



AGENDA

FINANCE COMMITTEE

Finance Committee: June 10, 2025 at 5:15 PM

Village Hall 740 Hillgrove Avenue, Western Springs, IL 60558

- A. Call to Order**
- B. Approval of Minutes**
 - 1. Minutes - May 7, 2025
- C. Public Comment**
- D. New Business**
 - 1. Revenue Discussion - Grocery Sales Tax and Local Sales Tax [Discussion Only]
- E. Other Business**
- F. Schedule Next Committee Meeting**

Individuals with disabilities who plan to attend / participate in this meeting and who require accommodations to allow them to observe and participate, or who have questions regarding accessibility of the meeting or facilities, are requested to contact Jill Izzo at 708-246-1800, extension 127.

Finance Committee Meeting Minutes
Wednesday, May 7, 2025
Village Hall

Others Present:

Nicole Chen, Chairperson
Scott Lewis, Trustee
John Mastandona, Director of Finance
Heidi Rudolph, Village President
Ellen Baer, Village Manager

Meeting called to order at 5:31 pm

Items of Discussion:

- **Minutes:** The minutes of the April 7, 2025, Finance Committee were approved as presented. Motion by Trustee Lewis and second by Chairperson Chen.
- **Public Comment:** None
- **TIF Incentive Rebate Payment to Hawthorn 45, LLC:** Director Mastandona presented the request of the first disbursement to Hawthorn 45, LLC for the increment received from the first installment of the 2024 Levy year in the amount of \$166,938.40. The Committee reviewed the request and Chairperson Chen motioned that the request be placed on the May 12th Board of Trustees meeting agenda and a second by Trustee Scott. Motion passed by a roll call vote.
- **Expressing Official Intent Regarding Certain Capital Expenditures to be Reimbursed from Proceeds of One or More Obligations to be Issued by the Village of Western Springs:** Director Mastandona presented a resolution that would allow the Village to reimburse itself for costs associated with certain capital expenditures. He stated that the results of the referendum are officially certified and that the Village has the authority to issue debt to fund infrastructure improvements. He stated that this resolution would allow for costs associated with the planned projects to start occurring now and be reimbursed back to the Village when the debt is issued. He stated that this allows staff to start immediately without having to pay the issuance costs at this time. It also allows for the tax-free status of the future debt obligations to stay in place. The Committee reviewed the request and Chairperson Chen motioned that the request be placed on the May 12th Board of Trustees meeting agenda and a second by Trustee Scott. Motion passed by a roll call vote.
- **Other Business: Financial Update:** None
- **Schedule Next Meeting:** Not scheduled during meeting

Motion to adjourn by Trustee Scott Lewis and second by Chairperson Nicole Chen.

There being no further business, the meeting was adjourned at 5:46 pm

Respectfully Submitted,
John Mastandona
Director of Finance

APPROVED:



AGENDA ITEM SUMMARY

FINANCE COMMITTEE

Finance Committee: June 10, 2025

AGENDA ITEM D.1.

To: Finance Committee

From: John Mastandona, Director of Finance

CC: Ellen Baer, Village Manager

RE: Revenue Discussion - Grocery Sales Tax and Local Sales Tax [Discussion Only]

Recommendation

No recommendation considered at this time.

Summary

The Village monitors its Approved Budget regularly, ensuring that expenditures stay on target and that revenue streams come in as expected to support operations. Year-to-date actuals for the 2025 budget are on target through May. As the Village nears the halfway point of 2025, 2026 budget preparation has already begun. During the process, staff evaluate expected changes to revenues and expenditures through analyzing historical data, updated legislation, and guidance by the Village Board of Trustees.

The 2024 Spring Legislative Session in Springfield brought many changes that would directly impact the Village of Western Springs.

Grocery Sales Tax

Public Act 103-0781 repeals the statewide tax on groceries, which was collected by the State and given directly to the local municipality where the sale occurred. The statewide grocery sales tax expires on **January 1, 2026**. The expiration of the tax would have an immediate impact on the 2026 budget, decreasing sales tax revenues by approximately **\$500,000**. This represents 31% of the Village's Sales Tax collections and a loss of about 4% of total revenues within the General Fund. The impact on future years is even greater, as the Village has seen revenues from sales tax collections increase year-to-year across all categories.

As part of the same legislation, the authority to implement a 1% grocery sales tax locally by ordinance was approved. The Village Board could consider an ordinance that would continue the 1% collection of sales tax on groceries within Western Springs. For the collection of the locally imposed 1% sales tax on groceries to be in effect by the January 1, 2026 expiration, a certified copy of the ordinance must be submitted to the Illinois Department of Revenue (IDOR) by **October 1, 2025**. There is currently no additional administrative fee imposed by the state for facilitating collections.

Local Sales Tax

Another item in Public Act 103-0781 was the ability for non-home rule communities to implement a local sales tax. This tax is on all other goods that do not qualify as groceries. The tax may not be more than 1% and may be imposed only in 0.25% increments. These locally-imposed taxes are used to fund vital services like public safety and public works, infrastructure improvements, property tax relief, and other needs of the community. Prior to Public Act 103-0781, only home rule municipalities had the authority to impose a local sales tax by ordinance. The state does impose an administrative fee, which is currently 1.5% of locally-imposed collections. Utilizing 2024 data, a 1% local sales tax would generate approximately **\$1 million** of additional revenue.

The deadline in relation to the start of collections is the same as the Grocery Sales Tax.

<u>Deadline to File Ord with IDOR</u>	<u>Collections to Begin</u>
October 1, 2025	January 1, 2026
April 1, 2026	July 1, 2026

Financial Impact

Revenues within the General Fund are utilized for daily operations of the Village.

Recommended Motion

No recommended motion at this time

Strategic Plan Alignment

Financial Growth

File Attachments

None