

**COUNCIL LETTER
CITY OF GALESBURG
JULY 20, 2015**

AGENDA ITEM: Resolution dedicating funds derived from the Utility Tax to capital improvements.

SUMMARY RECOMMENDATION: The City Manager recommends approval of the resolution establishing that funds derived from the electric use tax and gas tax (Utility Tax) shall be used for the purpose of funding capital improvements.

BACKGROUND: The City Council passed two ordinances at the July 6, 2015 City Council meeting, establishing an electric use tax and gas tax (Utility Tax), which will go into effect on January 1, 2016. Attached for City Council's review is a resolution indicating funds derived from the Utility Tax shall be used for the purpose of funding capital improvements, including the operation and maintenance of capital improvements. All revenue from the tax shall be deposited in a fund, or funds, for said purpose.

BUDGET IMPACT: This will increase funds available for capital improvements by an estimated \$2,350,000 per year.

SUPPORTING DOCUMENTS:

1. Resolution

RESOLUTION NO. _____

WHEREAS, the City Council of the City of Galesburg finds that it is necessary to implement an electric use tax and a gas use tax (“Utility tax”) in order to provide funding for Capital Improvements;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALESBURG, KNOX COUNTY, STATE OF ILLINOIS:

SECTION 1: That funds derived from the Utility Tax referred to above shall be used for the purpose of funding capital improvements, including the operation and maintenance of capital improvements. All revenue received from the tax shall be deposited in a fund, or funds, for said purpose.

SECTION 2: All resolutions, or parts of resolutions, in conflict with this resolution are, to the extent of such conflict, hereby repealed.

SECTION 3: This resolution shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Approved this _____ day June 2015, by a roll call vote as follows:

Roll Call #: _____

Ayes: _____

Nays: _____

Absent: _____

John Pritchard, Mayor

ATTEST:

Kelli R. Bennewitz, City Clerk