

AD HOC CITIZENS COMMITTEE TO AID WITH BUDGET CRUNCH

On October 5, [REDACTED] the first meeting of the ad hoc citizens committee, a sub-committee of the finance committee, was held to discuss the need to increase revenues to offset the projected budget deficit of the Village. The budget for calendar year anticipates a deficit of \$900,000. One item in this deficit is a one-time expense of \$300,000 for work to remediate the North Site. The remaining deficit of \$600,000 is all operating expenses for the Village and includes salaries for our police/fire officers, administrative staff, and maintenance department workers. It is anticipated that the deficit will grow in subsequent years because additional police/fire officers and maintenance workers are needed and will be added to our staff. We have a reserve fund that will get us through two to four years, but increasing revenues now before the reserve is depleted is critical and sound fiscal planning.

The sub-committee will investigate all possible mechanisms for increasing revenues for the Village. Two options which were discussed include an increase in the property tax through a voted upon increase in the millage rate charged by the Village, and a revision in the credit which the Village grants to income taxpayers whose earned income is taxed at the source in another jurisdiction. Currently we grant a credit up to the full 2% of tax which we charge on earned income. If a taxpayer works in another jurisdiction which collects a 2% tax at the source, we grant a credit for the full amount and collect nothing from the taxpayer. A reduction in the credit would allow the Village to collect some tax on earned income of all residents with earned income regardless of taxes paid in other jurisdictions. A real estate property tax increase of 7 mils (the equivalent of a 10-11% increase in the current property taxes paid) would raise nearly one million additional dollars per year and completely erase the budget deficit. The committee will review these two tax strategies as well as combinations of tax strategies and other means to raise revenues.

The sub-committee will hold another meeting on Tuesday, October 26, [REDACTED] at 9:00 a.m. at Village Hall. Any resident who has creative and constructive ideas about revenue enhancement for the Village is encouraged to attend and share your ideas. It is hoped that the sub-committee can make a recommendation to Council by the end of the year.