

2016 BOND REFERENDA



Village of La Grange Park, Illinois

Town Hall Meeting
February 10, 2016

Presentation

- Overview
- Question & Answer

OTHER

- Website
- Handouts

2016 Referenda

- The Village approved the placement of 2 propositions to issue \$11.2 Million in bonds to fund road infrastructure and fire equipment.
- These propositions or referenda will be placed on the March 15, 2016 Ballot.
- **As this is an issue for the voters to decide, it is important that residents are informed.**
- Information is available at the Village's website, in the recent *Roseclippings* Newsletter, and at Village Hall.
- We will address questions this evening and future questions can be sent to info@lagrangepark.org.



Background

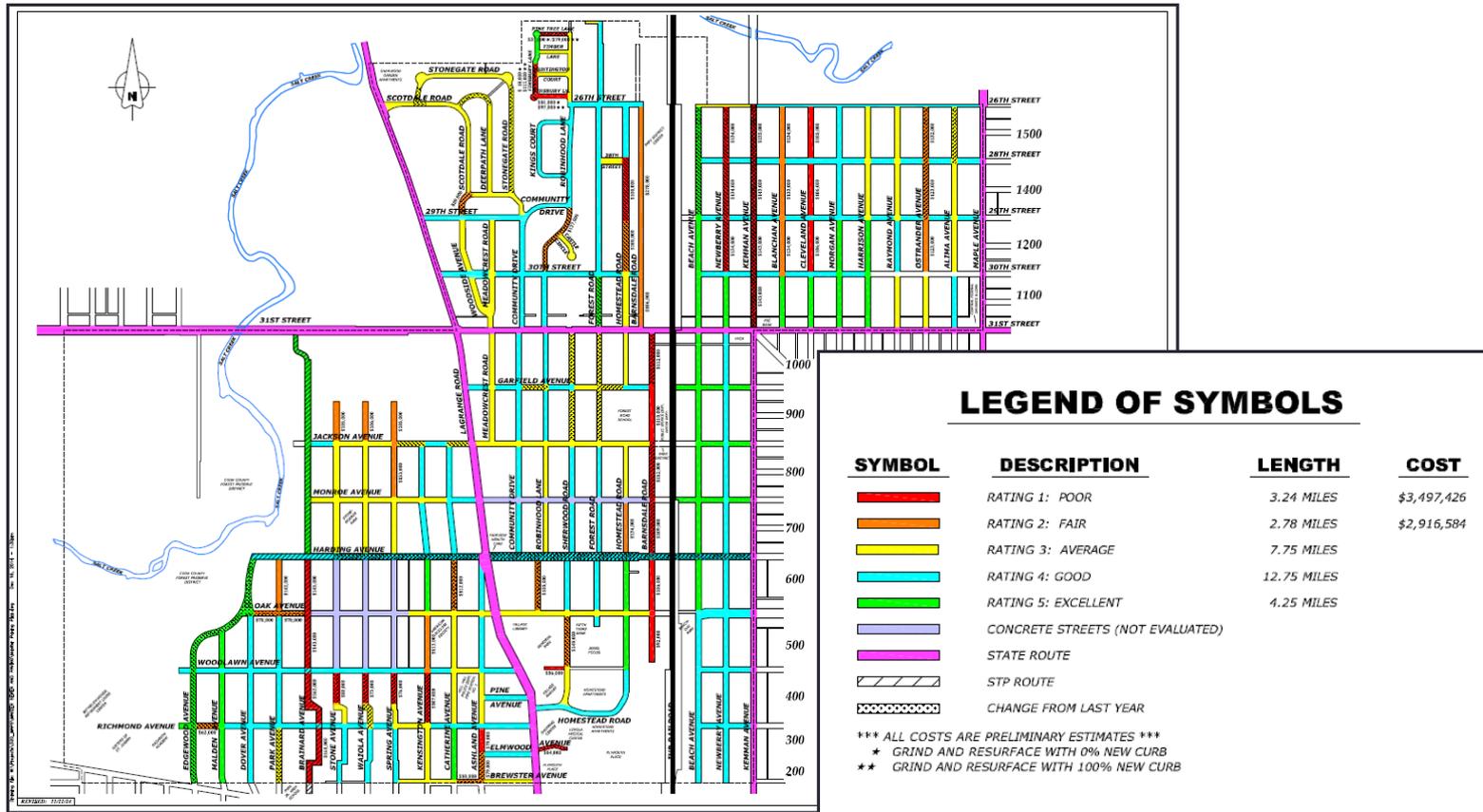
- The condition of our roads is our #1 complaint from residents.
- The Village Board is aware of this and has responded in a number of ways.
 - Increased Road Repair Funding in FY14,15 &16.
 - Sought out grant opportunities.
 - **Local Revenue Study** to ensure cost effective services and to evaluate fee structures and identify potential revenue streams.
 - **Strategic Planning** to identify short and long term solutions for financial sustainability – so we can spend more money on roads.

Actions Taken

- Streamlined services to create efficiencies and eliminate cost leakages.
- New fee structures for building and zoning activities, liquor licenses and vehicle stickers.
- New fine structures for certain violations.
- Negotiated cost effective wage increases and increased employee contributions for benefits.
- We maintain a Paid On Call Fire Department.
- Improved risk management practices, decreased claims to lower annual insurance premium.
- Applied for grants for roads, fire and police equipment, and green infrastructure.
- Refinance existing bonds for significant cost savings.
- TIF feasibility study for long term sustainability.

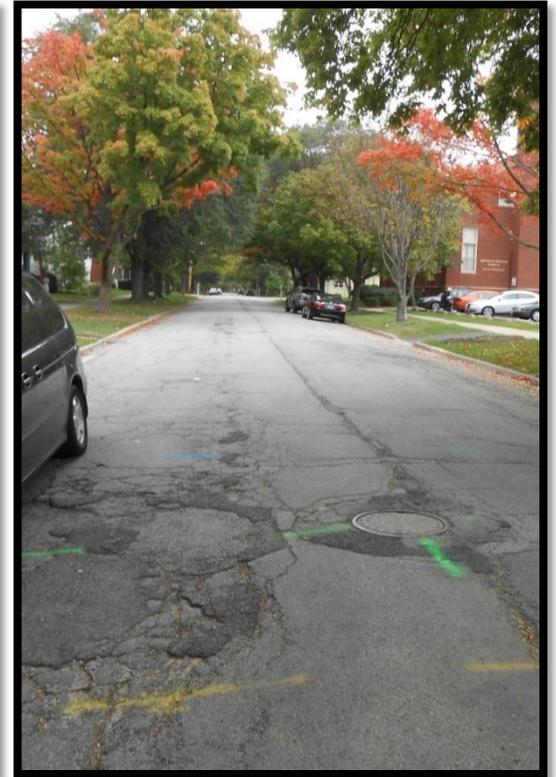
Challenges

- Existing revenues are not sufficient to maintain roads at an acceptable level – 70 year cycle.



Challenges

- We have about \$5M of roads in immediate need and about \$5M that are deteriorating quickly.



Challenges



- We have been able to increase funding for roads but it is no longer sustainable.
- Spending more money on roads means no funds for equipment replacement. There is simply not enough funding for infrastructure care.
- Our infrastructure needs cannot be delayed any longer or we will get exponentially behind, costing us more.

Current Budget

GF Revenues: \$8.21M

GF Expenditures: \$8.23M

Includes \$600K
In GF capital



5 Year Plan

Identifies \$8M
In (GF) Capital Needs

Challenges - Financing

- The Village has limited options for financing debt.
 - ARBs will not get us ahead on the repaving cycle, as they require a dedicated revenue source. (*we just paid off our 2004 road bonds*)
 - We cannot borrow without taxpayer approval (non-home rule)
 - **NOTE!** The Village Board opted to focus on a BOND Referenda rather than a Tax Cap Increase Referenda.

Bond Referenda

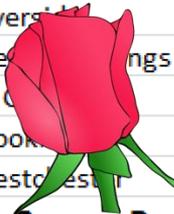
- Voters decide
- Long Term borrow pledged by taxing power to repay the loan over a term
- The funds are restricted by the proposition and the Official Statements of the issuance.

Tax Cap Increase

- Voters Decide
- Increases the tax rate
- Funds are unrestricted and can be used for any purpose – operations and capital.

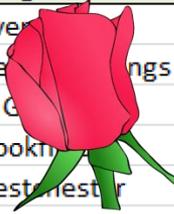
Challenges - Finances

- We have the lowest property tax rate per capita of any of the area communities.
- We are primarily a bedroom community.



Village	Population	2014 Village Property Tax	Property Tax Per Capita
Riverside	8,875	\$ 5,109,140	\$ 576
Westchester	12,975	\$ 5,683,624	\$ 438
La Grange	15,550	\$ 6,488,136	\$ 417
Brookline	18,978	\$ 7,889,513	\$ 416
Westchester	16,718	\$ 6,179,225	\$ 370
La Grange Park	13,579	\$ 3,403,907	\$ 251

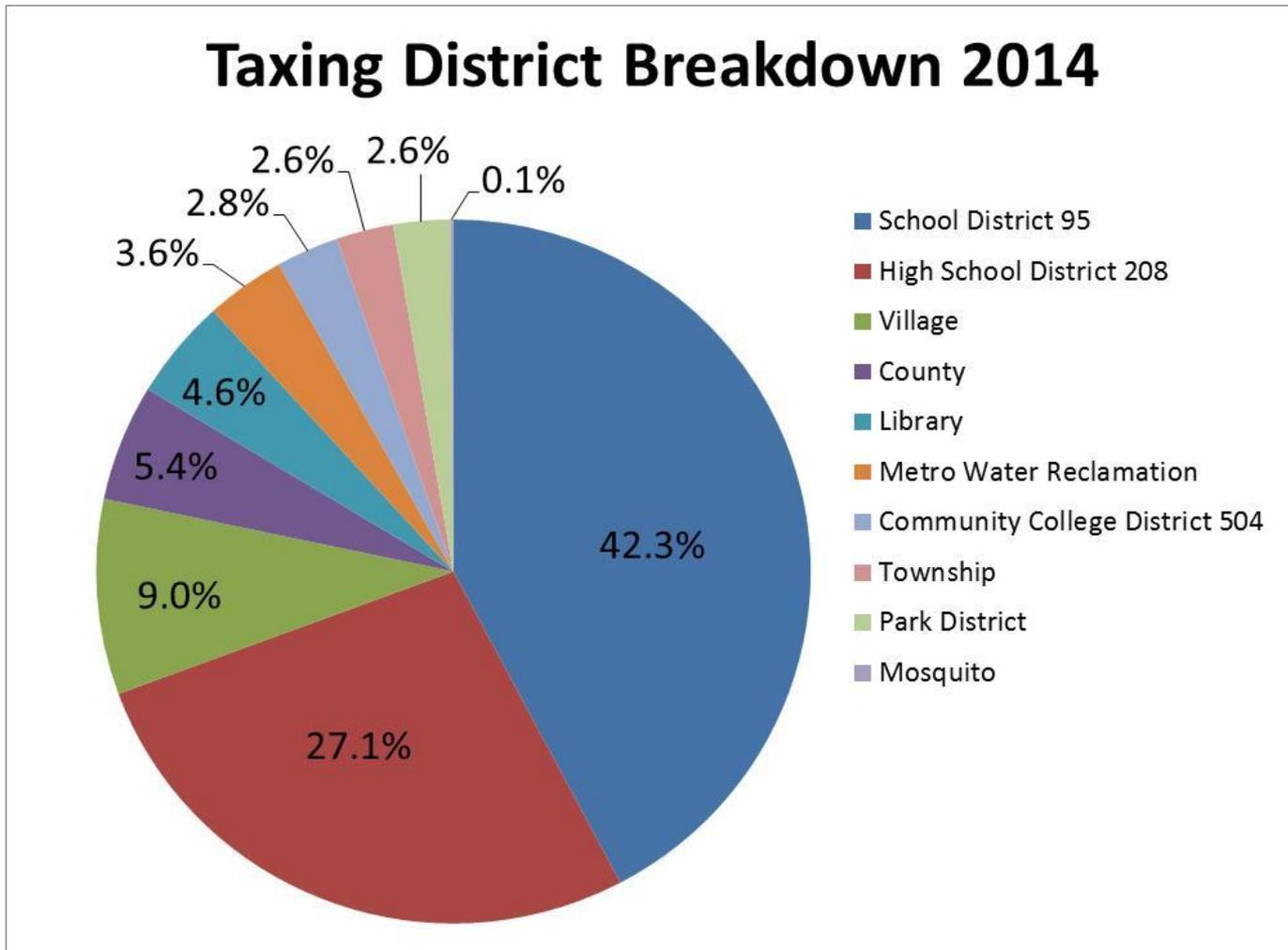
Estimated debt service of \$1.274 million included for La Grange Park



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La Grange Park	13,579	\$ 4,678,065	\$ 345

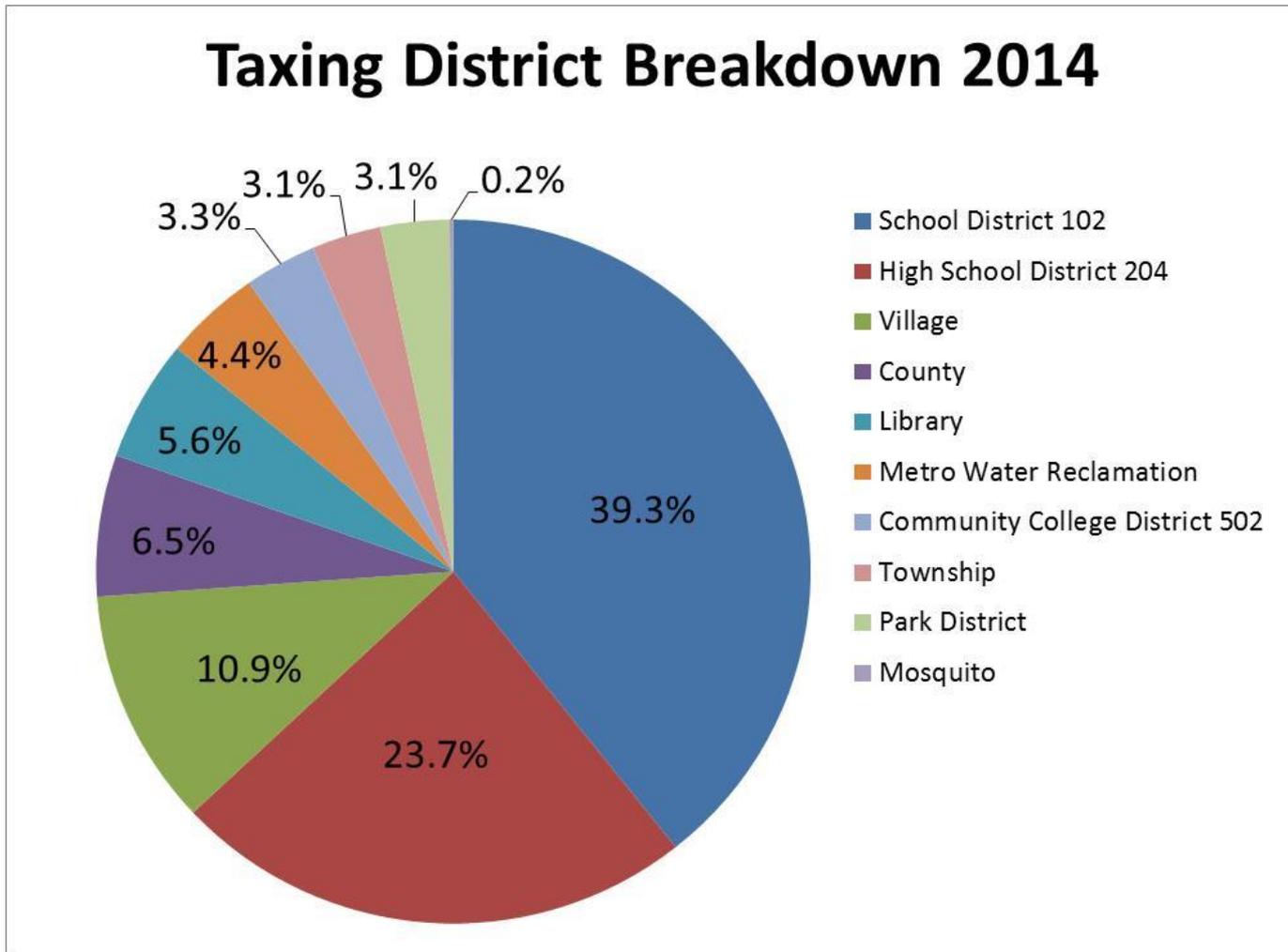
Property Taxes

DIST 95/208



Property Taxes

DIST 102/204



Challenges – Uncertainty at the State

- For most of 2015, we did not receive certain revenues by the state which help fund operations (MFT, 911, Use Tax).
- This intensified the financial situation.
- Legislation approved.
- The LGDF is in jeopardy. (local share of the income tax)

Village of La Grange Park Estimate of local funds withheld by State				
	<u>Use Tax</u>	<u>MFT</u>	<u>911</u>	<u>Total</u>
July				
August		27,000		27,000
September	26,956	27,000	6,500	60,456
October	24,992	27,000	6,500	58,492
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	51,948	81,000	13,000	145,948
November	23,000	27,000	6,500	56,500
December	23,000	27,000	6,500	56,500
January	23,000	27,000	6,500	56,500
February	23,000	27,000	6,500	56,500
March	23,000	27,000	6,500	56,500
April	23,000	27,000	6,500	56,500
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	138,000	162,000	39,000	339,000
FY 2106	<hr/>	<hr/>	<hr/>	<hr/>
	189,948	243,000	52,000	484,948

Strengths

- Highly desirable community - great parks, schools, and amenities.
- 2015 Recognitions (top 10 suburb, 7th safest, environmental award)
- Record setting building permits. Residents are investing!
- Strong record of financial management with a great credit rating AA+.
- Financing a bond through property tax is an optimal option.
 - An effective way to finance large infrastructure.
 - Payable over 10 years then comes off the tax bill.
 - Can identify a sufficient amount that allows us to address our needs and remain competitive/fair with surrounding communities.
 - Funds are restricted - shall only be used as specified in the proposition and in the financial statements for the bond. Funds cannot be used for other purposes (such as operational costs).

Propositions – March 15, 2015

Shall the Village of La Grange Park, Cook County, Illinois, undertake road improvements in and for the Village, including street resurfacing and sidewalk repair, all on property owned by the Village or over which the Village has sufficient easements, and issue its general obligation bonds to the amount of \$10,000,000 for the purpose of paying the costs thereof, said bonds bearing interest at not to exceed the rate of 6.00% per annum?

Shall the Village of La Grange Park, Cook County, Illinois, purchase fire safety vehicles and equipment for the public welfare and safety of the Village, and issue its general obligation bonds to the amount of \$1,200,000 for the purpose of paying the costs thereof, said bonds bearing interest at not to exceed the rate of 6.00% per annum?

Impacts

Estimated Impact

- Bonds are financed over 10 years
- \$109 per year per \$100,000 of property tax value
- For a home valued at \$350,000:
 - \$1.04 day
 - \$31 Month
 - \$380 a year

Another View...

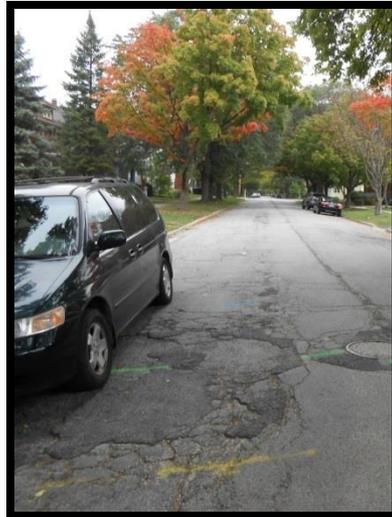
2014 Total Tax Bill	Estimated Increase	
	District 102	District 95
\$ 1,000	\$ 41	\$ 34
\$ 2,000	\$ 81	\$ 67
\$ 3,000	\$ 122	\$ 101
\$ 4,000	\$ 163	\$ 134
\$ 5,000	\$ 203	\$ 168
\$ 6,000	\$ 244	\$ 201
\$ 7,000	\$ 284	\$ 235
\$ 8,000	\$ 325	\$ 268
\$ 9,000	\$ 366	\$ 302
\$ 10,000	\$ 406	\$ 335
\$ 15,000	\$ 610	\$ 503
\$ 20,000	\$ 813	\$ 670

A Focus on Community Needs

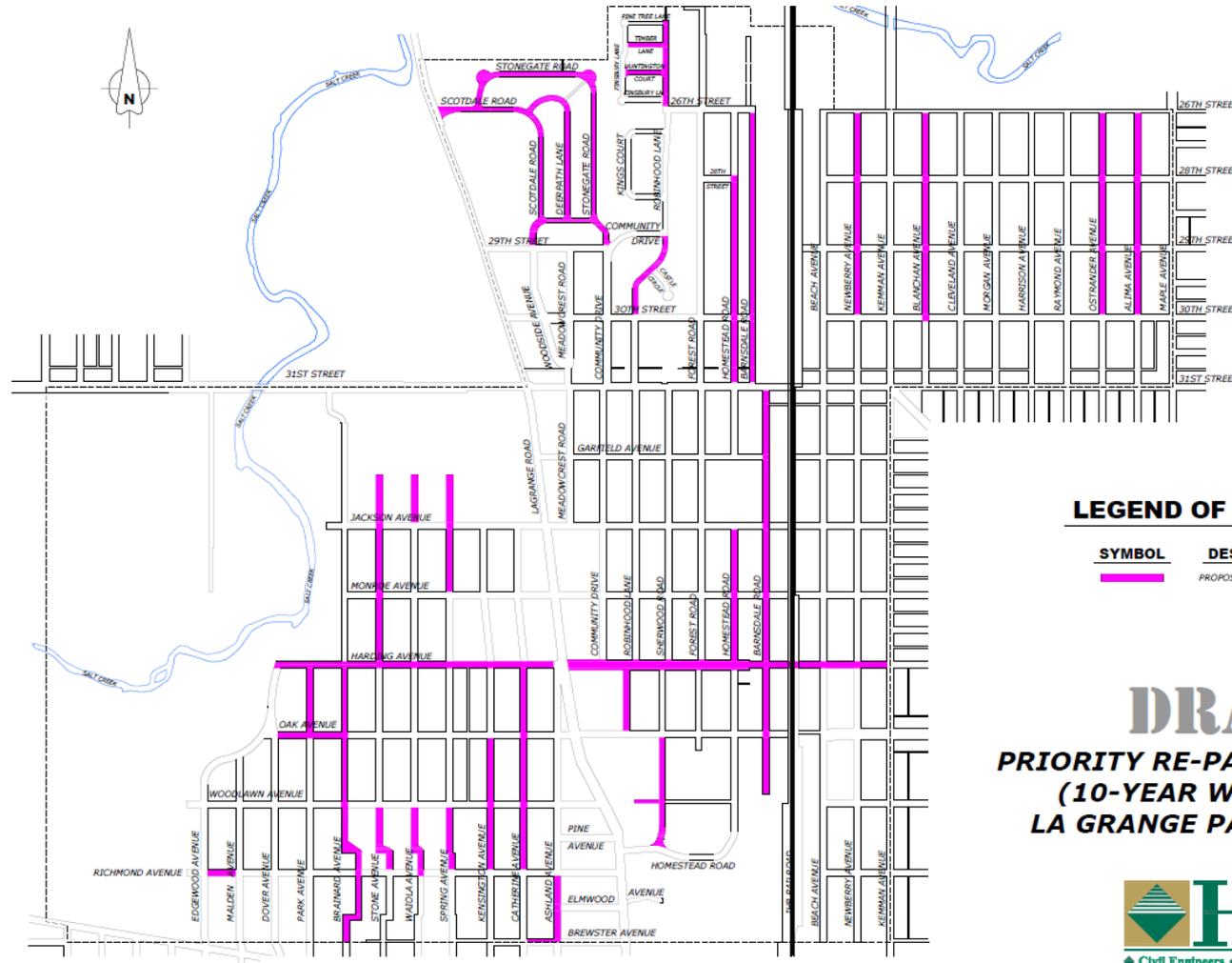


Community Needs - ROADS

- \$10 Million for **Roads**
 - Get us to a 35 year replacement schedule
 - 9-10 miles of road or 26-27% of our roadways
 - Completed in six years or less
 - Without the \$10M road program, we will get further behind with the pay as you go program - and revenue likely to become more limited due to state's financial crisis!



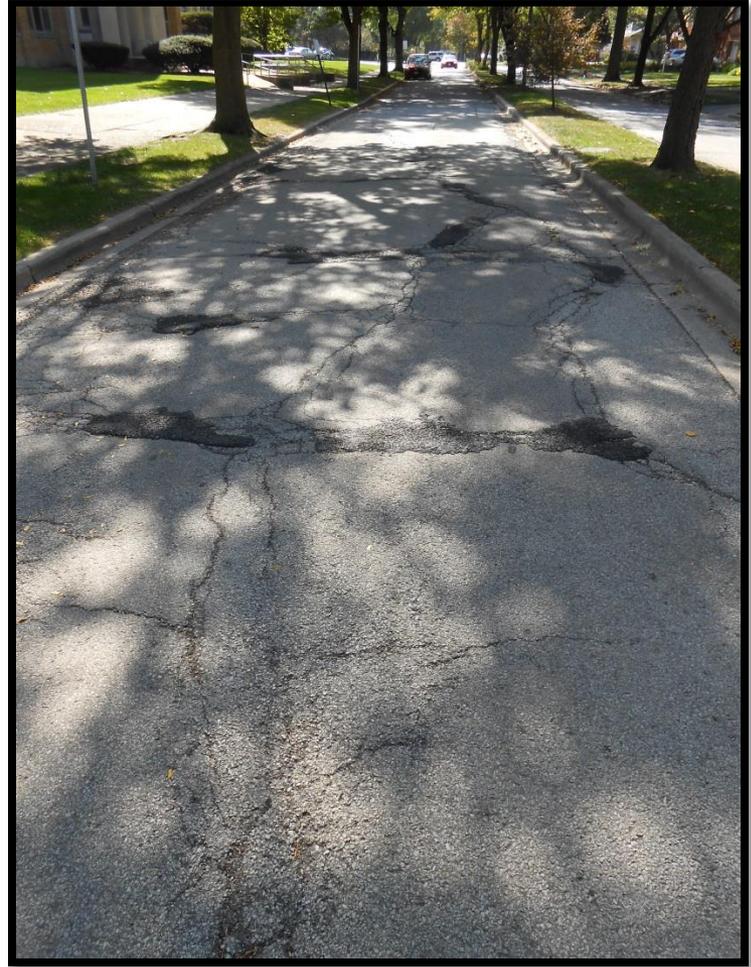
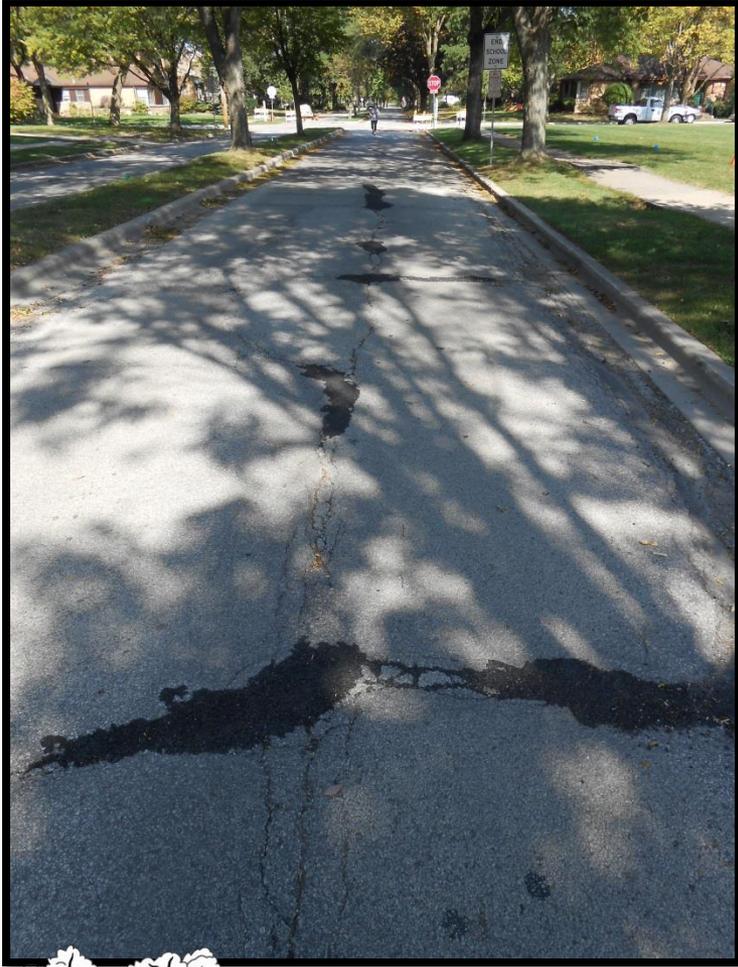
Community Needs - ROADS



LEGEND OF SYMBOLS

SYMBOL	DESCRIPTION
	PROPOSED PRIORITY RE-PAVING PROJECTS

DRAFT
PRIORITY RE-PAVING PROJECTS
(10-YEAR WITH BONDS)
LA GRANGE PARK, ILLINOIS



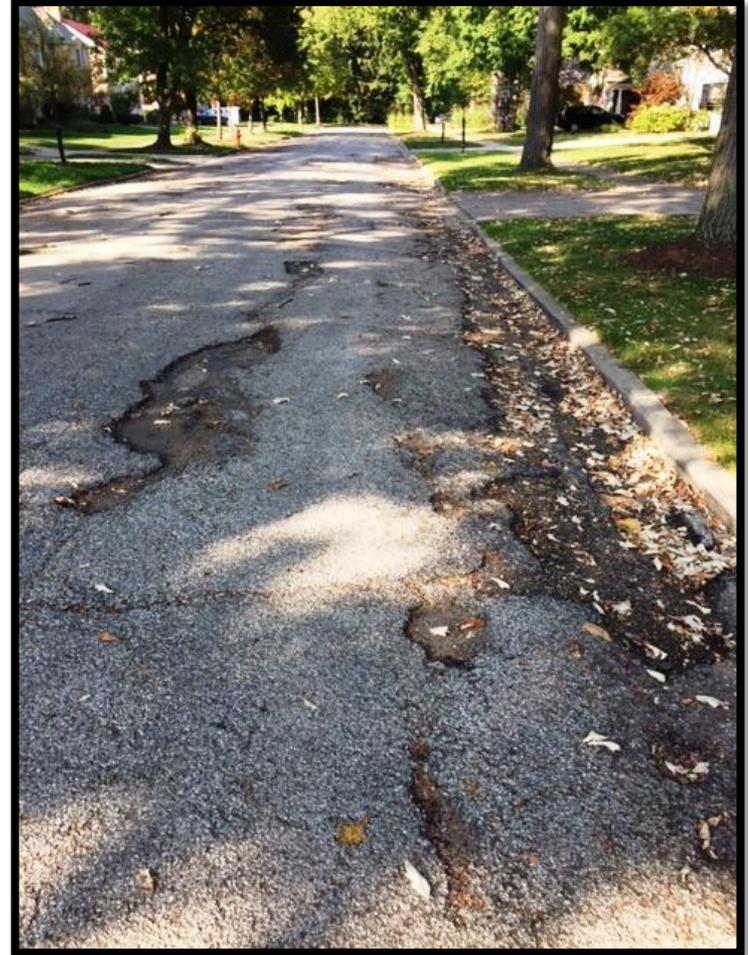




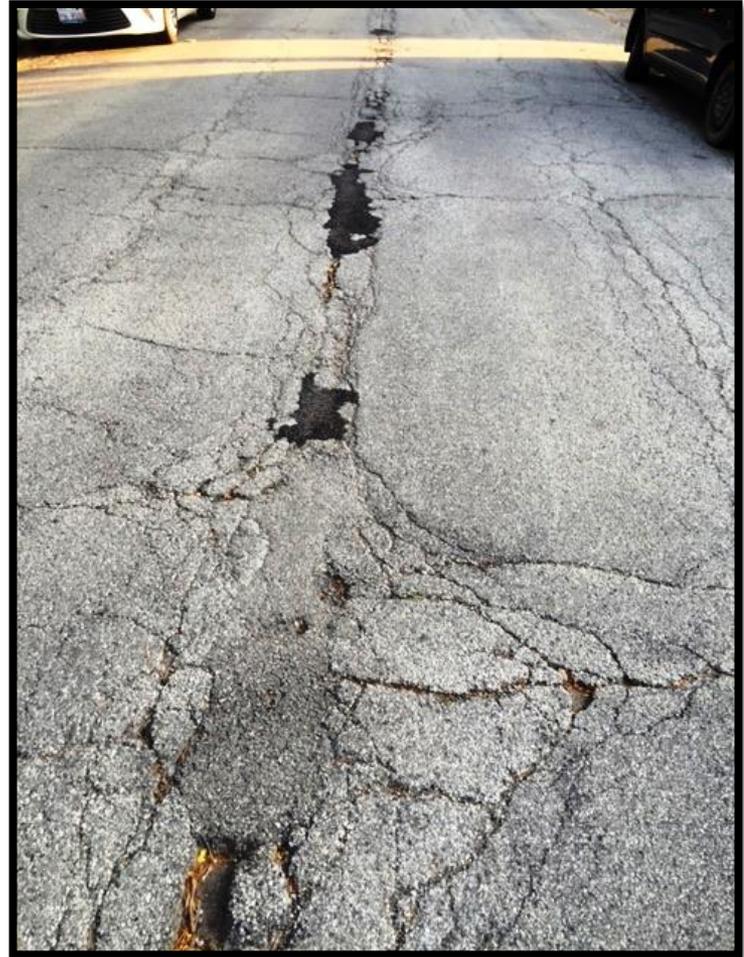
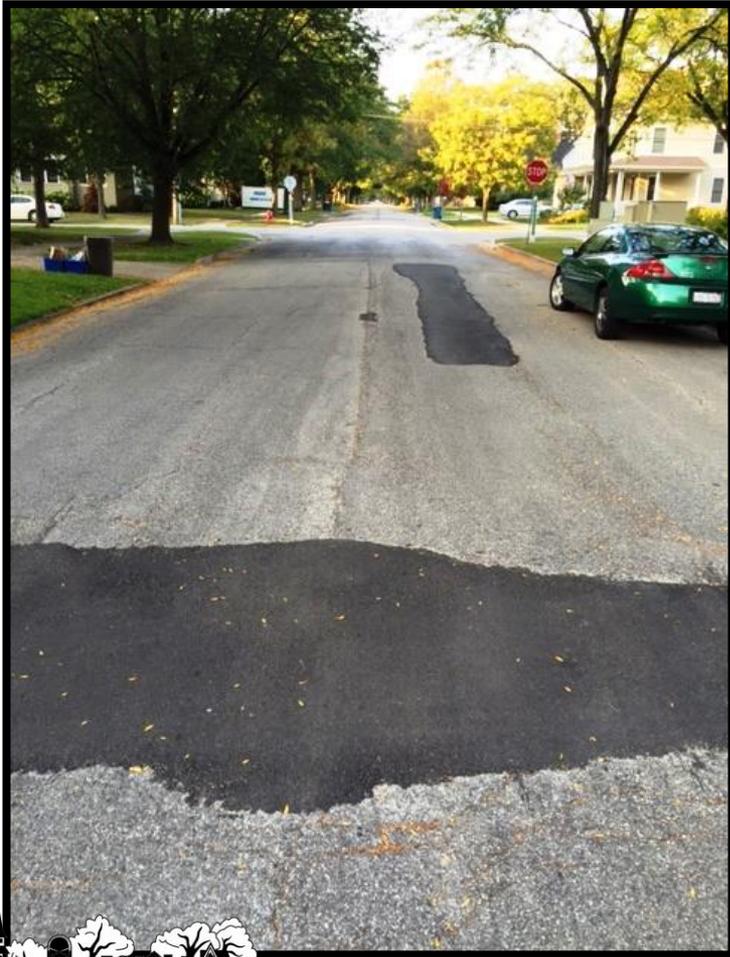


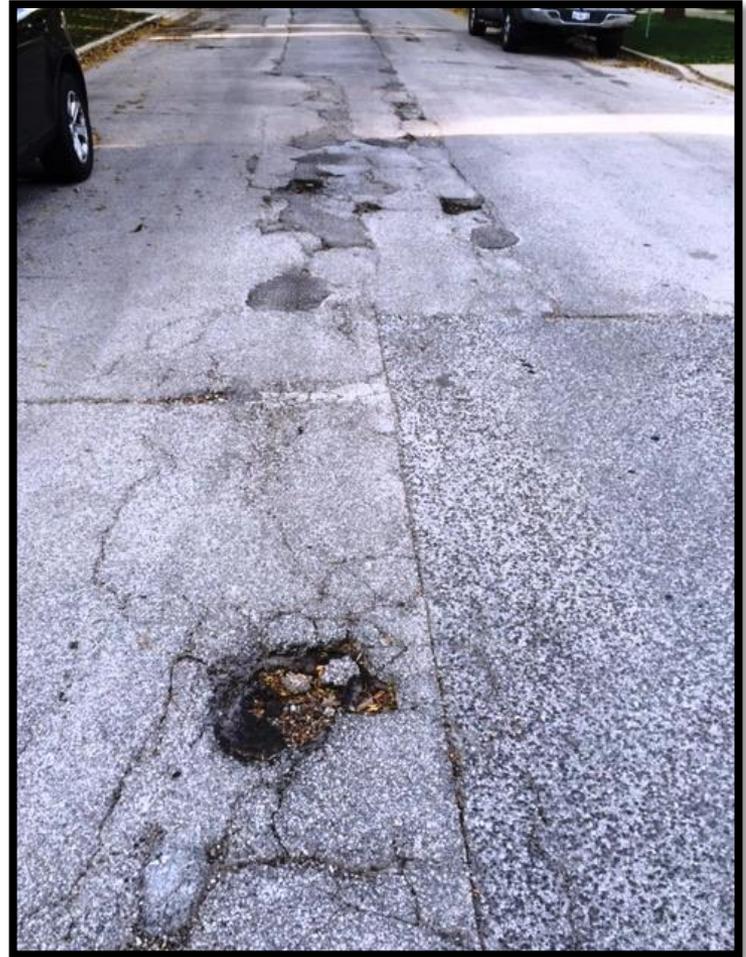
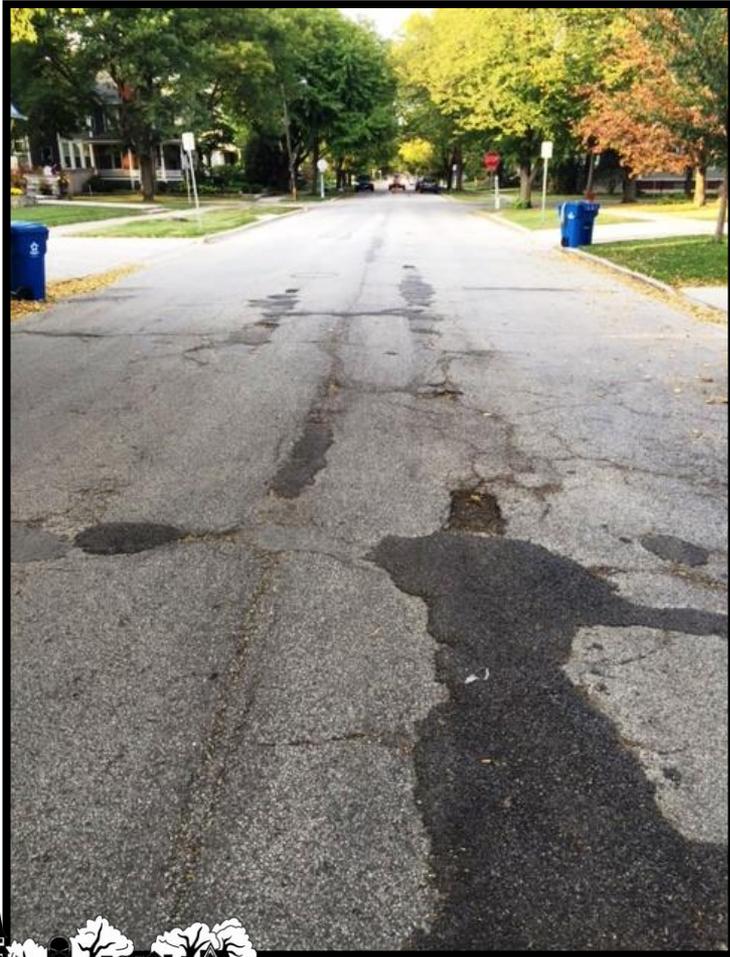














Community Needs – FIRE EQUIP

\$1.2 Million for Fire Equipment



Community Needs – Ladder Truck

- **Ladder Truck** is now 26 years old and is at its end of life.
- Our Options are very limited for obtaining this equipment.
- In 2015, our Fire Truck responded to 149 calls for service.
- Does not meet current NFPA.
- A Ladder truck ensures a stronger ISO rating.



1990 Ladder Truck



1990 Ladder Truck



1990 Ladder Truck



Chassis Frame 11/12/2015

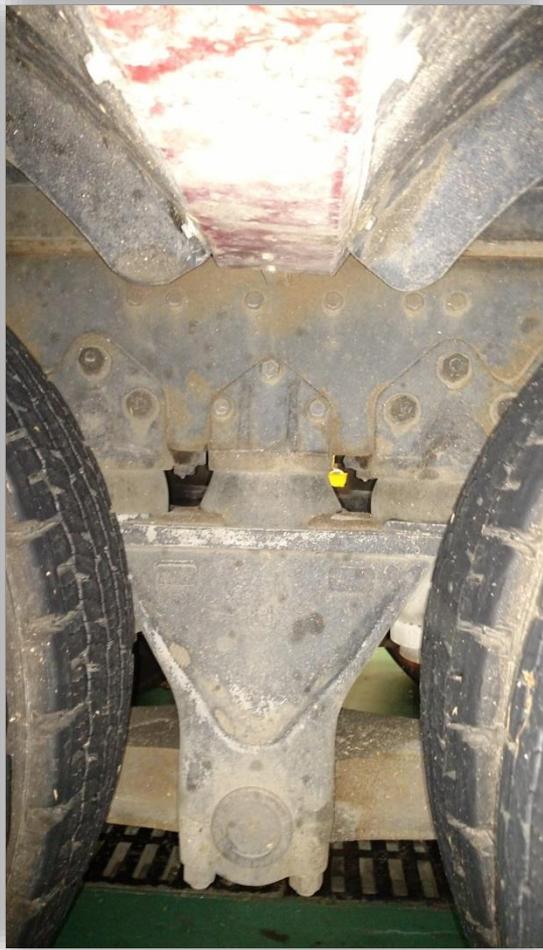


Ladder Truck is 26 years old, end of life and rusting

Chassis Frame 11/12/2015



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Chassis Frame 11/12/2015



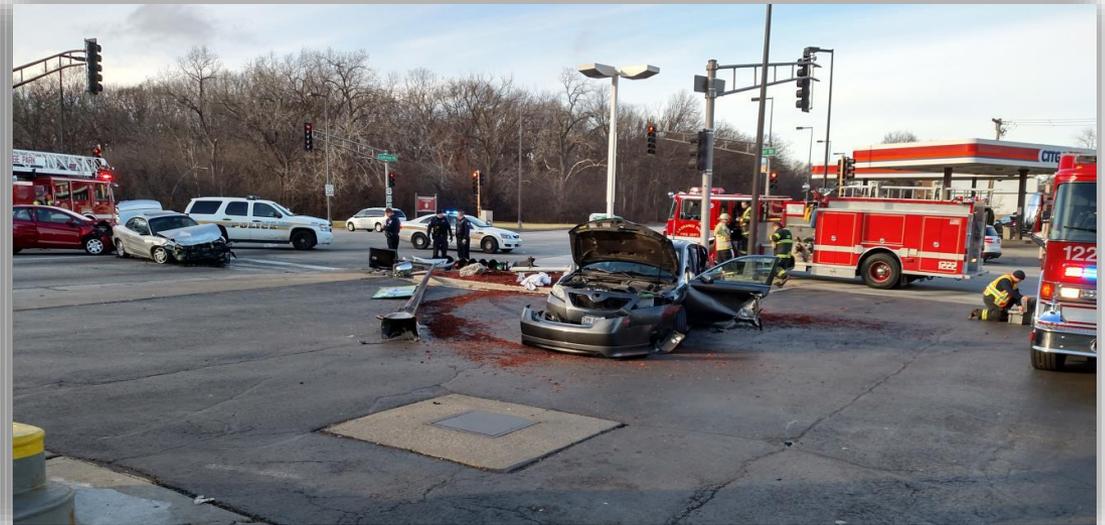
Community Needs – Ambulance

- **Ambulance** is about 16 years old, end of life and needs to meet new safety standards.
- In 2015, we had 1,722 EMS Responses compared to 1,264 in 2005. This service is growing!
- Options are very limited for obtaining this equipment.



Community Needs – Ambulance

- Out of service 21 times in 2015.
- At one point, out of service for a period of nine (9) days.
- 2015 repairs include:
 - Door switches, latches stuck, rear door stuck, various gauges replaced, AC and heater issues, blower control, horn problems, and transmission problems



Message

- The community can determine its own course – vote on March 15, 2016!
- The Village has demonstrated its need after hearing from residents and exercising due diligence.
- **The Village has thoughtfully considered its options – *residents can make the choice.***
- Thank you!



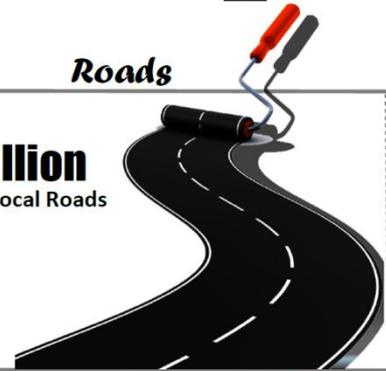
QUESTIONS?

Village of La Grange Park 2016 Referendum

VOTE on March 15, 2016

Roads

\$10 Million
To Repave Local Roads



Fire Apparatus



\$940,000
For a New Ladder Truck

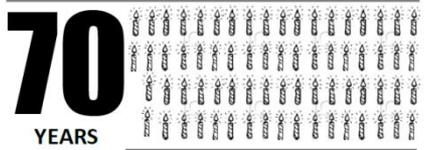


\$260,000
For a New Ambulance

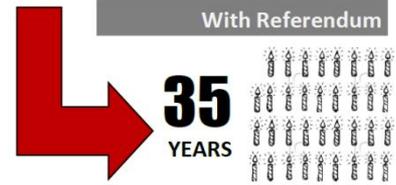
Miles of Roads in La Grange Park



Current Village Cycle to Repave Roads



With Referendum



\$100,000 Cost to Pave 1 Block of Roadway

15-20 Years is the Average Life Span of a Road

In 2014...



1,652 EMS Responses



496 Fire/Rescue Incidents

Age of Current Ladder Truck
Recommended Replacement Age: 15-25



Age of Current Ambulance:
Recommended Replacement Age: 16



17.2%

Of Local Roads Rated as "Critical" and in Need of Immediate Re-Surfacing



For a **\$350,000** Home,

The cost is **\$1.04** Per Day



Less than the cost to buy a cup of coffee.