

SPECIAL WORKSHOP MEETING OF THE MAYOR AND BOARD OF TRUSTEES
Gregory J. Bielawski Municipal Center, 500 N. Gary Avenue,
Carol Stream, DuPage County, IL

February 5, 2024

Mayor Frank Saverino, Sr. called the Special Workshop Meeting of the Board of Trustees to order at 6:19 p.m. and requested that Village Clerk Julia Schwarze call the roll.

Present: Trustees Joe Anselmo, Jeff Berger, John Zalak, Rick Gieser, Mary Frusolone and Matt McCarthy, Village Clerk Julia Schwarze and Mayor Frank Saverino, Sr.

Absent: None.

Also Present: Village Manager Bill Holmer, Assistant to the Village Manager Brianna Bacigalupo, Finance Director Jon Batek, Public Works Director Brad Fink, Community Development Director Don Bastian, Engineering Services Director Bill Cleveland, Chief of Police Don Cummings, Human Resources Director Caryl Rebholz, and Information Technology Director Marc Talavera

FY25 Budget Workshop #1 – General Fund Preliminary Assessment

Finance Director Batek led the Village Board and staff in a discussion of the FY25 General Fund Preliminary Assessment, with the understanding that a more detailed review of proposed departmental programs and services would be presented at the February 20th budget workshop.

Attached is the PowerPoint presentation with corresponding details used to guide the meeting.

At 7:06 p.m., Trustee McCarthy moved and Trustee Frusolone made the second to adjourn the meeting. The results of the roll call vote were as follows:

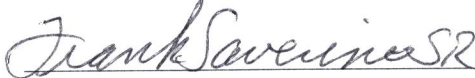
Ayes: 6 Trustees Anselmo, Berger, Zalak, Gieser, Frusolone and McCarthy

Nays: 0

Absent: 0

The motion passed.

FOR THE BOARD OF TRUSTEES


Frank Saverino, Sr., Mayor

ATTEST:


Julia Schwarze, Village Clerk

Minutes approved by the President and Board of Trustees on this

20th day of February, 2024.


Village Clerk

Village of Carol Stream

FY 25
Budget Workshop #1

GENERAL FUND
Preliminary Assessment

February 5, 2024

1

Agenda

GENERAL FUND PRELIMINARY
ASSESSMENT

- Current Year FY24 Projections
 - Estimated Year-End Revenues
 - Estimated Year-End Expenditures
- New Year FY25
 - Economic Climate
 - Revenue Projections
 - Working Expenditure Budget Requests

2

General Fund
Current Year FY24 Projections

3

FY24 Year-End Revenue Estimate

- FY24 Revenues are projected to end the year \$1,710,000 or 4.7% below the original budget forecast.

Estimated FY24 Year-End	\$ 34,600,000
Original FY24 Budget	<u>36,310,000</u>
Revenues Below Budget	<u>\$ (1,710,000)</u>
- Estimated FY24 year-end revenues are down \$695,000 or 2.0% from FY23 actual revenues.
- Although total revenues during FY24 have not performed to expectations, recall that our approved FY24 budget included a surplus of \$2,950,000. We will see this "cushion" continue into FY25, albeit slightly reduced.

4

FY24 Year-End Revenue Estimate

Variance from Original FY24 Budget Projection

Revenue Source	FY24 Estimate -vs- FY24 Budget	% Variance
Sales Tax	\$ (785,000)	-8.2%
Home Rule Sales Tax	(690,000)	-9.6%
Fines & Forfeits	(127,700)	-8.4%
Local Use Tax	(124,000)	-7.4%
Charges for Services	(82,000)	-5.3%
Natural Gas Use Tax	(45,000)	-7.1%
Hotel Tax	(29,000)	-8.9%
Alcohol Tax	(18,500)	-6.1%
Replacement Tax (PPRT)	(10,000)	-3.9%
Property Tax	-	0.0%
Video Gaming Tax	3,500	0.6%
Licenses & Permits	65,000	6.7%
Interest Income	75,000	12.4%
Income Tax	322,000	5.2%
All Other	(264,300)	-23.8%
Total Revenues < Budget	\$ (1,710,000)	-4.7%

94% of our negative variance comes from sales tax categories.

5

FY24 Year-End Revenue Estimate

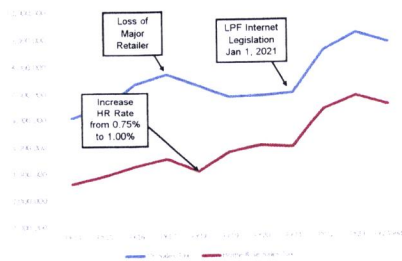
Sales Taxes Contract in FY24 following Two Consecutive Years of Significant Growth

- Generally, 50% of all General Fund revenue dollars come from some form of sales tax (General, Home Rule, Local Use Tax). Thus, the direction of sales taxes to a significant degree will influence the "state of the budget" overall.
- Sales Taxes from all sources for FY24 are expected to fall short of original projections by \$1.6 million or 8.7%. Compared to FY23 actual revenues, this is a reduction of \$822,000 or 4.6%.
- Carol Stream sales taxes are largely influenced by the technology sector which struggled in FY24.
- With the introduction of "Leveling the Playing Field" (LPF) legislation in January 2021, approximately 12% of our base + home rule sales taxes now come from sources outside of Carol Stream.

6

FY24 Year-End Revenue Estimate

10 Year Sales Tax Trend



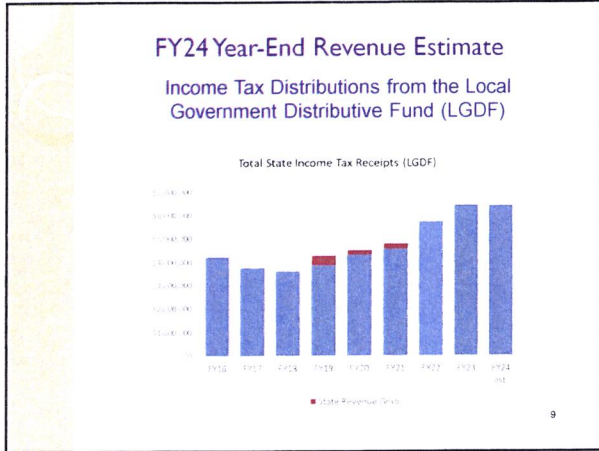
7

FY24 Year-End Revenue Estimate

Income Tax Distributions from the Local Government Distributive Fund (LGDF)

- No State raids of local funds in last 4 years.
- Pandemic stimulus and extraordinary growth in Corporate Income Tax (CIT) receipts / profits were drivers for a 2-year 41% increase in revenues from FY21 to FY23.
- FY24 estimated revenues have held up quite well, given prior year projections of economic slow-down. This experience is partially overstated due to some prior year reallocations of PPRT taxes to Income Tax initiated by the Illinois Department of Revenue.
- We received a very modest 1.6% increase in the local government share of Income Taxes beginning in the State Fiscal Year 2023, bringing our share from 6.06% to 6.16%. This is a far cry from the 10% share local governments received from 1969 through 2011. Restoring historical funding levels continues to be a legislative priority of the DMCC and IML.

8

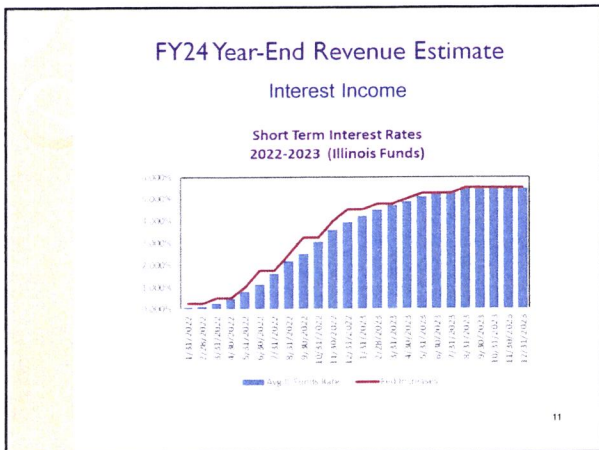


FY24 Year-End Revenue Estimate

Interest Income

- With 11 Federal Reserve Board increases (totaling 5.25%) in the Federal Funds rate since March, 2022, interest income is again a significant revenue source in the General Fund.
- This has provided the Village some added resources to apply toward price inflation over the past year.
- Our short-term returns on invested Village funds have plateaued at around 5.5% in November, 2023 and have started to gradually decline as the Fed has indicated the likelihood of easing rates into 2024.

10



FY24 Year-End Expenditure Estimate

FY24 Expenditures are projected to end the year \$1,235,000 million or 3.7% below the original budget.

Estimated FY24 Year-End	\$ 32,125,000
Approved FY24 Budget	33,360,000
Expenditures Below Budget	(\$ 1,235,000)

- 64% of this variance is due to lower than budgeted personnel salary and benefit costs.
- The remaining 36% is in non-personnel related line items.

12

FY24 Year-End Expenditure Estimate

	Budget FY24	Estimated FY24	Over / (Under) Budget	% Change
Salaries & Wages				
Personal Services	\$ 15,088,687	\$ 14,541,266		
Seasonal Help	38,900	42,197		
Court Time	125,500	131,000		
Overtime	929,750	871,200		
Group Insurance	2,222,883	2,023,167		
IMRF	783,535	831,165		
FICA	1,182,721	1,153,317		
Work Comp	312,132	312,132		
Police Pension	3,305,132	3,297,010		
Total Salaries & Wages	\$ 23,989,240	\$ 23,202,454	\$ (786,786)	-3.3%
Contractual Services	7,977,228	7,527,224	(450,004)	-5.6%
Commodities	721,532	771,814	50,082	6.9%
Capital Outlay	672,000	623,708	(48,292)	-7.2%
Total Expenditures	\$ 33,360,000	\$ 32,125,000	\$ (1,235,000)	-3.7%

13

FY24 Year-End Expenditure Estimate

Salaries & Wages

\$786,786 or 3.3% Below Budget.

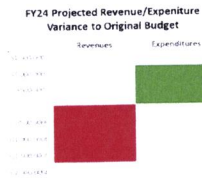
• Savings derived from:

- Personnel Services (base salaries) nearly \$550,000 below budget due to staff vacancies. Most of this was in the Police Department.
- Despite vacancies, overtime costs are projected to be about \$59,000 (6.3%) below budget (weather dependent).
- Health insurance renewal costs were \$200,000 (9.0%) lower than anticipated and were also influenced by position vacancies.

14

FY24 Projected Year-End Surplus

In a balanced budget, with projected revenues equal to projected expenditures, we would have ended FY24 with a deficit or \$475,000.



Since we began FY24 with a budgeted surplus cushion of \$2,950,000, our positive expenditure variance of \$1,235,000 reduced by our negative revenue variance of \$1,710,000 results in a projected FY24 surplus of \$2,475,000.

15

General Fund New Year FY25

16

Economic Climate

- The economy did surprisingly well in 2023, far surpassing prior year forecasts.
- With aggressive Fed tightening, inflation is moderating.
- Consumer spending was strong in 2023, but appears to be decelerating. Real disposable personal income is struggling to grow and household debt is on the rise.
- Interest rates continue to be high, but stable, and forecast is for easing to begin in 2024.
- Forecasts call for slowed growth in the first half of 2024 and acceleration in the second half as interest rates fall and inflation continues to moderate.
- Coming in for a soft landing?

17

FY25 Revenue Projections

	FY23 Actual	FY24 Budget	FY24 Estimated	FY25 Projected
Operating Revenues	\$ 35,037,493	\$ 36,010,000	\$ 34,325,000	\$ 35,098,000
Grant Revenues	257,081	300,000	275,000	310,000
Total Revenues	<u>\$ 35,294,574</u>	<u>\$ 36,310,000</u>	<u>\$ 34,600,000</u>	<u>\$ 35,408,000</u>
% Change			-2.0% Over FY23	2.3% Over FY24 Est.

FY25 Projected Revenues:

- Substantially follow Illinois Municipal League (IML) projections (Feb. 2024) that consider a number of economic forecasts and coordination with the Illinois Department of Revenue.
- Show moderate growth of 2.5% into FY25.

18

FY25 Revenue Projections

Sales Tax

- Despite positive consumer spending in 2023, our conservative forecasts of FY24 sales tax revenues did not materialize.
- Based on economic forecasts of flattening consumer spending in early 2024 with growth in late 2024, we are continuing to temper our expectations for FY25.
- Base FY25 revenues are set at FY24 estimated year-end revenues plus an allowance for revenues contributed by newly approved dispensary businesses expected to open in FY25.

19

FY25 Revenue Projections

Income Tax

Based on slightly scaled back projections provided by the Illinois Municipal League (IML):

- IML forecasts \$171.00 per capita, which is a 3.5% increase from their FY24 estimate of \$165.16 per capita.
- We feel IML FY24 estimate is too high based on 9 months of revenues already received.
- Village projection for FY25 is \$169.12 per capita, the same 3.5% growth assumption as IML, but at a lower base.

20

FY25 Working Budget Expenditure Requests

	Actual FY23	Revised Budget FY24	Estimated FY24	Proposed Budget FY25	FY25 Proposed to FY24 Budget	
Personal Services	\$ 14,027,538	\$ 15,088,687	\$ 14,541,266	\$ 15,235,421	\$ 146,734	1.0%
Seasonal Help	28,639	38,900	42,197	48,900	10,000	25.7%
Court Time	112,849	125,500	131,000	138,000	12,500	10.0%
Overtime	838,521	929,750	871,200	904,750	(25,000)	-2.7%
Group Insurance	1,865,444	2,222,883	2,023,167	2,241,172	18,289	0.8%
JMRF	843,716	781,535	831,165	806,144	22,609	2.9%
RCA	1,087,879	1,182,721	1,153,317	1,195,508	12,787	1.1%
Work Comp	312,132	312,132	312,132	312,132	-	0.0%
Police Pension	9,394,747	3,305,132	3,297,010	3,333,473	28,341	0.9%
Total Salaries & Wages	28,510,349	23,989,240	23,202,454	24,215,500	226,260	0.9%
Contractual Services	6,068,682	7,977,228	7,527,224	6,965,513	(1,011,715)	-12.7%
Commodities	553,192	721,532	771,614	899,787	178,255	24.7%
Capital Outlay	174,845	672,000	623,708	552,200	(119,800)	-17.8%
Total Expenditures	\$ 35,307,068	\$ 33,360,000	\$ 32,125,000	\$ 32,633,000	\$ (727,000)	-2.2%

21

FY25 Working Budget Expenditure Requests

The working budget in its current form reflects:

1. A decrease of \$727,000 or -2.2% when compared to the approved FY24 budget.
2. Initial first-round budget estimates (some items will require further adjustment).
3. A staffing plan that reflects no increase in full-time equivalent (FTE) positions entity-wide.
4. Compensation adjustments reflecting current labor agreements and parity with non-union positions.
5. A programmed budget surplus of \$2,775,000 by 4/30/2025.

22

General Fund Budget FY25 Salaries & Wages

Salaries & Wages

- Represents 74% of the total proposed FY25 Budget.
- Total Salaries and Wages projected to increase by 0.9% compared to current year approved budget.
- Personnel Services (base salaries) to increase by \$146,734 or 1.0%. This is primarily due to significant position turnover during the current year.
- Police Pension contributions to moderate to an increase of just 0.9%.

General Fund Budget FY25 Non-Personnel Costs

Contractual Services

Total decrease of \$1,011,715 or 12.7% from FY24 Budget.

- Eliminates the current year \$300,000 subsidy to the Water and Sewer Fund in lieu of a May 1, 2023 rate increase.
- Reduced sales tax rebate payments (\$150,000).
- Decreased contributions of \$667,000 to the Equipment Replacement Fund following "catch-up" contributions in FY24 to complete heavy equipment purchases (Vector and large plow truck).

General Fund Budget
FY25 Non-Personnel Costs

Commodities

Total increase of \$178,255 or 24.7% from FY24 Budget.

- Fuel costs (+\$37,000)
- Police Weapons (+\$75,000).
- Patrol Vehicle Equipment and Up-fitting (+\$57,000)

General Fund Budget
FY25 Non-Personnel Costs

Capital Outlay

Total decrease of \$119,800 or 17.8% from FY24 Budget.

- Mostly due to FY24 purchase of new Sweeper (\$312,000).

Requested Capital Outlay for FY25 = \$552,200.
Additional Details to be discussed at General Fund presentation on Tuesday, February 20 budget workshop.

FY25 Proposed Revenues/Expenditures

Description	Actual FY23	Revised Budget FY24	Estimated FY24	Proposed Budget FY25
Revenues				
Operating Revenue	\$ 35,037,493	\$ 34,010,000	\$ 34,225,000	\$ 35,098,000
Non-Operating Revenue	257,081	300,000	275,000	310,000
Total Revenues	\$35,294,574	\$34,310,000	\$34,600,000	\$35,408,000
Expenditures				
Fire & Police Commission	\$ 28,890	\$ 42,594	\$ 52,454	\$ 35,921
Village Board & Clerk	149,519	156,850	141,467	154,549
Plan Commission & ZBA	5,854	6,925	6,416	8,025
Emergency Services	-	8,000	2,500	8,000
Legal Services	225,182	223,100	209,115	223,400
Administration	922,113	1,004,287	1,249,740	938,888
Human Resources	455,757	514,772	456,554	577,710
Financial Management	694,993	748,615	723,495	762,196
Engineering Services	1,000,791	1,253,239	1,220,799	1,284,299
Comm. Development	1,104,300	1,235,712	1,157,563	1,265,361
Information Technology	1,484,098	1,683,029	1,648,925	1,712,395
Police	23,820,043	19,244,007	18,421,327	19,648,428
Streets	4,122,748	5,442,797	5,353,994	4,700,302
Municipal Building	355,838	543,481	486,479	550,991
Municipal Garage*	-	-	-	-
Transfers and Agreements	704,998	1,053,000	836,000	612,000
Special Events	119,922	137,590	134,968	148,425
Total Expenditures	\$35,307,048	\$33,360,000	\$32,125,000	\$32,633,000
Net Income (Loss)	\$ (12,494)	\$2,950,000	\$2,475,000	\$2,775,000

27

Next Steps / Key Dates

A more detailed review of proposed departmental programs and services will be presented at the February 20 budget workshop.

- Tuesday, February 20, 2024**
 - Budget Workshop – **General Fund – Part 2**
- Monday, March 4, 2024**
 - Budget Workshop – **Capital Improvement Program**
- Monday, March 18, 2024**
 - Budget Workshop – **Water and Sewer Fund and Other Funds**

Village of Carol Stream

GENERAL CORPORATE FUND

Revenues

Description	Actual FY23	Revised Budget FY24	Estimated Revenues FY24	Proposed Budget FY25	Projected FY26	Projected FY27	Footnotes
Property Taxes							
Property Tax	\$3,789,325	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	\$3,800,000	<u>1</u>
Road and Bridge Tax	119,591	105,600	111,300	101,300	92,200	83,900	<u>2</u>
Pers. Prop. Repl. Tax	333,743	255,000	245,000	247,000	247,000	247,000	<u>3</u>
Other Taxes							
Sales Tax	9,181,287	9,600,000	8,815,000	9,200,000	9,200,000	9,200,000	<u>4</u>
Income Tax	6,439,545	6,190,000	6,512,000	6,740,000	6,740,000	6,740,000	<u>5</u>
Alcohol Tax	284,369	302,000	283,500	285,000	290,000	300,000	<u>6</u>
Amusement Tax	1,085	800	0	0	0	0	
Home Rule Sales Tax	6,863,766	7,200,000	6,510,000	6,808,000	6,808,000	6,808,000	<u>7</u>
Natural Gas Use Tax	585,985	630,000	585,000	600,000	600,000	600,000	<u>8</u>
Auto Rental Tax	33,138	30,000	32,000	32,000	32,000	32,000	
Local Use Tax	1,647,165	1,669,000	1,545,000	1,622,000	1,622,000	1,622,000	<u>9</u>
Hotel Tax	303,090	327,000	298,000	304,000	313,000	323,000	<u>10</u>
Video Gaming Tax	504,055	544,500	548,000	590,000	616,000	643,000	<u>11</u>
Video Gaming Push Tax	466	500	300	300	300	300	<u>12</u>
State Cannabis Regulation	61,409	71,000	59,500	62,000	62,000	62,000	<u>13</u>
Total Taxes	\$30,148,019	\$30,725,400	\$29,344,600	\$30,391,600	\$30,422,500	\$30,461,200	
Licenses and Permits							
Business/Misc. License	22,763	24,000	25,000	26,000	26,000	26,000	
Dog License	812	900	900	900	900	900	
Liquor License	193,920	205,000	240,000	230,000	230,000	230,000	
Vending Machine License	4,530	5,000	0	0	0	0	
Game Room Fees	1,038	700	0	0	0	0	
Building Permits	613,796	550,000	560,000	550,000	550,000	550,000	
Rental Licensing Fees	59,050	60,000	58,000	58,000	58,000	58,000	
Video Gaming Permit Fee	118,300	132,000	158,000	150,000	156,000	162,000	<u>14</u>
Small Cell Wire Fee	650	1,000	500	500	500	500	
Massage Est. Lic. Fee	1,000	3,100	5,000	5,000	5,000	5,000	
Tobacco License	7,250	4,200	4,200	4,200	4,200	4,200	
Total Licenses / Permits	\$1,023,109	\$985,900	\$1,051,600	\$1,024,600	\$1,030,600	\$1,036,600	
Charges for Services							
Legal & Planning Fees	118,666	150,000	130,000	125,000	125,000	125,000	
Liquor Investigation Fees	19,225	15,000	0	0	0	0	
Cable Franchise Fees	470,911	467,000	420,000	391,000	371,000	352,000	<u>15</u>
Development Review Fees	36,020	25,000	30,000	30,000	30,000	30,000	
PEG Fees - Comcast	21,822	20,300	18,800	16,900	15,700	14,600	<u>16</u>
PEG Fees - AT&T	14,790	12,800	12,800	11,300	10,400	9,800	<u>16</u>
Engineering Review Fees	570	10,000	1,000	10,000	10,000	10,000	
Police Training Act Reimb.	12,040	10,000	15,000	15,000	15,000	15,000	
Police Liaison	247,225	260,000	250,000	258,000	265,000	273,000	<u>17</u>
Municipal Service Charge	402,000	439,000	439,000	480,000	493,000	479,000	<u>18</u>

Village of Carol Stream

GENERAL CORPORATE FUND

Revenues

Footnotes

Description	Actual FY23	Revised Budget FY24	Estimated Revenues FY24	Proposed Budget FY25	Projected FY26	Projected FY27	
Police Reports	3,356	3,000	3,500	3,500	3,500	3,500	
Mowing - DPC ROW	22,279	22,300	22,300	22,300	22,300	22,300	
Reim Fee Based/DuMeg	139,022	125,000	135,000	135,000	135,000	135,000	19
Total Charges for Services	\$1,507,926	\$1,559,400	\$1,477,400	\$1,498,000	\$1,495,900	\$1,469,200	
Fines and Forfeits							
Circuit Court Fines	464,288	450,000	378,000	400,000	400,000	400,000	20
Ordinance Violations	58,116	45,000	60,000	55,000	55,000	55,000	
DUI Tech Funds	46,717	35,000	35,000	35,000	35,000	35,000	
Court DUI Fines	247,492	250,000	195,000	225,000	250,000	250,000	
False Alarms	18,700	18,000	17,000	18,000	18,000	18,000	
ATLE Fines	534,499	500,000	510,000	500,000	500,000	500,000	21
Towing Fee	213,050	225,000	200,000	200,000	200,000	200,000	
Opioids Settlement	39,564	0	300	0	0	0	
Total Fines and Forfeits	\$1,622,426	\$1,523,000	\$1,395,300	\$1,433,000	\$1,458,000	\$1,458,000	
Interest Income							
Interest Income	524,543	605,000	680,000	450,000	300,000	250,000	
Other Revenues							
Miscellaneous Revenue	(101,781)	350,000	30,000	25,000	25,000	25,000	
IT Library Reimbursement	98,522	101,300	103,000	105,800	109,000	112,000	22
Insurance Reimbursements	151,757	100,000	100,000	100,000	100,000	100,000	
Sale of Surplus Property	26,097	30,000	113,000	40,000	40,000	40,000	
Donations & Contributions	36,875	30,000	30,100	30,000	30,000	30,000	23
Total Other Operating	211,470	611,300	376,100	300,800	304,000	307,000	
Total Operating Revenue	35,037,493	36,010,000	34,325,000	35,098,000	35,011,000	34,982,000	
Non-Operating Revenue							
Intergovernmental Grants	257,081	300,000	275,000	310,000	275,000	275,000	
Total Non-Operating Rev.	257,081	300,000	275,000	310,000	275,000	275,000	
Total Revenue	\$35,294,574	\$36,310,000	\$34,600,000	\$35,408,000	\$35,286,000	\$35,257,000	

REVENUE FOOTNOTES

1. **Property Tax: (\$3,800,000)** Since the collection of a municipal property tax began in FY21, there have been no increases in the amount of the annual tax levied.
2. **Road & Bridge Tax: (\$101,300)** Per State statute, the Village receives a 50% share of Township Road & Bridge tax levies (Bloomingdale, Milton and Wayne) on properties which are situated within municipal and road district boundaries.
3. **Personal Property Replacement Tax (PPRT): (\$247,000)** PPRT taxes resulted when the 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. Carol Stream 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.

The Village is further required to share 30.0% of its receipts received with the Carol Stream Library based on the original 1977 distribution formula. Total revenues budgeted are shown net of anticipated payments to the Library.

4. **Sales Tax: (\$9,200,000)** Carol Stream receives 16% of the 6.25% State base sales tax rate which is equivalent to 1% of the sales price of general merchandise. Sales tax collections are based on sales activity which takes place within the Village, thus "shopping Carol Stream" has a direct benefit to taxpayers in the community.

In June of 2019, the Illinois General Assembly adopted the "Leveling the Playing Field for Illinois Retail Act" related to certain out-of-state internet sales. This legislation requires out-of-state retailers that meet state-established sourcing rules to apply Illinois sales tax (including locally imposed sales taxes) related to the jurisdiction where goods shipped. Implementation of this Act on January 1, 2021 has resulted in a measurable enhancement in total sales tax collections received (including home rule sales taxes).

5. **Income Tax: (\$6,740,000)** Illinois municipalities receive a share of the Illinois State income tax based on their population. The Illinois legislature began this practice in 1969 after prohibiting local communities from imposing their own local income tax. Prior to the 2011 State income tax rate increase from 3% to 5%, municipalities received 10% of all income taxes collected by the State. That municipal share was reduced to 6% following the tax rate hike, which essentially locked out local governments from receiving any additional funding. Beginning in 2015, the State Income Tax rate reverted downward to 3.75%, at which time the municipal share was increased from 6% to 8% to maintain revenue neutrality. In July 2017, the income tax rate was again increased to 4.95% in an effort to address the State's continual

growth in backlogged bills. Once again, the municipal revenue share was reduced to prevent any additional benefit to local governments.

Beginning in FY18, the State further reduced the amount of income taxes shared with municipalities by 10% to prop up its own budget. The State continued to divert 5% of municipal revenue shares in both FY19 and FY20.

The Illinois Municipal League (IML) has forecast municipal revenues for FY25 to grow by 3.5% from FY24 estimated revenues. The Village's FY25 revenue projection does not consider or account for any additional actions by Springfield that would divert municipal revenues.

6. **Alcohol Tax: (\$285,000)** A 2% tax on all alcohol sales within the Village was implemented on July 1, 2019. This tax applies to all packaged sales of alcohol as well as alcohol served for consumption on a business's premises.
7. **Home Rule Sales Tax: (\$6,808,000)** The Village imposes a 1% "home rule" sales tax which applies to general merchandise sales.
8. **Natural Gas Use Tax: (\$600,000)** A 2.5 cent per therm tax is collected on the use of natural gas. Similar other utility taxes, revenues are dependent upon demand and use for the commodity. Thus, absent unusual temperature fluctuations (i.e. excessively cold winter) or an increase in capacity (new homes, business expansions, etc.) revenues are not expected to grow significantly.
9. **Local Use Tax: (\$1,622,000)** Similar to sales tax, local use tax is collected on certain items of tangible personal property purchased at retail. As one example, an Illinois purchaser of tangible personal property from outside of the state where no sales tax is collected is obligated to report and pay use tax on the purchase.
10. **Hotel Tax: (\$304,000)** A 5% room tax is assessed and collected on rentals in our three local hotels. The tax does not apply to "extended stay" rentals of 30 days or more.
11. **Video Gaming Tax: (\$590,000)** On August 6, 2012 the Village Board permitted the use of video gaming terminals in Carol Stream in those establishments eligible to participate. The Village receives a video gaming tax of 5% of "net terminal revenues". As of December 31, 2023, a total of 24 Carol Stream establishments have been issued permits to operate a total of 140 gaming terminals.
12. **Video Gaming Push Tax: (\$300)** In October 2021, the Village adopted a video gaming push tax ordinance in anticipation of actions proposed by the Illinois General Assembly that would preempt local jurisdictions from adopting such a tax on or after November 1, 2021. A

number of Illinois communities have previously adopted a push tax which is assessed at a rate of one penny on each play of a video gaming terminal. Collections of Carol Stream's push tax were directed to begin on January 1, 2022. There are presently a number of ongoing legal challenges to this tax as well as arguments made by terminal operators concerning the logistics of collecting the tax. The Village is awaiting the outcome of these lawsuits before pursuing more aggressive collection efforts.

13. **State Cannabis Regulation: (\$62,000)** With the legalization of adult use cannabis in Illinois effective January 1, 2020, moneys collected by the State including taxes, license fees and other amounts are deposited in the State's Cannabis Regulation Fund (CRF). Per statute, 8% of CRF revenues are to be distributed through the Local Government Distributive Fund (LGDF) to local governments on a per capita basis which must be used for crime prevention programs, training and interdiction efforts. We are projecting Carol Stream will receive revenues totaling \$1.79 per capita in FY24.
14. **Video Gaming Permit Fee: (\$150,000)** In connection with permitting video gaming in Carol Stream, a \$1,000 per gaming terminal annual permit fee is required which will offset added costs of registration, compliance and enforcement efforts.
15. **Cable Franchise Fees: (\$391,000)** The Village receives a 5% franchise fee from its two local cable operators. Revenues are projected to decline over the three year financial plan due to a migration away from cable services toward streaming services which are not presently subject to local taxes or fees.
16. **PEG Fees: (\$28,200)** Collection of PEG (Public, Education, Governmental) fees is anticipated from each of the community's two cable television providers. PEG expenses are accounted for in the Information Technology budget.
17. **Police Liaison: (\$258,000)** The Village receives reimbursement for police liaison officers stationed at Jay Stream School and Glenbard North High School. These intergovernmental agreements provide for the reimbursement of 40% and 80% of salary and benefit costs respectively plus 100% of actual overtime costs incurred, where applicable.
18. **Municipal Service Charge: (\$480,000)** This is an administrative fee charged to the Water and Sewer Fund by the General Fund to reimburse it for administrative support costs which are not charged directly to the Water and Sewer Fund. This includes services provided by Village Administration, Financial Management, Employee Relations, Engineering, and Information Technology.

19. **Reimbursement / Fee Based / DuMeg:** (\$135,000) The Village bills for additional Police services requested by external agencies (i.e. schools) to cover extracurricular events. This line item also receives reimbursement for a portion of an Officer assigned to DuMeg (DuPage Metropolitan Enforcement Group).
20. **Circuit Court Fines:** (\$400,000) The Village receives a portion of fine revenues generated from police citations processed through the Circuit Court. Beginning in May of 2013, the Village added local prosecution of traffic offenses rather than using the State's Attorney.
21. **ATLE Fees:** (\$500,000) The Village contracts with a 3rd party vendor to manage the Automated Traffic Light Enforcement (ATLE) program which includes signalized intersections at North Avenue and Gary Avenue and North Avenue and Kuhn Road. Costs of administering the program are charged to the Police Department budget.
22. **IT Library Reimbursement:** (\$105,800) The Village provides ongoing information technology services to the Carol Stream Library pursuant to a 2018 intergovernmental agreement.
23. **Donations and Contributions:** (\$30,000) These revenues represent corporate sponsorships which provide 100% funding of the Summer Concert Series at the Ross Ferraro Town Center.