchildren.

But the governor's challenge to lawmakers immediately ran into Republican criticism that Quinn is holding students hostage and into a Democratic dose of political reality.

"The people of America don't want tax increases. ... They're hurting," said House Speaker Michael Madigan, D- Chicago, speaking on public television's " Illinois Lawmakers."

Madigan did not say whether he'll muster the Democratic votes required to approve a tax increase this spring, noting the Republican rallying cry against higher taxes before the November election. It was clear lawmakers from both parties do not feel bound by the choices Quinn is offering.

Democratic leaders who control the House and Senate are trying to finish business by early May so lawmakers can go home and campaign. That means the General Assembly could repeat last year's tactic of postponing hard decisions in the hope that a second straight year of relying on borrowing could get them safely through the election.

Quinn warned against that approach.

"It might seem easy to close our eyes, cross our fingers and kick the can down the road," Quinn said in his budget speech. "But we can't do that. The cost of doing nothing is too great. I have made some difficult, painful choices in this budget. You must make some tough choices as well."

Republican state Sen. Bill Brady, Quinn's rival in the governor's race, called Quinn's proposals a "catastrophe."

"We cannot increase taxes in this state," said Brady, of Bloomington. "All we're going to do is push more jobs out of the state."

During his speech, Quinn tried to pre-empt Brady's attack, lashing out at Brady's call for 10 percent across-the-board cuts as a budget solution.

"That approach is both heartless — and naive," Quinn said. "Taking a chainsaw to our state budget for schools, for health care, for human services and public safety is wrong."

Without taking action, the state faces a potential \$13 billion shortfall in the budget year that begins July 1. Quinn formally presented a spending plan that relies on borrowing \$4.7 billion, rolling over about \$6 billion in backlogged bills and cutting about \$2 billion.

Quinn wants to raise the individual income tax rate to 4 percent from the current 3 percent rate — a 33 percent increase. Corporations would see the rate go to 5.8 percent from 4.8 percent.

If approved, the state could raise more than \$2.8 billion, with \$1.3 billion to prevent Quinn's slashing of school funding, and the rest for paying down old bills, depending on how lawmakers divide the funds.

At a minimum, Quinn has made school funding a key issue this spring, thrusting powerful teacher unions into the debate as officials estimate 17,000 teachers could be laid off. The Illinois Federation of Teachers welcomed Quinn's call for a tax increase, but said it's not large enough to deal with the state's overall money problems.

The sweeping education cuts under Quinn's no-tax-hike proposal mean the state's minimum funding level per student would drop from its current level of \$6,119 a year to \$5,669 a year.

According to a legislative budget analysis, Quinn also suggested a \$401 million decrease in grants ranging from transportation to special education, categories that represent a significant share of state funding for suburban school districts, particularly an important issue to Republicans.

Funding for bilingual programs would be cut by \$20 million, and early education, a program highlighted by President Barack Obama, also would be cut by \$54 million.

House Republican leader Tom Cross, of Oswego, accused Quinn of using "scare tactics" on educators and parents fearful that jobs, salaries and programs would be cut and force local officials to raise property taxes to make up the difference.

Cross gave no sign that he's dropping his longtime opposition to a tax increase, saying Quinn "is a fella and an individual and a politician that likes to hold people hostage. ... No one wants to see (school funding) decimated the way he's talking about. I would suggest to you at the end of the day this isn't going to happen."

"We're not going to be bullied into it," said Senate Republican leader Christine Radogno, of Lemont.

For months, Madigan has made it clear he wants some Republicans to support a tax increase, saying GOP lawmakers need to show a willingness to take the tough vote. GOP support also could provide Democrats with political cover in the fall election.

"I sincerely hope that every member is prepared to cooperate, every member is prepared to do some heavy lifting," Madigan said, referring to the upcoming budget negotiations. "I have my doubts."

Quinn budget chief David Vaught said the proposal is for a permanent tax increase. A Quinn budget office spokeswoman said the governor also would support a temporary tax hike if that's what legislators send him.

Senate President John Cullerton, D-Chicago, supported Quinn's tax plan but said the increase "doesn't have to be permanent."

Cullerton said he hoped to achieve substantial savings in the next budget and down the road from an effort to retool state employee pension plans.

The governor now finds himself in the difficult position of trying to sell complex financial concepts and solutions in a heated political environment that puts a premium on quick and easy-to-digest fixes.

Perhaps nothing illustrates that better than Quinn's rationale for seeking to borrow nearly \$5 billion as part of the budget-balancing equation. The cash-starved state faces a multibillion-dollar pile of unpaid bills and is legally required to pay 12 percent interest to those owed.

So, the administration argument goes, the state actually saves money when it pays those bills on time using money it can borrow at a far lower interest rate. Such a maneuver, however, can be a tough political sell, with nuances often falling by the wayside.

"A family, a business, a government cannot borrow unless it's got a plan to pay it back," said Brady, not dwelling on the intricacies of Quinn's borrowing proposal. "In the financial markets, I'm not sure he could get a loan."

Quinn's campaign said Brady's budget solutions are both vague and an "economic vision for 1910, not for 2010."

Tribune reporter Michelle Manchir contributed to this report.

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