



## CITY COUNCIL AGENDA ITEMS

**To:** Mayor and City Council  
**From:** Walter Denton, City Administrator  
**Date:** April 20, 2009  
**Subject:** RESOLUTION URGING PASSAGE OF A COMPREHENSIVE CAPITAL INFRASTRUCTURE PROGRAM

**List of committees that have reviewed:** None

**Background:** The state legislature is currently considering a comprehensive capital bill and the IML has requested that cities approve this Resolution to show how important the issue is to the state of Illinois. The American Recovery and Reinvestment Act (federal stimulus) has brought some needed federal dollars to our state for infrastructure projects and Governor Quinn recently signed into law a mini-capital bill which is basically a starting point for a road and transit program. Those two actions are helpful; however, a comprehensive capital bill is needed.

Here are some facts regarding infrastructure financing:

- Units of local government have responsibility for over 88% of the public roads.
- Historically, after expenses (including the boating act, grade crossing protection funds and vehicle emission inspection expenses are removed), the balance of the 19-cent Motor Fuel Tax is distributed: 45.6% to the state, 26.7% to municipalities; 19.1% to counties; and 8.6% to townships.
- The Motor Fuel Tax has not been changed since it went to 19 cents a gallon in 1990.
- Motor Fuel Tax Allocations for municipal, county and township roads and bridges are only 10% higher than they were eight years ago, yet the cost of construction on local roads is 90% higher during that same time-frame.
- It is important that the dollars are divided by formula and that units of local government get to decide what projects will be funded.
- Regardless of the funding source (a Motor Fuel Tax or income tax increase), it is critical that local governments receive their fair share and are treated fairly in any capital bill.

**Legal Considerations, if any:** None.

**Budget Impact:** None.

**Staff recommendation:** Approval.