

Request for City Council Action

Date: March 24, 2015

<p>Agenda Section: Consent Agenda</p> <p>No. 5</p>	<p>Originating Department:</p> <p>City Manager's Office</p>
<p>Item: Resolution Urging the Governor and General Assembly to Protect Full Funding of Local Government Distributive Fund Revenues</p> <p>No. 5. 11</p>	<p>Approved:</p>

Background:

Governor Rauner has proposed a 50% cut in Local Government Distributive Fund (LGDF) revenues the City receives from the State on a per capita basis. The LGDF is comprised of the municipality's portion of the State Income Tax. The Illinois Municipal League reports annual estimates for this tax, and for FY2016 estimates the State would provide the City of Carbondale \$99 per resident, or \$2.56 million.

If the Governor's proposed reduction is approved by the Legislature in July, it would cost the City \$1,282,149. This loss of revenue could have a substantial impact on the ability of the City to provide essential services to the public.

Recommended Action:

The City Council is requested to approve a resolution urging the Governor and General Assembly to protect full funding of the Local Government Distributive Fund revenues.

<p>Engineering Approval Obtained</p>	<p>Finance Approval Obtained</p>	<p>Legal Approval Obtained</p>	<p>Approval Obtained</p>	<p>Manager's Approval Obtained</p>
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Council Action: Motion by _____ 2nd by _____ to _____

RESOLUTION NO. 2015-R-_____

URGING THE GOVERNOR AND GENERAL ASSEMBLY TO PROTECT FULL FUNDING OF LOCAL GOVERNMENT DISTRIBUTIVE FUND REVENUES

WHEREAS, municipalities are front-line providers of government services to citizens and these services include police and fire protection, parks, infrastructure, water, sewer and utility services, and snow removal; and

WHEREAS, the State of Illinois has a long-standing tradition of collecting tax revenues on behalf of municipal governments and municipalities have relied on shared income tax revenue to provide services to taxpayers; and

WHEREAS, municipalities have fewer options to raise significant revenue and rely on the full amount of revenue that the State collects on their behalf in order to fund the essential quality-of-life services expected and relied upon by community residents; and

WHEREAS, the General Assembly increased the State income tax without providing any of the new revenues to municipalities and this loss of revenue has left the municipal share at levels collected during the Great Recession; and

WHEREAS, the Governor proposed a 50 percent reduction in the local share of the income tax during his FY2016 Budget Address, reducing local revenues by over \$600 million; and

WHEREAS, the reduction of this state-shared income tax revenue would result in elimination of countless jobs, local tax increases, program and service cuts, and could increase tax burdens that would be felt by all citizens; and

WHEREAS, the City of Carbondale would lose \$1,282,149 based on the Local Government Distributive Fund formula ($\$99 \times \text{population} \div 2$).

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF CARBONDALE, ILLINOIS AS FOLLOWS:**

SECTION 1. That the City of Carbondale urges the Governor and the General Assembly to protect full funding of the Local Government Distributive Fund and other revenue sources that allow local governments to provide for the health, safety and general welfare of their residents.

SECTION 2. That the City Manager and Staff are hereby authorized to take any and all necessary, reasonable and proper actions to carry out the intent and purpose of this Resolution.

SECTION 3. That this Resolution be spread at length upon the minute records of the City Council of the City of Carbondale, Illinois.

SECTION 4. That this Resolution shall take effect upon its passage, approval, recording, and publication in pamphlet form in accordance with law.

APPROVED: _____
Donald D. Monty, Acting Mayor

ATTEST: _____
Jennifer R. Sorrell, City Clerk

APPROVED AS TO LEGALITY AND FORM:

P. Michael Kimmel, City Attorney