

Item #5:

Resolution Opposing Reduction In Distributive Revenues By The State

**VILLAGE OF LONG GROVE
RESOLUTION NO. 2011-R-__**

**A RESOLUTION OPPOSING THE PROPOSED REDUCTION OF
DISTRIBUTIVE REVENUES BY THE STATE OF ILLINOIS**

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois, as follows:

WHEREAS, when the State Income Tax; State Sales Tax; State Gas Tax and State Personal Property Replacement Tax were adopted, these revenue sources were sold to the people of Illinois by various governors and legislators in part on the notion that portions of these revenues would be returned to local municipalities under the rationale that the returned revenues would be used to fund local services and invest in local capital projects;

WHEREAS, Illinois taxpayers live in municipalities throughout the state and contribute income tax of which 90% goes to the state and 10% goes to municipal services; and

WHEREAS, the State of Illinois Recently approved an 66% Income Tax increase and corporate taxes that were identified as an alternative solution to addressing the \$14 billion State deficit and an alternative to seeking additional bonds and going into further debt to pay current obligations;

WHEREAS, the budget director for Governor Pat Quinn, David Vaught, has proposed that municipalities "share the pain" and swallow a \$300 million reduction in Local Government Distributive Fund (LGDF) revenue.

WHEREAS, Illinois municipalities recognize the compelling need for solutions that address the financial challenges facing the State of Illinois and the Illinois municipalities and strongly supports solving existing severe financial problems through reduced spending, increased efficiencies, etc that would effectively address these financial concerns without going into further debt and/or passing the State's financial burden onto municipalities; and

WHEREAS, Illinois municipalities are currently experiencing a tremendous decline in revenues during this great recession; and

WHEREAS, municipalities are in fiscal turmoil and unable to provide vital services to citizens including police, fire, streets, sewers and water; and to fill the potholes left by winter; and

WHEREAS, this reduction compounds on the state's late payments of Local Government Distributive Fund amounts to municipalities by four months causing shortfalls in meeting municipal bills; and

WHEREAS, local taxpayers deserve to have these tax dollars returned to their communities to pay for local community employees, to provide local community services and to not see local tax increases; and

WHEREAS, 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; and

WHEREAS, local municipalities 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; and

WHEREAS, 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; and

WHEREAS, municipalities continue to challenge the State of Illinois put forth alternatives to further going into debt to pay off that do not further increase the deficit State of Illinois to address their budget shortfall adversely impacting the quality of life of Lake County residents; and

WHEREAS, the State of Illinois must stop attempting to balance its budget woes on the backs of others.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois as follows:

SECTION 1: For all the forgoing reasons, the Village of Long Grove strenuously opposes any reduction of the Local Government Distributive Fund due municipalities and demands the 10% be kept whole.

SECTION 2: The Village of Long Grove requests every Senator and Representative to reject this or any diminution of desperately needed revenue due municipalities.

SECTION 3: Based upon the Illinois Municipal League (IML) estimate of \$77 per person the state shared revenues for Income Tax account for \$619,311 or 28% of total revenues of the Village's total revenues.

SECTION 4: The Village of Long Grove will be severely financially impacted by the proposed partial reduction in Income Tax shared revenues in the amount of \$185,793 and will be forced to make further local budget cuts and reductions of services at a time when the Village is already cutting services to balance the books.

SECTION 5: The Village Clerk is hereby directed to send copies of this Resolution to Governor Quinn, the legislative leaders of both chambers of the Illinois General Assembly and members representing this municipality.

SECTION 6. This Resolution shall be in effect from and after its passage and approval in the manner provided by law.

PASSED THIS 12TH DAY OF APRIL, 2011.

AYES: () XXX,

NAYS: ()

ABSENT: ()

APPROVED THIS 12th DAY OF APRIL, 2011.

Village President, Maria Rodriguez

ATTEST:

Village Clerk, Karen Schultheis