

 <p>Lake County Policy</p>	3.3 Revenue Policy
	Approved by the County Board on: May 10, 2022

1. Purpose and Intent

1.1 The purpose and intent of this policy is to provide County Staff with guidelines for revenues that provide for the consistent provision of public services and ensure financial stability regardless of economic fluctuations, while taking into account the equity and impact of each revenue stream.

2. Background

2.1 Lake County’s four major revenue categories are property taxes, sales and other taxes, intergovernmental revenue (or payments from other governments), and charges for service.

2.2 Other types of revenue that make up a much smaller portion of the overall budget include license and permits, fines, rental income, interest earnings, sale of assets, and other miscellaneous revenue.

3. Scope

3.1 This policy applies to all departments, agencies / commissions, and elected offices whose funding is approved by the Lake County Board, unless certain criteria apply that supersede this requirement as defined in *3.1 Finance Policy, Section 5.3*.

3.2 This policy applies to the following revenue concepts: diversification and stabilization; revenue estimates; taxes; and user fees as approved by the Lake County Board unless certain criteria are met that supersede this requirement as defined in *3.1 Finance Policy, Section 5.3*.

4. Authority

4.1 The Authority as stated in *3.1 Finance Policy, Section 4* applies.

5. Policy

5.1 Diversification and Stabilization

5.1.1 The County shall maintain diversified and stable revenues to shelter it from short-run fluctuations in any one revenue source.

5.1.2 In order to preclude the County from becoming overly reliant on a particular revenue stream, the County shall maintain the practice of a diverse mix of property tax and special revenue appropriations.

5.1.3 After determination of all sources, all revenues shall be allocated across the various items appropriated by the County Board as provided by law. Unless otherwise provided by law, no department, agency, or office can appropriate any specific source of revenue even though that revenue may be generated by a service it provides.

5.1.4 Lake County shall not use one-time revenue to fund ongoing expenses. One-time revenues will be limited to the purpose for which they were intended (e.g., grant purpose) or for a capital expenditure.

5.1.5 Grants: County staff shall seek out, apply for, and effectively administer federal, state, and other grants that address the County's priorities and policy objectives and provide a positive benefit to the County.

5.1.5.1 If program funding from any non-County sources (e.g., state grants, federal grants, intergovernmental agreements, etc.) is reduced or eliminated, commensurate expense reductions or new revenue increases shall be made or, where necessary, the program will be eliminated.

- Exceptions may be made where grant funds were used to offset expenses that were previously provided for by local tax dollars, where loss of funding may result in a verifiable increase elsewhere in the County budget, or when a service is considered critical as recommended by the County Administrator and approved by the Board.
- When a request to fund a program or service grant that has been cut is brought forward, a similar cost reduction or revenue increase must be identified. Approval of such a request will require a 2/3 vote (of the members present) of the Financial & Administrative Committee (F&A).

5.1.5.2 During the course of any fiscal year, any department/agency/office intending to pursue a new grant (i.e., one that was not awarded in the previous fiscal year) shall acquire approval from the standing committee and F&A (or the County Board if so required by the agency) to apply for such grant prior to application if the grant requires a direct County match.

- Renewal of grants awarded during the previous fiscal year or those that are for less than \$10,000 and do not require a County match do not need prior approval.
- If the deadline to apply for any grant does not allow sufficient time for prior approval, the department may apply and submit for approval to committee(s) at the next available committee meetings. Departments will notify the Finance Department of grant applications that require an indirect, or in-kind, match.

5.2 Revenue Estimates

5.2.1 The County will estimate its annual revenues through an objective, analytical process that is specific to each unique revenue stream.

5.2.2 The County will project revenues for the next five (5) years and will update this projection annually.

5.3 Taxes

5.3.1 The year-to-year increase of budgeted revenue from the property tax will adhere to the Illinois Property Tax Extension Limitation Law (PTELL) and shall not exceed the national Consumer Price Index (CPI) for the year preceding the levy year on existing property.

5.4 User Fees

5.4.1 The County shall continually investigate other revenue sources (e.g., charges for services, user fees, use taxes) that could be used to relieve the property tax burden.

5.4.2 All user charges and fees under the jurisdiction of the County Board will be reviewed by staff on an ongoing basis with all fees reviewed within a five-year cycle, and where appropriate, adjusted to a level related to the cost of providing the services, subject to State statutes.

5.4.3 The County will maintain aggressive collection activities to receive outstanding monies owed to the County.

5.4.4 The County will recommend new fees that could be charged for departmental activities or services that are currently being performed at no charge to offset the cost of providing the service.

5.4.5 Revenues coming into special revenue funds, typically in the form of fees, are used to support the programs and services related to those fees.

5.4.5.1 In the event of a request to begin or expand a program or service legally eligible to be funded, in whole or part, by special revenue funds, the special revenue funds directly tied to that program or service shall be considered as the funding source prior to seeking general fund revenue.

5.4.5.2 Special revenue funds *should not* be used to offset or fund shortages in the General Fund. As special revenue funds can vary considerably from year to year based on economic and other conditions, consideration will be given to the balance of the special revenue funds, as well as the sustainability if the expense is on-going.

5.5 Policy review and update shall be in accordance with *3.1 Finance Policy*.

6. Severability

6.1 If any section or provision of this document should be held invalid by operation of law, none of the remainder shall be affected.

7. Non-Discrimination

7.1 Lake County prohibits the discriminatory application, implementation, or enforcement of any provision of this policy on the basis of race, color, sex, age, religion, disability, national origin, ancestry,

sexual orientation, marital status, parental status, military discharge status, source of income, gender identity housing status, or any other protected category established by law, statute, or ordinance.

Policy History			
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