

## Capital Utility Tax Fact Sheet

- An electric use and natural gas use tax (Utility Tax) has been proposed to fund capital improvements, including operation and maintenance of capital improvements.
- The Utility Tax would generate an estimated \$2,350,000 per year.
- The gas tax rate is 5% of gross receipts for retail customers and for others, \$0.05 per therm and 5% of any natural gas service charges.
- The electric tax rate is based on a tiered scale and is charged per kilowatt-hour (kwh) used. The rate ranges from 0.61 cents per kwh to 0.305 cents per kwh.
  - Calculated on a monthly basis for each purchaser:
    - First 2,000 kilowatt-hours; 0.61 cents per kwh;
    - Next 48,000 kilowatt-hours; 0.40 cents per kwh;
    - Next 50,000 kilowatt-hours; 0.36 cents per kwh;
    - Next 400,000 kilowatt-hours; 0.35 cents per kwh;
    - Next 500,000 kilowatt-hours; 0.34 cents per kwh;
    - Next 2,000,000 kilowatt-hours; 0.32 cents per kwh;
    - Next 2,000,000 kilowatt-hours; 0.315 cents per kwh;
    - Next 5,000,000 kilowatt-hours; 0.31 cents per kwh;
    - Next 10,000,000 kilowatt-hours; 0.305 cents per kwh;
    - In excess of 20,000,000 kilowatt-hours in a month; 0.30 cents per kwh.
- Ameren charges an amount equal to 3% of the tax for collection services. This amount will be included on the utility bill.
- Residential use accounts for 38% of all electric use, commercial 54%, and industrial 8%.
- Total infrastructure maintained by the City:
  - Miles of roadway – 176
  - Miles of curb and gutter – 260
  - Miles of sidewalk – 152
  - Miles of storm sewer – 56 miles (maintained by City)
  - Number of storm sewer inlets and manholes – 5,610
  - Number of bridges – 21

# CITY OF GALESBURG

Administration

Operating Under Council – Manager Government Since 1957

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- Number of street lights City owns and maintains – 782
- Number of signalized intersections – 26 (City), 17 (IDOT)
- Number of buildings and facility – 58
- The City estimates infrastructure deferred maintenance costs between \$2.45M and \$5.45M per year.
  - Park Maintenance = \$100,000
  - Sidewalk & Curbs = \$125,000
  - Street Improvements = \$1,500,000 to \$4,500,000
  - Stormwater = \$500,000
  - Tree Maintenance = \$75,000
  - Building Maintenance = \$75,000
  - Parking Lot Maintenance = \$75,000
    - Total = \$2,450,000 to \$5,450,000
- The City's 5-year Capital Improvement Plan includes 81 projects estimated to cost \$66M.
- A resolution will be proposed restricting the use of funds for capital improvements.
- Approval of expenditure of funds would occur during the annual budget process, utilizing the City's 5-year capital improvement plan as a guide.
- The City Energy Aggregation program resulted in reduced electric rates of 27% for customers in 2013, and 12% in 2015 lessening the impact of the tax.
- Proposed use of Funds:

	<u>Annual</u>
A. Bond Issue (\$8M for projects)	\$600,000
B. Storm Water Utility Fund	\$ 750,000
C. Planning Fund	\$ 1,000,000
Total Revenue:	\$ 2,350,000