

BUDGET FOOTNOTES
GENERAL FUND REVENUES

1. **Property Tax: (\$2,740,000)** - 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 2009 will be collected in calendar 2010 (the Village's fiscal year 2010/11).

Property taxes are calculated annually based on our stated objective of self-imposing the State tax cap rules. For the 2009 levy, a growth factor of 0.1% was permitted, representing the change in the Consumer Price Index (CPI). Given the nominal change in the CPI for 2009, no inflation adjustment was included in the 2009 approved levy. A 2.5% new growth estimate was added to the levy to account for new building activity and property annexations.

See property value and property tax collection trend information following these footnotes.

2. **SSA 18 Tax: (\$102,000)** In 2009, the Village, with the consent of DuPage County, established a special service area (SSA) in unincorporated areas north of the Village limits which are served by the Glen Ellyn Volunteer Fire Company. This SSA was established to ensure that residents in the unincorporated areas served by the Fire Company paid a proportionate share of total fire and related emergency services costs.

The annual tax levy for this SSA is based on the proportionate equalized assessed value (EAV) of properties located within the SSA relative to the total EAV served by the Fire Company, multiplied by the actual fire services costs for the previously completed fiscal year. Proceeds of this SSA tax are transferred to the Fire Company for future apparatus purchases. There are approximately 1,400 properties situated within SSA 18.

3. **SSA 19 Tax: (\$88,000)** This special service area (SSA) was also established in 2009 and is situated in the unincorporated areas south of the Village limits which are served by the Volunteer Fire Company. Approximately 800 properties are located within the boundaries of SSA 19.
4. **State Personal Property Replacement Tax: (\$100,000)** - 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

**BUDGET FOOTNOTES
GENERAL FUND REVENUES**

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 were 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.

Estimated receipts for FY09/10 are anticipated to decline by 18.2% compared to actual revenues received in FY08/09. For fiscal year 2010/11, we are projecting an additional 9.1% decline in this revenue source compared to our estimate for FY09/10.

5. **Sales Tax:**

(FY09/10 Estimate \$2,980,000) - The Village’s receipt of sales tax has declined by approximately 1.0% compared to the previous year for the first 9 months of FY09/10. Assuming this continues for the remainder of FY08/09, our year-end total receipts on April 30, 2010 will be about 0.7% or \$20,000 below our original budget projection of \$3,000,000.

(FY10/11 Budget \$3,000,000) - For FY10/11, we are assuming no increase in sales tax collections over our 2009/10 budget based on weak economic indicators and historical trend. See sales tax collection and sector trend information following these footnotes.

6. **Home Rule Sales Tax:**

On July 1, 2009, the Village implemented an additional 1% home rule sales tax 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.

In addition to the ordinance adopting the home rule sales tax, on March 30, 2009, the Village Board adopted ***Ordinance No. 5741, An Ordinance Providing for an Annual Review and Specific Uses of Home Rule Retailers’ Occupation Tax***

**BUDGET FOOTNOTES
GENERAL FUND REVENUES**

and Service Occupation Tax. Among the provisions in this ordinance included a statement identifying the principal uses of funds raised from the sales tax as follows:

(D) Use of Funds: Revenues generated from the home rule municipal retailers' occupation tax and home rule service occupation tax are intended to maintain funding requirements of Glen Ellyn's police pension fund and Illinois municipal retirement fund obligations as mandated by the State of Illinois; to maintain adequate cash reserves as determined by adopted financial policies; and to provide a dedicated funding source for downtown revitalization efforts through the designation of up to fifteen percent (15%) of the revenues to fund improvements to the central business district.

(FY09/10 Estimate \$1,010,000) - Revenues generated for the first partial year (collections began in October 2009) are projected to be about 15% above our initial conservative estimates.

(FY10/11 Budget \$1,750,000) - Our FY10/11 projection is based upon the first four months of collections from October 2009 to January 2010.

7. **State Income Tax:**

(FY09/10 Estimate \$2,125,000) Collections of State income taxes began a precipitous decline immediately following the adoption of the FY09/10 budget, which was based on Illinois Municipal League (IML) projections calling for a decrease from 2008/09 of about 2.5%. Based on revised estimates, we will likely conclude FY09/10 about \$335,000 or 13.6% below last year's actual revenues.

See historical trend information following these footnotes.

(FY10/11 Budget \$2,100,000) 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 been negative over the last fiscal year and is projected to decline in the coming fiscal year. For FY10/11 we are assuming an additional decrease of \$25,000 or 1.2% in income tax receipts compared to our FY09/10 estimate.

**BUDGET FOOTNOTES
GENERAL FUND REVENUES**

8. **Vehicle Licenses: (\$425,000)** 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.
9. **Dog License Fees: (\$6,000)** Registration fees collected for local dog licenses were previously shown in the "Other Revenue" line item (489000). Beginning in FY10/11 these fees are being separated into their own revenue account to provide additional detail.
10. **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.
11. **Building Permits: (\$400,000)** Estimated revenues for FY09/10 and FY10/11 reflect decreased permit activity and are reflective of our current economic climate.
12. **Contractor Registration Fees: (\$50,000)** Beginning in FY09/10, the Village began registering contractors working in the Village. This was done to provide additional information regarding contractors working in the Village.
13. **Intergovernmental Grants: (FY09/10 Estimated Actual - \$40,000)** The Village was the recipient of a federal grant to assist in the replacement of our current in-car police video recording systems which have reached the end of their usable life.
14. **Ambulance Service Fees: (\$750,000)** The Village expanded its paramedic services in 2009/10 by adding an additional 12 hour shift, resulting in two 24 hour per day units. Under a new vendor contract, the Village assumed responsibility for billing services provided by its contract paramedics. Previously, the service provider handled the billing and collection of accounts and charged the Village service fees net of collections.
15. **Police False Alarm Fees: (\$10,000)** False alarm fees were previously shown in the Police Service Reimbursements account (440100) and beginning in FY10/11 are being separated into their own revenue account to provide additional detail.

**BUDGET FOOTNOTES
GENERAL FUND REVENUES**

16. **Fingerprinting Fees: (\$16,000)** Fees collected for this service provided by the Police Department are being separated into their own account beginning in FY10/11 for better tracking and detail. This includes reimbursements for the services provided by a part-time Community Service Officer who handles all fingerprinting of School District 87 employees.
17. **Accident Reports: (\$3,000)** Fees collected for the preparation of accident reports were previously shown in the "Other Revenue" line item (489000). Beginning in FY10/11 these fees are being separated into their own revenue account to provide additional detail.

18. **Police Service Reimbursements: (\$112,000)**

	FY09/10	FY10/11
	<u>Estimated</u>	<u>Proposed</u>
Glenbard West School Liaison Officer	\$92,000	\$97,000
District 87 Fingerprinting Reimb.	12,000	0
Overtime Billed to requesting "users"	<u>16,000</u>	<u>15,000</u>
	<u>\$120,000</u>	<u>\$112,000</u>

19. **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%.

20. **Accounting Services: (\$128,000)** The Village provides certain administrative and financial services to the Glenbard Wastewater Authority (GWA) which is

BUDGET FOOTNOTES
GENERAL FUND REVENUES

jointly owned by the Villages of Glen Ellyn and Lombard. Additionally, the Village provides some accounting support services to the Glen Ellyn Library.

The reduction in fees beginning in FY10/11 relates to a renegotiation of the intergovernmental agreement between the Villages of Glen Ellyn and Lombard which sets forth the manner in which Glen Ellyn is compensated in their role of lead agency for the GWA.

21. **Facility Rental Fees: (\$16,000)** Fees collected for the rental of the Civic Center gymnasium and other facilities were previously shown in the "Other Revenue" line item (489000). Beginning in FY10/11 these fees are being separated into their own revenue account to provide additional detail.

22. **Police Ordinance Fines: (\$300,000)** Base fines for local ordinance violations will be increased as a result of a surrounding community study which revealed Glen Ellyn's fine structure lagged significantly behind communities surveyed. In addition to a general fine increase, the adoption of an administrative towing ordinance will be added to further cover the costs incurred through the towing of approximately 300 vehicles annually.

23. **Interest Income: (\$19,000)** Projected interest earnings on Village cash balances will remain flat as short-term interest rates remain at historic lows.

Beginning in FY10/11, a change in policy is proposed with respect to treatment of interest earned on Corporate Reserve Fund balances. Beginning in FY91/92, the Village Board made a policy decision to transfer interest earnings of Corporate Reserve Fund balances to the General Fund as a means of capping growth in reserve fund balances. Now that much of the Village's reserve funds have been depleted, we recommend rescinding the prior policy directive so that we can begin the process of slowly reestablishing reserves. This will be considered along with the update of a number of other financial policies later in FY10/11.

24. **Rental Income: (\$131,000)** The Village receives rental payments for the leasing of space on the Cottage Avenue water tower (AT&T, Verizon and T-Mobile) and the Civic Center attic (Nextel and U.S. Cellular).

25. **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.

**BUDGET FOOTNOTES
GENERAL FUND REVENUES**

26. **Accounting Services / Other Funds: (\$460,500)** 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.
27. **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 Operation 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.