RESOLUTION 2015-023       PASSED: MARCH 23, 2015

REQUESTING THE STATE OF ILLINOIS TO MAINTAIN CURRENT LEVELS OF LOCAL GOVERNMENT DISTRIBUTIVE FUND ALLOCATION.

WHEREAS, the Local Government Distributive Fund (LGDF) was established in 1969 when Illinois implemented the state income tax; and

WHEREAS, the City of DeKalb received more than $2 million from LGDF in FY2014 and utilizes LGDF revenues to fund basic governmental services including Police, Fire and Public Works; and

WHEREAS, the State of Illinois is reviewing a budget proposal that would reduce current LGDF allocation to local governments by 50 percent; and

WHEREAS, the City of DeKalb strongly opposes this reduction or any elimination of the municipalities’ allocated portion of Illinois income tax revenue because that funding is critical to the City’s day-to-day operations and rightfully belongs to the State’s municipalities; and

WHEREAS, the City of DeKalb will fight to maintain the current level of allocated LGDF funding for itself and all other Illinois communities by calling, writing to and visiting Illinois lawmakers to emphasize the devastating effects the LGDF reduction would have on all local services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEKALB:

The Mayor of the City of DeKalb is hereby vehemently opposed to any reduction in allocation of LGDF funding in the upcoming State of Illinois budget and will work to strongly communicate that stance to the appropriate Illinois decision makers by emphasizing the negative effects that will accompany any budget cuts.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a regular meeting thereof held on the 23rd day of March 2015 and approved by me as Mayor on the same day. Passed by Omnibus roll call vote of 7-0-1 on the Consent Agenda. Aye: Jacobson, Finucane, Lash, Snow, Baker, O’Leary, Rey. Absent: Naylor.

ATTEST:

MARCIA E. SWEIGERT, City Clerk
JOHN A. REY, Mayor
February 25, 2015

The Honorable Bruce Rauner  
Governor  
207 Statehouse  
Springfield, IL 62706

Dear Governor Rauner:

On behalf of municipalities and taxpayers across the state of Illinois, we are writing to express our deep disappointment with certain proposals affecting local government outlined in your February 18 Budget Address to the Illinois General Assembly. We respectfully request that the state craft a budget that does not intercept revenue due to local governments or prohibit actions necessary to balance municipal budgets.

As you know, the Local Government Distributive Fund (LGDF) was established in 1969 when Illinois implemented the state income tax. Local governments utilize LGDF revenues to fund basic governmental services including police, fire, public works and infrastructure improvements. Your proposal for a fifty percent reduction in LGDF payments spells disaster for municipalities, particularly non-home rule communities and those without a broad base of revenue options. Reducing revenue due to local governments will result in the need for massive property tax increases or dangerous cuts to services that our taxpayers have paid for and expect.

In addition to slashing LGDF revenues, you propose to freeze property taxes and exempt police officers and firefighters from any changes in their pensions. This additional one-two punch to local governments will take away the ability to fund the rising costs of basic government services and public safety pensions, which have been well documented as unsustainable.

Finally, you have called for local governments to tighten their belts. It is important to know that, through the Great Recession and beyond, municipalities have worked diligently to balance budgets, operate within our means, adjust service and staffing levels and cut programs that, while important, we simply cannot afford at this time. We ask that the state craft a fiscally responsible budget without further harming local governments and the taxpayers we all serve.

Thank you for your consideration of our request to preserve local revenues and maintain the ability to manage our local budgets. We stand ready to work with you and the General Assembly to identify ways that all levels of government can move forward and best serve the people of Illinois.

Sincerely,

(Signature page attached)
Robert Kellermann
Chairman
Barrington Area Council of Governments

Gerald R. Bennett
President
Southwest Conference of Mayors

Martin T. Tully
President
DuPage Mayors & Managers Conference

Michael S. Einhorn
President
South Suburban Mayors and Managers Association

Richard E. Mack
President
McHenry County Council of Governments

John Miller
President
Southwestern Illinois Council of Mayors

David Kaptain
President
Metro West Council of Government

Richard F. Pellegrino
Executive Director
West Central Municipal Conference

Daniel J. McLaughlin
President
Metropolitan Mayors Caucus

Jim Holland
President
Will County Governmental League

Elizabeth B. Tisdahl
President
Northwest Municipal Conference