

**BUDGET FOOTNOTES
GENERAL FUND REVENUE**

1. **Property Tax: (\$2,329,000)** - In accordance with statutory requirements, each November, the Village Board considers and approves a property tax levy ordinance which directs DuPage County to collect a specified number of dollars from property owners in Glen Ellyn based on the value of their property as determined by the Township Assessor. Property taxes for 2006 will be collected in calendar 2007 (the Village's fiscal year 2007/08).

As in the past, the Village has voluntarily imposed the provisions of the Illinois Tax Cap Law when calculating the increase in property tax revenues for FY07/08 although there is no requirement to do so.

Note: Additional property tax dollars are collected to pay the principal and interest payments on Village- issued capital improvement bonds and total \$3,113,941. These taxes are shown in the Debt Service Fund portion of this budget document (included in the Capital Improvements section).

2. **State Personal Property Replacement Tax: (\$163,000)** - The Illinois Municipal League has projected a 5.6% increase in the receipts of this state distribution for current fiscal year 2006/07 and growth of 5.0% for FY07/08.

These taxes resulted when the new Illinois Constitution directed the legislature to abolish business personal property taxes and replace the revenue lost by local government units and school districts. In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments. Glen Ellyn receives a pro-rata share of current "replacement" tax revenues collected based on its share of personal property taxes collected for the 1977 tax year.

3. **Sales Tax:**

(FY06/07 Estimate \$2,900,000) - The Village's receipt of sales tax has declined by 1.2% compared to the previous year for the first 9 months of FY06/07. We anticipate our year-end total receipts on April 30, 2007 will be very close to our original budget projection of \$2,900,000, which is about 0.5% below actual receipts for FY05/06.

(FY07/08 Budget \$3,000,000) - For FY07/08, we are assuming a 3.4% increase in sales tax collections over our FY06/07 estimate, primarily due to the anticipated opening of new retail developments on Roosevelt Road at Nicoll Way/Avenue.

4. **State Income Tax:**

(FY06/07 Estimate \$2,241,000) - Collections of State Income Taxes are projected to be just over \$100,000 above budget for FY06/07 which ends on April 30, 2007. This estimate is based on trends which show growth of about 11.1% above the same period in the prior year. This revised FY06/07 revenue estimate

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represents a distribution of about \$83.00 per Glen Ellyn resident which agrees to the December, 2006 projection prepared by the Illinois Municipal League.

(FY07/08 Budget \$2,349,000) - State income taxes are distributed to municipalities on a per capita basis from the State of Illinois. Presently, municipalities receive 1/10th of state income taxes collected. The Illinois Municipal League (IML) projects (as of December, 2006) an increase in the municipal share per capita in FY07/08 to \$87.00 per capita. This represents an increase of \$4.00 per capita or 4.8% compared to their FY06/07 estimated revenues.

5. **Vehicle Licenses: (\$475,000)** - Beginning in March, 2005, a new 3-year vehicle sticker was offered as an additional convenience to residents at a \$5 discount (\$70 for a passenger vehicle).

About 20% of residents have opted to purchase a multi-year vehicle sticker since the program began. This has also increased staff efficiency through reduced processing and paperwork (about 3,000 fewer applications need to be processed each year). Vehicle sticker revenues estimated for FY07/08 are projected to increase, as those who first purchased their first 3-year sticker in FY04/05 will be renewing again in FY07/08 (Spring 2008).

6. **Liquor Licenses: (\$110,000)** - These fees reimburse the Village for costs associated with regulating the sale of alcohol including all aspects of licensing, insurance, background checks and Police compliance reviews.

7. **Police Service Reimbursements: (\$142,000)**

	<u>FY06/07</u>	<u>FY07/08</u>
	<u>Estimated</u>	<u>Proposed</u>
Glenbard West School Liaison Officer	\$93,000	\$92,000
Training Reimbursements - State	20,000	20,000
Glenbard West Fingerprinting Reimb.	12,000	12,000
Overtime Billed to requesting "users"	10,000	10,000
False Alarm Fees	8,000	8,000
DuComm Interim Director Reimb.*	47,000	0
	<u>\$190,000</u>	<u>\$142,000</u>

* Glen Ellyn's Police Records Supervisor served as interim DuComm Executive Director from August 2006 through February 2007. During this period DuComm reimbursed the Village for payroll and benefit costs of this position.

8. **Telecommunications Tax: (\$193,000)** - The Village assesses a 6% tax on telecommunications services as follows:

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- 1% is received by the General Fund and replaces the 1% infrastructure maintenance fee which ended in January, 2002.
- 5% is received by the Capital Projects Fund for repair and reconstruction of Village infrastructure assets.

Estimated collections of General Fund telecommunications taxes for FY06/07 have declined by nearly \$44,000 or 17% from FY05/06 actual revenues. Since the State of Illinois took over as the centralized collection agent for these revenues in 2003, it has not been possible for the Village to specifically identify the source of changes in tax receipts.

The Village is presently conducting a utility tax audit of telecommunications companies to verify the correct application of the tax and to identify possible causes for recent revenue declines. The FY07/08 budget assumes an additional 10% erosion in telecommunications tax receipts over the estimate for FY06/07.

9. **Interest Income: (\$750,000)** - With approximately \$15 million in investable cash balances between the General Fund and the Corporate Reserve Fund, a 5.0% interest earnings assumption results in a budget projection of \$750,000 for FY07/08.
10. **Rental Income: (\$100,000)** - The Village receives rental payments for the leasing of space on the Cottage Avenue water tower (to Cingular Wireless and Verizon Wireless) and the Civic Center attic (to NEXTEL and US Cellular).
11. **Accounting Services / Other Funds: (\$492,700)** This revenue represents a reimbursement from other Funds for costs and services paid for by the General Fund, particularly those related to Village administration and finance.
12. **Public Works Service Charge: (\$187,200)** - These charges represent a reimbursement to the General Fund for services provided by and paid for by the Public Works Administration and Street/Forestry Divisions of the General Fund. Beginning in FY06/07, the cost of one full-time Public Works position was no longer directly charged to the Parking Fund, rather, the equivalent cost was added to this interfund transfer to reimburse the General Fund.