



3110 RFD, ILLINOIS 60047-9613

May 17, 2013

Dear State Senator (Link) (Duffy)/State Representative (Sullivan):

I am writing to urge you to vote “**No**” for any further reductions of the municipalities’ share of the State Income Tax [the Local Government Distributive Fund (LGDF)] being considered by the Illinois legislature.

Municipalities have received 10% of the total income tax for many years and this has its roots in the 1970 Illinois constitution and the income tax instituted by Governor Ogilvie. This 10% share was not continued in the recent 2% increase of the State Income Tax. While that alone was an abrogation of the state/municipal compact of shared revenue, many of us understood the fiscal woes of the State and reluctantly accepted the decision.

As you know, the municipal share of State Income Tax is not a grant. Rather the State is simply the collector of the funds and is obligated under State law dating back to the 1970’s to disburse the funds to Illinois municipalities. These are tax dollars paid by State residents with the expectation that our village will receive the money to pay for local services such as police; emergency management; road maintenance/ snow removal; storm water management, etc.

The Village of Long Grove is a non-home rule community that does not levy a municipal property tax on our 8,025 residents but rather funds operations through user fees, sales taxes and shared revenues. At an estimated annual value of \$150,404.10, these shared revenues make up approximately 5% of the Village’s \$2.86M annual budget. If these funds are eliminated, the Village finances will be devastated and our only option will be to ask our residents to approve a property tax referendum to replace these funds or face further reductions in police protection, road maintenance, snow removal, public works projects and staff. In short, the residents will be asked to pay even more taxes, during what are already very difficult financial times, on top of the recent 67% State Income Tax increase simply to preserve their existing services.

Raiding these essential local revenues is not “sharing the pain”, but rather passing the buck and increasing the taxes on Illinois residents and still not solving the State’s self-created \$13B deficit. You must vote against the State’s taking any of these essential funds away from local governments.

Very truly yours,

A handwritten signature in blue ink that reads "Angela K. Underwood".

Angela Underwood
Village President
Village of Long Grove
847-634-9440

David Lothspeich

From: Sherry Schlagman
Sent: Friday, May 17, 2013 1:39 PM
Subject: Opposition to Reduction in State Shared Revenues
Attachments: image002.png; image003.png; image002.png; image003.png

Please share this information with the residents of your subdivision:



May 17, 2013

Dear Long Grove Residents,

As the Village shared with you on March 27th, the State of Illinois is facing a financial crisis that they need to resolve by cutting their expenses and balancing the State's budget. I am writing to inform you that Governor Pat Quinn and House Speaker Michael Madigan are publicly working toward balancing the State's budget on the backs of all local governments, including Long Grove. Governor Quinn and Speaker Madigan are suggesting that local governments need to "share the sacrifice" by eliminating Income Tax Revenue to local governments (municipalities, cities and towns).

As we all have felt in our own budgets, the State approved a 67% Income Tax increase last year to increase State's revenues. However, none of these increased revenues were passed along to local governments. Although we all are paying significantly higher income taxes to the State, the State remains in dire financial straits and is now proposing to further impact taxpayers by eliminating all of the Income Tax revenues that are distributed to local governments. This action would violate the commitment made by the State with taxpayers when they "sold" the Illinois Taxpayers on imposing the State Income Tax with "sharing" a percentage (10%) of the State Income Tax with local governments.

While the Village was once again able to balance its budget by continuing to control expenditures, the State of Illinois is once again attempting to balance their budget on the backs of local governments by increasing their revenues through the elimination of our share of income tax revenues (your tax dollars) while still not resolving their financial crisis. If the State eliminates these revenues to local governments, the Village of Long Grove's budget would become unbalanced due to the immediate loss of \$150,404.10 in revenues (5% of total Village revenues) and the Village would be forced by the State's actions to significantly reduce/eliminate expenses for critical services such as police protection, road maintenance (paving, patching, snow removal), etc.

*Although, the Village Board has been proactively working with the surrounding communities to be informed, present a unified position and inform our State Representatives of the significant impact to Village finances and our strong opposition, Governor Quinn and House Speaker Madigan continue to publicly discuss the reduction of income tax revenues to "share the pain." As a non-home rule municipality that has not levied a local property tax since incorporation in 1956, the Village of Long Grove would be forced by the State's actions to further reducing/eliminating critical services and/or go to our residents requesting approval of a local property tax to offset these revenues. The State efforts to balance their budget fails to address their problems and simply "passes the buck" onto the backs of local governments and the Taxpayers of Illinois. **Due to the severe impact on our finances and ability to provide critical services for our Residents, the Village of Long Grove is asking for your support to immediately contact our local State Representatives opposing the State's reduction of shared revenues to local governments.***

Please visit the Village's Home Page (www.longgrove.net) for additional information on this issue. On behalf of the Village Board, thank you in advance for your assistance on this critical matter.

Sincerely,
Angie Underwood
Village President
Village of Long Grove

Sherry Shlagman
Administrative Assistant
Village of Long Grove
O: 847-634-9440
F: 847-634-9408