

VILLAGE OF

*Glen Ellyn* ILLINOIS

**Village of Glen Ellyn**

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FOR IMMEDIATE RELEASE

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**GLEN ELLYN VILLAGE BOARD APPROVES CALENDAR YEAR 2018 BUDGET**

**Glen Ellyn, IL –** The Village Board approved the Calendar Year 2018 (CY18) Budget in December. The budget process continues to be more challenging as local governments continue to feel the impact of the State's budget problems. Several recent actions by the Illinois Legislature have reduced the per capita amount of State income tax received by the Village of Glen Ellyn. The expiration of State Net Operating Loss limitations of \$100,000 in 2016 significantly reduced income tax received by the Village. Glen Ellyn's share of state income tax shrank by \$225,000 from fiscal year 2015 to 2016. Then, in 2017, to address the state's continued fiscal issues, the State reduced Glen Ellyn's share of the income tax by 10 percent beginning with the State's fiscal year 2018 (July 1, 2017 to June 30, 2018). This 10 percent reduction will cost Glen Ellyn approximately \$290,000 annually. By the end of 2017, the Village's income tax fell to 2012 levels. The State of Illinois also began charging Glen Ellyn a two percent fee to collect its Home Rule Sales Tax. For 2018, this will result in an additional revenue cut of \$40,000.

During a series of public budget meetings regarding the CY18 budget, the Board deliberated on ways the Village should address the shortfall in operating revenue. As part of preparing the budget for 2018, each department cut costs to reduce the budget while retaining the current service levels. In addition, the Village Board reviewed various options to replace the lost revenue including a food and beverage tax, a property tax increase, and a home rule sales tax increase.

Over the last four years, the Village Board has frozen the operating property tax levy except for new construction, reducing that revenue source by over \$300,000 over the last four years. The capital levy was also frozen for three years in the same manner, reducing that revenue source by \$253,000. The total savings to our residents on property taxes has been over \$550,000. Therefore, the Village Board determined to stay the course and not increase the property tax burden on residents. Instead, the Village Board directed staff to prepare for implementation of an increase of the home rule sales tax by one quarter percent (.25%), starting in July 2018. The current home rule sales tax rate is one percent. It should be noted that Home Rule Sales Tax does not apply to groceries, prescription and non-prescription drugs, and automobile sales and is collected on non-residents as well as residents. The increase would result in a projected increase of operating revenue of \$247,500 for fiscal year 2018, as only a half year will be collected.

The Village Board will be considering the quarter percent home rule sales tax increase in a two reading process at future Board meetings. The first reading will be on February 26, 2018 at its regularly scheduled meeting at 7pm. The second reading and consideration will be at a regular Village Board meeting on March 12, 2018 at 7pm. Both meetings will be held at the Civic Center, 535 Duane Street.





**About the Village of Glen Ellyn**

Located just 23 miles west of Chicago, the Village of Glen Ellyn, Illinois offers big city amenities with a small town feel. A historic downtown filled with unique shops, restaurants and seasonal events is just one of many attributes that draw visitors to this award-winning community. Small-town charm, civic pride, friendly people and some of the best schools in the state make Glen Ellyn the perfect place to call home. For more information about the Village of Glen Ellyn, visit [www.glenellyn.org](http://www.glenellyn.org).

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