



# 2026 Grocery Tax Implementation



# History/Facts

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- The 1% tax on groceries applies specifically to items that are meant to “be consumed off the premises where they are sold,” The tax had been suspended originally from 2022 to 2023 as part of a relief plan for residents battling inflation costs, but it resumed last summer.
- 1% set to expire January 2026, state law now allows for local tax, can be implemented up to 1%

# 2022 & 2023 Revenues Collected

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2022-\$310,000



2023-\$317,000

# 2021-2024 staff/programs partially funded

- **All General Fund Employees**

- PD new hires since 2021-12 FT officers, 2 FT dispatchers, 1 FT CSO/Code enforcement
- 3 FT FF/Paramedics
- 40% of admin services expenses reimbursed by GF this includes 1FT finance person. Also includes equipment, ERP and EAM conversions and counter project. Total transfer from GF 2024-\$662,874.

- **General Fund Capital/Large Purchases**

- 6 squad cars+ addition equipment
- Locker room renovations at PD & Dorm updates at FD
- HVAC upgrades at City Hall
- Buildings and Grounds improvements at City Hall
- GF related expenses at 1030 south 7<sup>th</sup>
- Laptops and equipment replacement for staff at PD, FD, PW, Engineering and City Hall
- All PW & code enforcement vehicles
- Zoning Code and Comprehensive Plan updates
- All legal fees not related to utilities and TIF
- Municode



# 2021-2024 staff/programs partially funded

- Street maintenance and repair work including pothole patching and crack filling.
- Sidewalk maintenance and repair for ADA compliance.
- Snow and Ice removal operations. (depending on the severity of winter weather this alone can consume the grocery tax)
- Traffic signals and signage. This includes conflict monitor testing for traffic signals, radar speed signs, flashing pedestrian signs.
- Pavement markings such as centerlines, edge lines, stop bars, and crosswalks.
- Stormwater infrastructure improvements and maintenance. Including erosion and vegetation control along the Kyte River and tributary waterways.
- Lawnridge Cemetery management and maintenance services.
- Right-of-Way maintenance. Labor and equipment used to mow and trim over 50 miles of ditch and over 65 acres of city of parcels.
- Rochelle's forestry program. Planting, Inspecting, pruning, and removal of all City owned trees.
- Annual payment for PW dump Trucks.
- Fleet maintenance and repair of light and heavy-duty equipment and vehicles.
- Annual leaf collection program.

# 2021-2024 staff/programs partially funded

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Community Projects/Sponsorships

Façade Improvement Program-  
outside of TIF

Annual Fireworks

Spay/Neutuer Program for cats

Citizens Academy

Cinco K, Rochelle Basketball Club,  
Small Business Bingo, Chamber  
Annual dues, Firemen's ball, work  
force initiatives (Hispanic small  
business summit, job fair, ED lunch  
and breakfast with industry),  
municipal band, Focus House, senior  
center contribuion

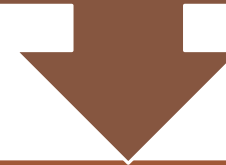
Staff Training

All required FD and PD training

PW certifications

## Possible Options

Institute 1% local grocery tax as allowed by IL statute-this will hold the city neutral and allow us to continue operations without major cuts



Institute .25% increase in non-home rule tax. This will generate approx. \$250,000 annually, but by code must go toward property tax reduction and/or infrastructure related expenses



Allow the tax to lapse in 2026, make targeted cuts to GF through attrition and program cuts