

## 2016 Road Improvements and Fire Safety Vehicles

# Bond Referenda (March 15, 2016)

## Overview and Frequently Asked Questions

*This will be updated from time to time.*

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### OVERVIEW

#### Summary

Within this document residents will find valuable information on the Village's upcoming Bond referendum to finance a \$10 Million Road Improvement Project and \$1.2 to finance a new ladder truck and ambulance for our Fire Department. Because these needs can no longer be delayed, the Village Board voted unanimously to place two referendum questions on the March 15, 2016 ballot (presidential primary election). The Village is committed to providing high quality services in a fiscally responsible manner. For this reason, it is important that residents stay informed on the bond referendum and understand why the road project and equipment purchases must take place.

#### Why is the Village seeking a bond referendum?

Existing revenues are not sufficient to maintain the Village's 35 miles of roads at a sustainable pace and replace essential fire department equipment. As a result, the Village Board determined the need to prepare for a general obligation bond issuance. The Village is required by state law to receive approval from the voters in order to issue new bonds supported by property taxes (non-home rule). The bonds would be financed over 10 years and the estimated impact to a homeowner's tax bill is \$109 per year per \$100,000 of property value. The Village is required by state law to go to referendum in order to issue general obligation bonds supported by property taxes. Because the law considers road projects and fire vehicles to be distinct uses, the Village must allow voters to vote on each question separately.

#### Why seek a referendum for these projects now?

The Village pays for streets and equipment using general revenues, including property taxes, motor fuel taxes, sales taxes and state shared income taxes. The Village also has vehicle stickers, which help fund road maintenance. Some equipment is also paid from water and sewer fees. The Village has also used grant revenue. The cost of the proposed road projects and fire equipment exceeds the Village's available funds using current revenues. In order to borrow the required money, the Village is proposing to issue debt in the forms of bonds.

In the last several years, the Village has engaged in a proactive process of strategic planning, looking at the current conditions and the long term planning for La Grange Park. In recent years the Village Board has evaluated sewer system and flood mitigation strategies, capital projects prioritization and financing, economic development and tax increment financing, and a local revenue study which

looked closely at service delivery and service fees. Before the Village could affirm that more funding is necessary, it first had to look at how services are provided, whether there were cost leakages and whether there were untapped revenues to ensure the sustainability of the Village’s operating budget and capital needs.

The proposed bond referendum is a result of an organized strategic planning process. The Village has taken measures to make services more efficient, reduce costs, and increase fees where necessary. Today, it has become clear that more funding is necessary to ensure the improved maintenance of our streets, as well as to help pay for equipment that is both critical for the safety of our residents and yet costly as the purchase would substantially impact the funding for necessary operations in the annual Budget and Five Year Plan.

**By how much would my property tax be impacted?**

The Village is seeking approval for both referenda as the Village needs to keep up with its responsibilities for street maintenance and Fire Department emergency vehicle replacement. The Bond Property Tax Estimate Per Total Tax Bill is below. The chart below estimates the estimated increase to your TOTAL tax bill if all bonds are in place (for roads and fire equipment). For example, if your total tax bill is \$7,000, once road bonds and fire equipment bonds are in place, the total annual increase attributable to the bonds is \$284 per year if you live in District 102 boundaries. Once the bonds are retired (after 10 years), the bond payment is removed from your tax bill.

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

**How soon would the Village issue bonds?**

The Village would issue bonds based on the road project schedule, which could begin as early as summer 2016. The Village anticipates that the road improvement plan will be complete in 6 years. *Note: The Debt Reform Act requires that whenever the authorization of the issuance of bonds is subject to referendum, the voter approval, once obtained, remains effective for five years after the date of the referendum. (30 ILCS 350/17.5)*

### **What is the benefit of the road program and new fire equipment for residents?**

In late 2010, La Grange Park was the only community in Illinois to make Forbes list for [America's 20 Most Sustainable Housing Markets](#). More recently in 2015, La Grange Park was voted one of the [10 Best Chicago Suburbs in Illinois by Movoto Real Estate](#). Also in 2015, La Grange Park was ranked one of the [Safest Places in Illinois](#) by Value Penguin and voted one of the [Safest Cities in America](#) by Safewise Home Security Corporation.

These recognitions distinguish our community from others and make evident that La Grange Park is a high quality community with strong property values and top notch amenities, making it an ideal location for families to live and grow. We want it to stay that way. A more robust road program ensures that our streets allow for safe travel and efficient maintenance. This in turn will demonstrate a community that is well maintained, reflecting on the quality of life for residents and the preservation of strong property values. Equipment replacement in the Fire Department ensures that our first responders continue to provide high quality service in the care of its residents, their homes, schools and business community.

### **Are there other financing options to pay for the road project and the new fire equipment?**

The Village is limited in its ability to increase revenues. Based on the recent local revenue study, the Village has taken measures to increase revenue, but it is not enough to support the amount of road work needed. Other options include:

- ✓ Vehicle stickers could be increased; doubling the cost would generate \$260,000, less than 25% of what is needed to fund the proposed projects and equipment.
- ✓ Sales taxes could be increased by voters, but a 1% increase is expected to generate less than \$300,000.
- ✓ General use property taxes could be increased as it was in 2005. However, the revenue would not be constrained to road and equipment like the bonds.
- ✓ The Village could raise ambulance fees, but Medicare and Medicaid limit how much can actually be collected.

In addition to limited options, the Village's share of the state income tax is threatened by as much as \$675,000 and would require the Village to consider these other revenue sources to maintain general operations.

Overall, the Village has limited options for financing debt. Because the Village has a strong bond rating, general obligation bonds supported by property taxes are the least expensive option available to the Village and the property tax is usually income tax deductible for homeowners. Again, the Village could ask voters for a general tax increase which would increase the annual amount available

to fund roads, but those funds are unrestricted. Bonds are the best way to finance large road projects and needed equipment in a shorter time period.

**Has the Village pursued grants to pay for the roads and equipment?**

Yes, the Village has aggressively pursued grants and has been successful in using grants to supplement Village revenue and will continue to seek grant funding when available. Unfortunately, only a small number of the Village’s streets are eligible for most road grants and equipment grants are very competitive. For the last five years, the Village has pursued a grant for a new ladder truck and although many letters of support were provided toward this effort, the Village has been unsuccessful in securing the grant.

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**ROAD IMPROVEMENT PROJECT**

**Proposition (DRAFT FORM): 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?**

**What is the Village’s existing road program?**

Currently, the Village funds road resurfacing out of general revenues, motor fuel taxes received from the state and an occasional federal grant. The Village has 35 miles of street to maintain. It costs approximately one million dollars to repave a mile of roadway. Costs can vary greatly depending on traffic volumes, age of the surface course, quality of the road base, number of freeze-thaw cycles each winter, and the condition of curb.

The plows the Village currently uses include an under body blade which aids in getting snow removed. Those blades create down pressure on the pavement in an effort to get all of the snow off the street. That down pressure has been adjusted to lessen the scraping impact on the pavement. No matter what plow blade is used, the asphalt from filled potholes will loosen with each plowing event, leaving a mess each spring.

**How will the road program change if the referendum passes?**

Since the economic downturn, the Village has averaged five blocks of repaving each year. At the current rate, each street would be resurfaced every 70 years. The proposed referendum (if approved) would generate enough funds to repave nine and possibly ten miles of roadway or roughly 26% (and possibly as much as 29%) of the Village. The extent of the scope is dependent on market conditions, including the cost of asphalt and labor. Each street will be prioritized based on pavement condition,

the ability to patch or repair, and the volume of traffic the street carries. The bonds will only be used for repaving streets. New sewers or water mains are not included as allowable uses of the bond funds. If a new water main or sewer is needed, those costs would be funded from the water and sewer rates.

IDOT recommends replacing the surface layer of pavement every ten to fifteen years. That is a standard most communities cannot meet. If the bonds are approved, the Village would be able to reach a 35 year resurfacing cycle. While not ideal, it would be a major improvement compared to the 70 year cycle we are currently facing. Also, if we are able to catch up on the backlog of streets to be repaved, annual street maintenance dollars in the operating budget could be shifted away from filling potholes to doing more preventative maintenance like crack filling and making larger patches to prevent future potholes. These programs keep water from getting under the pavement surface and reduce the number of potholes, extending the quality and life of the street.

A typical street repaving project will include minor curb replacement to aid the street in draining following a storm. Sometimes, a portion of the driveway apron will be replaced to aid in meeting the grade at the street. The Village no longer funds the entire replacement of driveway aprons. Once the curb work is complete, the wearing surface of the street is ground off and removed. Then, the subsurface of the road is inspected and the Village Engineer marks weak roadway base for removal and replacement. Once the base is up to standard, a base layer of asphalt is placed. The base is allowed to harden and adjustments are made to the tops of the sewer and water main vaults to make them level. Finally, the asphalt wearing surface is placed and rolled. From there, the contractor cleans up the parkway and installs new sod. The contractor is responsible for watering the sod to get it established. Of course, residents are encouraged to water the sod as well.

### **What if the referendum does not pass?**

Should the bond referendum fail, the Village will continue with its current “pay as you go” road program with the funds we have available. Streets will fall to much worse condition before they are repaved. There is a point where the road surface gets so old and brittle that there is no good pavement left to get the pothole fill to attach to. We have this in some areas today. Also, competition will grow greater between resurfacing streets and the ultimate need to replace equipment like backhoes, dump trucks and plows. We work hard to keep the old trucks rolling, but at some point they will have to be replaced and that may mean that one block doesn’t get repaved that year.

With a pay as you go program, the Village is likely to complete just two to three blocks each year. If revenues are stronger in a year and reserves grow, more roads could be completed. Pay as you go does not allow the Village to effectively plan its road improvements consistently into the future because we cannot accurately anticipate revenues in the out years.

Over time, with ever increasing costs for essential services (our core services) and no increase in revenues, fewer streets will be paved. The Village needs a sustained road program that includes dedicated funds for a regular cycle of repair where all streets are repaved within a reasonable amount of time. This ensures a high quality of life and safety for our residents and the maintenance of strong property values.

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## **LADDER TRUCK & AMBULANCE**

**Proposition (DRAFT FORM): 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?**

### **Why is a new ladder truck essential to Village Services?**

Our ladder truck is 25 years old. The maintenance costs have increased over time with age and will increase even more as the vehicle ages. The vehicle is rusting, some of which was repaired a few years back, but rusting will continue over time. According to the National Fire Protection Association (NFPA), a nationally recognized standard, fire apparatus over 15 years old should be placed in a reserve status, and fire apparatus over 25 years old should be removed from service and replaced. In accordance with this standard, our vehicle is at or is approaching its' useful service life. While our truck has been well maintained over the years, due to its age, there exists the potential for a catastrophic breakdown which could pose tragic if it happens in the middle of an emergency operation.

The Village uses the ladder truck regularly. At most incidents, and especially for fires, smoke investigations, fire alarms, or any potential fire involving a structure, our Standard Operating Guidelines dictate that the ladder truck is placed directly in front of the building or incident. This provides good access to upper floors or the roof of the building should the main ladder be needed, and places all of the tools we may need from the truck, including many additional ground ladders, in front of the building. In addition to the main ladder, our truck provides a great deal of necessary support equipment and functions at fires, vehicle extrications and a variety of other rescues and emergencies.

The ladder truck carries a large cache of tools, including: a generator, portable lighting, ventilation and rescue saws, ventilation fans, stabilization cribbing, salvage tarps, multi-gas meter, search and rescue ropes, spare SCBA cylinders, personal flotation devices, etc. These tools are needed for fires and other emergencies that can arise at any type of structure – *including* ranch homes. Also, even though we hope it never happens to your home, a ladder truck would be used should a significant fire

occur involving the attic and roof, in order to extinguish the fire and keep it from spreading to other homes.

The need for such a ladder truck was reflected in our ISO (Insurance Service Office) evaluation conducted in 2012, where we received five out of five available points for maintaining what is called “Credit for Ladder Service”. Part of ISO’s criteria for these points relates to their recommendation that a ladder company be utilized where a community has five or more buildings that are three or more stories, or 35 feet or more (to the eaves), in height. During our evaluation, over forty buildings in our Village met such criteria. We also received maximum ISO points at the time, four out of four, for what is called “Credit for Distribution”, and a portion of these points comes from having a ladder truck, and having it at Fire Station No. 1. The ISO requirement in this area is that a fully equipped ladder-service company be within 2-1/2 driving miles of any built-upon area of the Village, which we met. Using someone else’s ladder truck would increase this travel distance and overall negatively impact our ISO score, and most likely our classification.

#### **What is the cost of a new ladder truck?**

We anticipate the cost of a new ladder truck, designed and equipped to meet our needs, will be between \$825,000 and \$950,000. Ladder trucks are costly because they are large vehicles requiring a lot of steel, aluminum and other materials to actually construct. There are also a great number of larger mechanical components, including the motor, pump, transmission, ladder gears, hydraulic systems and rather complex electrical systems. Overall, there is a lot of labor, technology and engineering that go into truck production.

#### **When do we need to purchase?**

As we are already at the 25 year mark, we would want to start planning for the purchase as soon as possible. The planning and purchasing process can take several months, and if there are no stock units available, the vehicle could take up to a year to build after that. The Village anticipates that a new truck would last 25 years.

#### **Are other communities that use our ladder truck contributing to the cost?**

At this point no, but the Fire Department continues to review and assess options for shared services. The three Villages of La Grange, La Grange Park and Western Springs are currently working on the development of a Consolidated Communications Center, of which all three communities will be sharing the expense. As for fire services, the Village of La Grange Park already has automatic-aid response agreements with some neighboring communities, where we share our fire apparatus and personnel, without charging one another. For instance, when there is a fire west of the IHB railroad, we immediately get an Engine (pumper) with personnel from the La Grange Fire Department with three personnel to assist us, and for fires east of the IHB railroad we get an Engine (pumper) with personnel from the Brookfield Fire Department to assist. We reciprocate, by providing both of their towns an Engine (pumper), for fires in specific areas of their Villages.

**Can't we lease a truck?**

The Village can lease a truck, but it will require a substantial down-payment and subsequent lease payments, of which the money used for such would take away from that needed for other necessary Village equipment and projects. The actual cost then to the Village, and subsequently the residents, would be more in the long run. Further, financing capital projects through a bond referendum is likely tax deductible and is therefore less costly for residents.

**Is there a less expensive alternative?**

Not without a reduction in the level of service that the Fire Department currently provides. There are different types of vehicles and ladder trucks that can be considered, but they would reduce the capabilities of the Fire Department.

**Can we buy a used ladder truck at a lesser cost?**

We can, but it is not recommended. Most ladder trucks being sold as used vehicles have seen many years of service, or a lot of service in a shorter number of years, such as those used in large suburbs and busy cities. As ladder trucks are quite heavy and have many major components, maintenance is somewhat complex, especially in regards to wear and tear and in relation to maintenance. We would not want to simply inherit problems from another agency where we are unsure as to how it was maintained. Also, the safety and electrical systems are constantly evolving, and the standards governing such are routinely updated. It would not be prudent to purchase such an important and costly vehicle that is already behind in safety and technology, and not in conformance with current standards.

**Can't we use someone else's ladder truck?**

This has been a consideration, but it would substantially and negatively impact Fire Department operations. At most incidents, and especially for fires, smoke investigations, fire alarms, or any potential fire involving a structure, our Standard Operating Guidelines dictate that the ladder truck is placed directly in front of the building or incident. It is critical that that the ladder truck be placed there for access to windows, the roof, or to use the elevated water streams to protect property. In addition to the main 110' ladder, our ladder truck carries eight (8) additional ladders of varying lengths, which are crucial to these operations, especially rescue. It is also critical to have the ladder truck placed in the front of the building so the various tools can be accessed quickly. If we use someone else's ladder truck, it would most likely arrive later, after several other vehicles, and it would be hard to position where most needed.

In addition to negatively impacting actual Fire Department operations and timing, there are logistical challenges with relying on someone else's ladder truck. Our closest neighbor, the La Grange Fire Department, does not have a ladder truck, and regularly relies on others to provide them with one when needed. Other neighboring ladder trucks are located over two to three miles to the center of

our Village, and obviously much further if they must travel to an opposite end of our Village. Also, some of these departments, due to limited staffing and their own call volume, are not always available, with one on a rather frequent basis having to deny requests for aid.

### **What if the referendum does not pass (re the ladder truck)?**

The Village will not be able to purchase a ladder truck. The Village would plan for operations without a ladder truck and consider other potential options for purchasing in the future (and how that will impact other department operations as equipment needs will be substantially cut back). There simply is not enough money to replace the necessary equipment for Village services and operations. All Village equipment and vehicles are necessary purchases and are utilized with great frequency. Any reduction in fleet is a reduction in service.

The Village is unable to purchase a new ladder truck. The Village has identified *a minimum* of \$4 Million in capital needs for the next four years. This year, the Village was unable to purchase necessary equipment due to the funds allocated for necessary road projects. A lease still requires a substantial annual payment for a period of years which must be budgeted. Due to insufficient capital funding, the Village would be further burdened with prioritizing that cost with other critical capital needs.

### **Why do we need a new ambulance and what is the cost?**

The ambulance we are replacing is coming to the end of its' useful service life. It has been placed out of service quite regularly over the last couple of years for repairs, costing the Village several thousand dollars in repairs. Our goal is to purchase the ambulance within one year of the referendum passing, preferably during calendar year 2016. The ambulance was originally built in 2000, and for ten years, was run as our front line ambulance. A new ambulance cost upwards of \$260,000. The Village's goal is to have an ambulance last 16 years, eight years as our primary response ambulance, and eight additional years in a less demanding role of a secondary response vehicle.

### **What is included with the ambulance?**

A new ambulance includes the vehicle, which would meet all current safety standards, and also a powered stretcher and loading system, which helps load the stretcher into the ambulance. The cost of the ambulance could be reduced to approximately \$220,000, if we are able to obtain the powered stretcher and loading system through other means, such as a grant.

### **Why do we need a 2<sup>nd</sup> ambulance?**

Maintaining a 2<sup>nd</sup> ambulance allows for us to continue to provide *the same* level of care that we currently do. We currently utilize our 2<sup>nd</sup> ambulance when our primary ambulance is out of service for maintenance, to respond to multiple patients at vehicle crashes and for multiple calls when adequate staffing exists, and for staffing special events. We also regularly utilize our 2<sup>nd</sup> ambulance

one day a week as our primary ambulance, to reduce the wear and tear on that ambulance. In the long run, it continues to allow us the flexibility to handle multiple calls if needed, and if staffing allows. This is important in that only the transporting ambulance can bill for service, and if we regularly rely on a mutual-aid ambulance, it impacts our revenue, which helps to offset the cost of providing our ambulance program.

Our retirement communities generate a lot of our ambulance responses, but the ambulance is available for all residents. It is available and regularly responds throughout the Village, to help residents of all ages, who don't live in the retirement communities.

**Has the Village considered other options for purchasing an ambulance?**

Yes, the Village has weighed other options. The Village does not recommend purchasing used unless we can find a demo type unit with very low mileage and very little wear and tear. Finding equipment in this condition is very difficult. We would not want to inherit someone else's problems, and have to start out by worrying about maintenance issues for such a critical vehicle.

To maximize the cost effectiveness of providing ambulance services, the Village currently uses a private contract company to provide our Paramedics, and they wear our uniforms and work under the direction of the Fire Department. This saves millions of dollars to residents as there are no associated pension costs (nor are there any pension costs for any firefighter as we have a paid-on-call Fire Department).

There are a couple of contract companies that would be willing to provide an ambulance as part of the contract for paramedics, but that cost would be additional and would have to be built into the contract. Typically, including equipment in the contract would result in a loss of control over the quality and maintenance of the equipment. This would result in a reduction in the quality of service as we would not be able to dictate the type or condition of the ambulance - we would be at the mercy of the contract company. Also, we are very pleased with the high quality and strong reputation in service that our current paramedics provide through our contract with Public Safety Services, Inc. Overall, the Village does not want to compromise the level of care provided and competence of the personnel provided, with a promise of supplying an ambulance.

**What if the referendum does not pass (re the ambulance)?**

The Village will not be able to purchase a new ambulance and our existing equipment would age until we identify other workable options, such as financing the purchase through the equipment provider. The Village anticipates that financing an ambulance through an equipment provider (lease to own) would be more costly than that associated with a bond referendum. Further, financing capital projects through a bond referendum is tax deductible and is therefore less costly for residents.

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## **FINANCE QUESTIONS**

### **What is a bond?**

A bond is essentially a loan. The Village issues bonds and receives money from the sale of the bonds. The money must be paid back over time with interest.

### **What are general obligation bonds?**

General obligation bonds are debt instruments issued by states and local governments to raise funds for public works. What makes general obligation bonds (or GO bonds for short) unique is that they are backed by the full faith and credit of the issuing municipality. This means that the municipality commits its full resources to paying bondholders, including general taxation and the ability to raise more funds through credit. The ability to back up bond payments with tax funds is what makes GO bonds distinct from revenue bonds, which are repaid using the revenue generated by the specific project the bonds are issued to fund.

GO bonds give municipalities a tool to raise funds for projects that will not provide direct sources of revenue--roads and bridges, parks and equipment, and the like. As a result, GO bonds are typically used to fund projects that will serve the entire community; revenue bonds, on the other hand, are used to fund projects that will serve specific populations, who provide revenue to repay the debt through user fees and use taxes.

### **What is the Village's bond rating and does that help the process?**

Recently, the Village went through the credit rating process to refinance existing sewer bonds at a lower interest rate. At that time, the Village was upgraded to an AA+ by Standard & Poor's. This is a just one notch below AAA, which is the highest possible score. While our AA+ rating is a reflection of the Village's history of strong financial management, it has no bearing on a future bond issuance (but it is a potential indicator of a future credit rating). The Village will have to go through the credit rating process again for the issuance of new GO bonds. A high bond rating allows the Village to borrow at lower interest rates, as it represents the credit worthiness of the government bond.

### **Why does each question include an interest rate at 6%?**

The ordinance and documents were prepared by bond counsel. The proposed ordinance includes a rate of 6% in order to establish a not to exceed rate as required by statute. While it is expected that the actual net interest rate for the bonds will be well below 6%, the higher rate provides flexibility in structuring the bonds and responding to any movement in the market that occurs prior to issuance.

### **How does this referendum differ from the 2005 referendum?**

In 2005, the Village passed a general property tax increase (tax cap increase) as the Village's levy was disproportionately low as compared to other communities when the 1994 Property Tax Limitation Law

went in effect. The law limits the amount (by the consumer price index or 5% whichever is lower) that a Village can increase taxes. By 2004, there simply was not enough money to fund necessary operations.

The 2005 Referendum, which was approved, resulted in an increase to the General Fund that finances police, fire, public works (including roads) and administrative services. The Village has used the additional revenue for road projects and continues to do so. It was also used to renovate the Public Works building and complete additional equipment purchases as intended. None of the funds were used to increase the number of budgeted employees, nor did the Village add new government services.

The great recession that came afterward resulted in a reduction of state shared revenues and an increase to the Village's police pension payment as the investments in the market declined (benefits levels are prescribed by the state). As a result, the Village had to limit expenditures to available revenues to weather the recession. The Village eliminated community programs, reduced staff through attrition, negotiated lower wages with the unions, increased employee contributions to benefits, and made reductions in capital spending. Our financially frugal Village became even more so. The Village underwent a local revenue study where all service delivery areas were evaluated to look for efficiencies and ensure that the full cost of providing services was recovered. The Village took action in over twenty service areas, including a new building permit fee structure, a new zoning fee structure, a local debt recovery program for unpaid parking tickets and an increase to several penalty levels. This process is ongoing and the Village is currently working toward consolidated dispatch with the Villages of La Grange and Western Springs.

While the Village was able to sustain itself through the recession, there is simply not enough funding to keep us on pace with the necessary maintenance of our roads and the purchase of necessary equipment. We are getting further behind and more funding is necessary to maintain La Grange Park's high quality of life. Further, our tax rate continues to be lower than our surrounding communities.

The 2016 referendum differs from 2005 as it is for the issuance of bonds supported by property taxes, not a general property tax increase. The Village's use of the bond proceeds will be limited by law to the purposes described in the propositions – maintaining roads and the purchase of fire equipment. It simply cannot be used for any other purpose.

### **How do our taxes compare to our neighboring communities?**

The Village compares very favorably to surrounding communities. The Village currently has the lowest per capita property tax rate of the surrounding communities and will likely continue to have the lowest per capita rate after the bond issuance. The bonds would increase the Village tax rate by

about 37%, yet the Village’s estimated tax rate would still be in the middle of the pack of surrounding communities.

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

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

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Western Springs	12,975	\$ 5,683,624	\$ 438
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Brookfield	18,978	\$ 7,889,513	\$ 416
Westchester	16,718	\$ 6,179,225	\$ 370
<b>La Grange Park</b>	<b>13,579</b>	<b>\$ 4,678,065</b>	<b>\$ 345</b>

Village	Village Tax Rate	Home Value	Estimated Taxable Value	Estimated Village Tax
Western Springs	0.955	350,000	95,386	911
<b>La Grange Park (current)</b>	<b>1.067</b>	<b>350,000</b>	<b>95,386</b>	<b>1,018</b>
La Grange	1.109	350,000	95,386	1,058
Westchester	1.377	350,000	95,386	1,313
<b>La Grange Park (with proposed bonds)</b>	<b>1.466</b>	<b>350,000</b>	<b>95,386</b>	<b>1,398</b>
Riverside	1.914	350,000	95,386	1,826
Brookfield	2.320	350,000	95,386	2,213

**How do the surrounding communities pay for capital needs (such as roads and equipment)?**

Other communities have used bonds to pay for road projects and have used the referendum process. Some communities have the ability to issue what are known as limited bonds, which may be issued without a referendum, but are supported by property tax (we do not have this ability). Some communities receive a share of road and bridge property taxes from their township. Some communities have more commercial and retail establishments which help reduce the burden on residents. Most of the surrounding communities have higher sales tax rates. La Grange Park currently has lower tax rates than most of the surrounding communities, including sales tax.

**Will a state tax freeze affect the bond issuance?**

The current property tax freeze proposals would not affect property tax that goes towards paying referendum bonds.

**How much debt does the Village currently owe?**

The Village has about \$3.5 million in bonds from the 2006 sewer project that are paid with sewer fees. The sewer bonds are alternate revenue bonds. These bonds are paid with revenues other than property tax, but are backed by a promise to levy a property tax in the case that the pledged revenues are insufficient.

There is also \$25,000 left on \$100,000 interest free ambulance loan. The Village currently has no bonds paid with property taxes.

**Does the bond affect the future of consolidated dispatch in any way?**

The Village will move forward with consolidated dispatch regardless of the outcome of the referendum. This is because consolidation will result in lower costs over time and because the state has now legislated consolidated dispatch. However, consolidated dispatch will require an initial capital investment by the three Villages (La Grange Park, La Grange and Western Springs) and this cost does compete with our other capital needs. Thus, a successful referendum will ensure that the Village can meet the financial obligations of consolidated dispatch and other necessary capital needs. Consolidating our 9-1-1 dispatch center with two other Villages will save money for taxpayers over time as operating and capital costs will be shared. Today, each village has a dispatch center where significant upgrades are necessary due to aging equipment and state regulations require operational changes related to emergency medical dispatch. Further, recent state legislation requires that any municipality with a population less than 25,000 that resides in a county with a population greater than 250,000 must consolidate.

*Updated 11/11/2015*