

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**DECEMBER 4, 2007 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Home Rule Sales Tax – Public Hearing	✓ Resolution Ordinance Motion Discussion Only	Cara Pavlicek Village Manager

**SYNOPSIS**

A public hearing has been noticed for consideration of increasing the Home Rule Sales Tax by ¼ cent and dedicating this increase for storm-water related improvements.

**STRATEGIC PLAN ALIGNMENT**

The Five Year Plan and Goals for 2006-2011 identifies *Top Quality Village Infrastructure and Facilities*. A supporting objective is *Improved Stormwater and Drainage System*.

**FISCAL IMPACT**

Each ¼ cent of Home Rules Sales Tax currently generates \$2,300,000.

**RECOMMENDATION**

Staff recommends increasing the Home Rule Sales Tax rate by a ¼ cent and dedicating this portion of the Home Rule Sales Tax revenue to the Stormwater Improvement Fund to be used for stormwater-related projects and maintenance costs.

**BACKGROUND**

The FY08 recommended budget identifies a number of sources from which the Village may generate revenues in order to implement stormwater projects as identified in the Watershed Infrastructure Improvement Plan. One proposed revenue source would increase the Home Rule Sales Tax rate by a ¼ cent and dedicate all increased revenue to the Stormwater Improvement Fund. The Village’s current Home Rule Sales Tax rate is ½ cent.

**Sales Tax in Downers Grove**

State portion	5.00%
Village portion	1.00%
County portion	0.25%
County Water Commission (CWC)	0.25%
Regional Transportation Authority (RTA) portion	0.25%
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Total Sales Tax by State Regulation for General Merchandise	6.75%
Village Home Rule portion	0.50%
Total Sales Tax on General Merchandise (not applicable to vehicles & qualifying food/drug and medical appliances)	
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<i>Current</i> Total Sales Tax on General Merchandise	7.25%

On October 2, 2007, the Village Council adopted an official Village Policy on Ethical Standards which establishes *Standards of Village Governance* including a section that relates to Home Rule authority of the

Village. As the enactment of a Home Rules Sales Tax is pursuant to the Village's Home Rule authority, the Village Manager has provided for the following in accordance with the Village Policy:

- 1) A summary of the proposed ordinance has been published in a newspaper having general circulation in the Village and that copies of the proposed ordinance be made available for public distribution at the Downers Grove Library and Village Hall.
- 2) A statement setting forth the intended use of the additional revenue to be derived from such tax has been prepared and published and the public hearing will be held December 4, 2007 with respect to the proposed tax.
- 3) Notice of the time and place of such public hearing will be published at least once, seven days or more prior to the date of such hearing, in a newspaper having general circulation in the Village.
- 4) If, following the public hearing and at least three business days prior to a vote on adoption of the ordinance petitions opposing such proposed ordinance are filed with the Village Clerk containing signatures of eligible voters in the Village equal to 10% or more of the total votes cast for the office of Mayor at the last preceding election of Mayor, the petition will be presented to the Village Council prior to ordinance adoption and the Village Council shall consider the merits of presenting the issue to voters via advisory referendum.

**PROCEDURES FOR PUBLIC HEARING**  
**Home Rule Sales Tax**

**Mayor's Opening Statement:**

This public hearing will please come to order. This public hearing has been called by the Village Council to consider the proposed amendment to the Home Rule Sales Tax ordinance.

Notice of this hearing was published in the Downers Grove Reporter.

I would like to summarize the procedures which we will follow for tonight's public hearing.

1. First, Cara Pavlicek, Village Manager will provide an overview of the proposed Home Rule Sales Tax amendment.

2. Next, there will be an opportunity for members of the Village Council to ask questions or make comments.

3. Next, there will then be an opportunity for members of the public to make statements or comments, or to submit written statements or comments for the record.

4. I will again ask if any member of the Council wishes to make a statement or ask a question.

5. Thereafter, I will ask for a motion to adjourn.

At this hearing, witnesses will not be sworn and a verbatim written transcript of the statements or testimony given at the hearing will not be prepared. However, a tape recording of the procedures will be made on Village equipment and retained until minutes of the hearing have been prepared and approved by the Village Council.

- 1. Village Manager Presentation.**
- 2. Questions or comments from the Village Council.**
- 3. Comments or statements from the public.**
- 4. Final questions or comments from the Village Council.**
- 5. Adjournment.**