

**BUDGET FOOTNOTES
GENERAL FUND REVENUES**

1. **Property Tax: (\$2,650,000)** - 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 2008 will be collected in calendar 2009 (the Village's fiscal year 2009/10).

Property taxes are calculated annually based on our stated objective of self-imposing the State tax cap rules. For the 2008 levy, a growth factor of 4.1% was permitted, representing the change in the Consumer Price Index. A 2.4% new growth estimate was added to the levy to account for new building activity and property annexations.

2. **State Personal Property Replacement Tax: (\$118,000)** - 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.

We are further required to share 18.9% of our receipts received with the Glen Ellyn Library based on the original 1977 distribution formula. Beginning in FY08/09, our payments to the Library are netted against gross revenues received as the Village has no legal claim to this portion of PPRT receipts. Previously, gross revenues were recorded, and an expense representing the Library's allocation was shown in the General Services budget.

For fiscal year 2008/09, the Illinois Municipal League (IML) has projected a 6.1% decline in this revenue source compared to FY07/08 actual revenues due to pessimistic economic forecasts for the coming fiscal year. For fiscal year 2009/10, the IML projects an additional decrease of 12.6% over FY08/09 revenues.

3. **Sales Tax:**
(FY08/09 Estimate \$3,000,000) - The Village's receipt of sales tax has shown no change compared to the previous year for the first 9 months of FY08/09. Assuming this continues for the remainder of FY08/09, our year-end total

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receipts on April 30, 2009 will be about 5% below our original budget projection of \$3,136,000.

(FY09/10 Budget \$3,000,000) - For FY09/10, we are assuming a no increase in sales tax collections over our 2008/09 levels based on weak economic indicators and historical trend.

4. **1% Home Rule Sales Tax: (\$875,000)** Proposed for July 1, 2009 is the implementation of a special 1% home rule sales tax. This tax is needed to compensate for wide-spread revenue losses stemming from significant downturns in the national and local economy as well as to prepare for future funding problems looming on the horizon, primarily relating to mandatory pension contributions.

The amount estimated to be generated by a 1% home rule sales tax in Glen Ellyn is approximately \$1.5 million annually. Estimated revenues are based on the relationship between home rule sales tax collections in neighboring communities and their total general sales tax collections. For FY09/10, if the tax were implemented on July 1, our first collections would be received in October, resulting in 7/12ths of a full year for FY09/10.

5. **State Income Tax:**

(FY08/09 Estimate \$2,500,000) Collections of State Income Taxes are projected to fall just short of budget for FY08/09 which ends on April 30, 2009. This estimate represents a distribution of about \$92.90 per Glen Ellyn resident which agrees to the March, 2009 projection prepared by the Illinois Municipal League.

(FY09/10 Budget \$2,440,000) 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. Growth in this revenue has slowed over the last fiscal year and is projected to decline in the coming fiscal year. For FY09/10 we are assuming a decrease of 2.4% in income tax receipts compared to FY08/09 based on the March, 2009 IML projection. This will result in revenues generated of \$90.50 per capita or about \$2,440,000.

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6. **Vehicle Licenses: (\$350,000)** Beginning in March, 2005, a new 3-year vehicle sticker was offered as an additional convenience to residents.

About 20%-25% of residents have opted to purchase a multi-year vehicle sticker since the program began. Due to the various renewal cycles for multi-year sticker holders, annual revenues fluctuate accordingly.

7. **Liquor Licenses: (\$115,000)** 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.
8. **Building Permits: (\$500,000)** Estimated revenues for FY08/09 and FY09/10 reflect decreased commercial permit activity and are reflective of our current economic climate. Staff is currently reviewing proposed updates to the Village's building permit fee schedule, which was last increased in March, 2003.
9. **Ambulance Service Fees: (\$562,500)** The Village will be expanding its paramedic services in 2009/10 by adding an additional 12 hour shift, resulting in two 24 hour per day units. Under the new contract, the Village will assume responsibility for billing services provided by its contract paramedics. Previously, one 24 hour per day ambulance was provided to the Village at no cost. This unit was supported by direct billings to users by the paramedic service.

Due to the specialized nature of ambulance billing, the Village will contract with a separate firm to handle processing of billing for paramedic services. Costs of the expanded ambulance service and related billing services are reflected in the Fire Department section of this document.

The revenue estimate for FY09/10 is based on a projected contract start date of May 1, 2009 and an annualized projection of historical collection levels of \$750,000, reduced by a 3 month cash flow allowance created by billing and collection lags.

10. **Police Service Reimbursements: (\$145,000)**

	<u>FY07/08</u> <u>Estimated</u>	<u>FY08/09</u> <u>Proposed</u>
Glenbard West School Liaison Officer	\$94,000	\$97,000
ETSB Contract Service	98,000	0

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Glenbard West Fingerprinting Reimb.	12,000	12,000
Overtime Billed to requesting "users"	10,000	10,000
Towing Fees	0	10,000
False Alarm Fees	<u>6,000</u>	<u>16,000</u>
	<u>\$220,000</u>	<u>\$145,000</u>

11. **Telecommunications Tax: (\$0)** The General Fund portion of the telecommunications tax was redirected to the Capital Projects Fund effective May 1, 2008. Prior to May 1, 2008, the Village distributed its 6% telecommunications tax between the General Fund (1%) and Capital Projects Fund (5%). A corresponding annual transfer out to the Capital Projects fund was eliminated to neutralize the revenue loss to the General Fund.

Previously, the General Fund allocation of this tax was received in the form of a telephone franchise fee, which was ended by the General Assembly and replaced with the 1% Infrastructure Maintenance Fee effective January 1, 1998. The franchise fees and subsequent IMF were intended to reimburse the Village for costs incurred in connection with telecommunications provider activities conducted within municipal rights-of-way. Following legal challenges initiated by wireless telecommunications providers, the IMF was ended in January 2002 and replaced with an increase in the allowable municipal telecommunications tax from 5% to 6%.

12. **Accounting Services: (\$242,000)** The Village provides certain administrative and financial services to the Glenbard Wastewater Authority which is jointly owned by the Villages of Glen Ellyn and Lombard. Additionally, the Village provides some accounting support services to the Glen Ellyn Library.
13. **Interest Income: (\$12,000)** Projected interest earnings on Village cash balances will continue to decline significantly in the coming fiscal year as short-term interest rates are presently at historical lows.
14. **Rental Income: (\$127,000)** The Village receives rental payments for the leasing of space on the Cottage Avenue water tower (Cingular Wireless, Verizon Wireless and T-Mobile) and the Civic Center attic (Nextel and U.S. Cellular).
15. **IFT / Motor Fuel Tax Fund: (\$400,000)** A transfer is made each year from the Motor Fuel Tax Fund to reimburse the General Fund for various MFT-qualified expenses such as street sweeping and snow and ice removal.

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16. **Accounting Services / Other Funds: (\$502,500)** 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.

17. **Public Works Service Charge: (\$309,400)** 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 FY08/09, the cost of two administrative positions in the Water and Sanitary Sewer Fund are being directly charged to the General Fund, the cost of which will now be reimbursed through this service charge/interfund transfer.