

2016 BOND REFERENDA



Village of La Grange Park, Illinois

1st Town Hall Meeting – November 12, 2015



Agenda

- Presentation
- Wrap Up
- Question & Answer
- Public Comment

OTHER

- Sign Up Sheet
- Email presentation
- Restrooms
- Refreshments

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 we will host another Town Hall Meeting in February.

Background

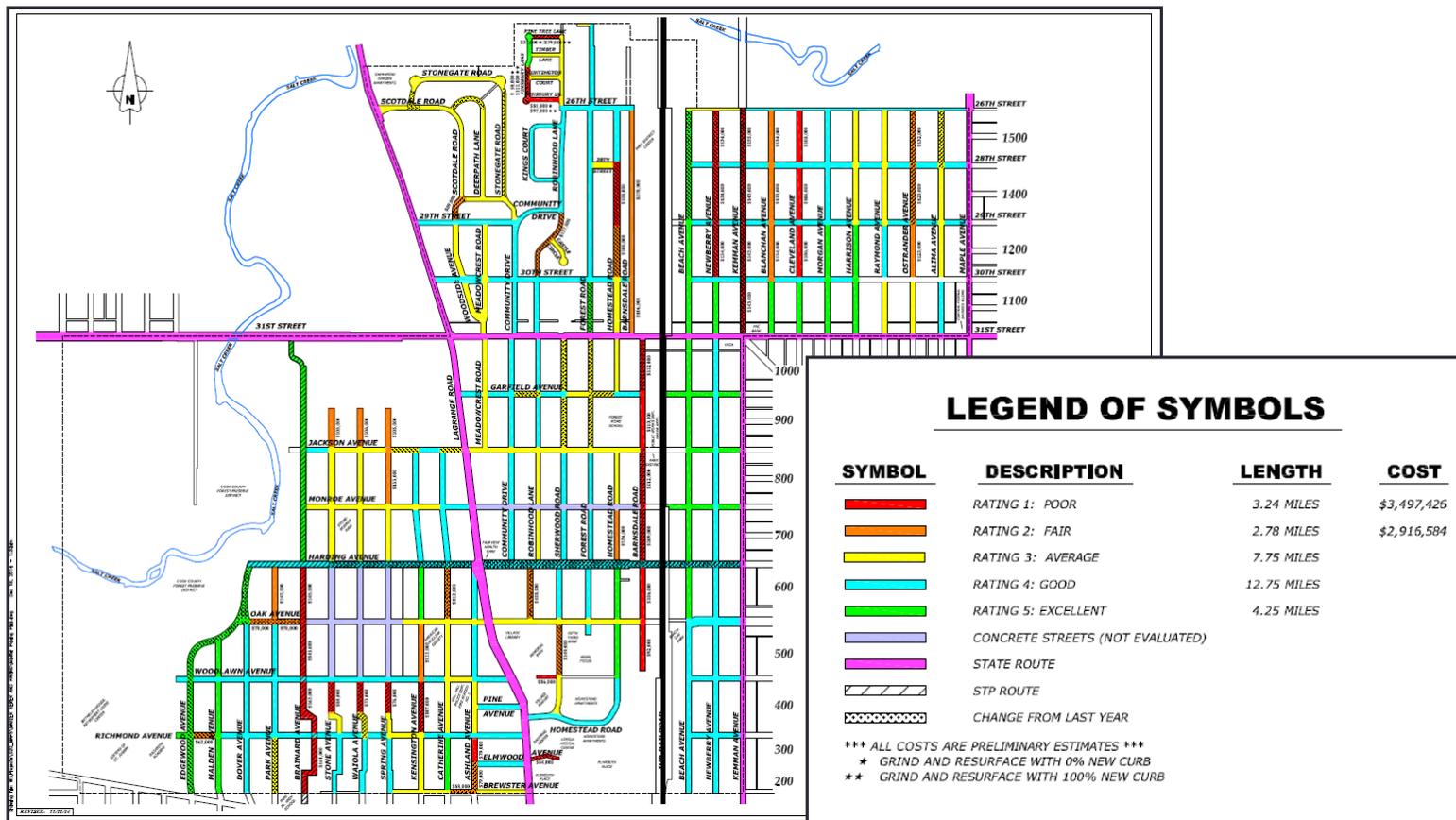
- The condition of our roads is our #1 complaint from residents.
- The Village Board is aware of this and has responded in a number of ways.
 - Increased Road Repair Funding in FY14,15 &16
 - Sought out grant opportunities
 - **Local Revenue Study** to ensure cost effective services and to evaluate fee 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.

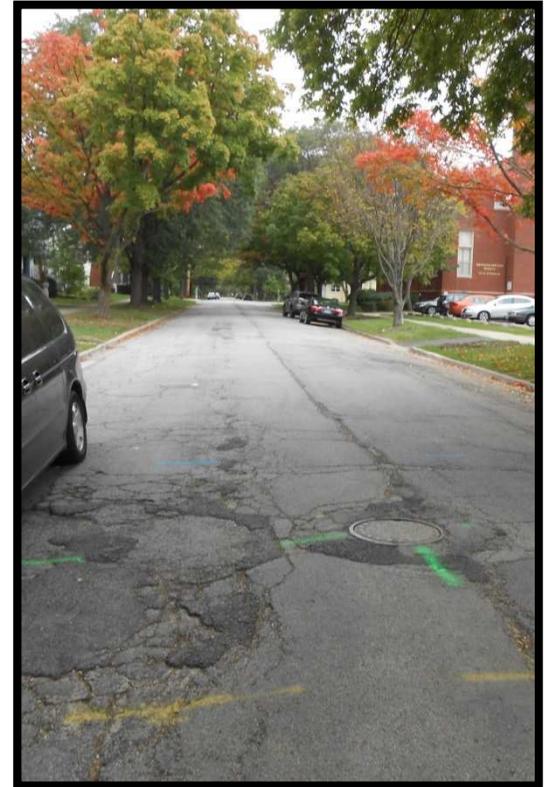
Challenges

- 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)
 - The Village Board opted to focus on a BOND Referenda rather than a Tax Cap Increase Referenda.

Bond Referenda

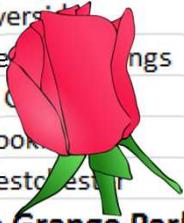
- Voters decide
- Long Term borrow pledged by taxing power to repay the loan over a term
- The funds are restricted by the proposition and the Official Statements of the issuance.

Tax Cap Increase

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

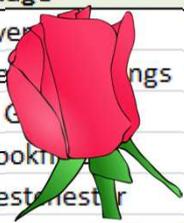
Challenges - Finances

- 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 |
| Westmont | 12,975 | \$ 5,683,624 | \$ 438 |
| La Grange | 15,550 | \$ 6,488,136 | \$ 417 |
| Brookwood | 18,978 | \$ 7,889,513 | \$ 416 |
| Westchester | 16,718 | \$ 6,179,225 | \$ 370 |
| La Grange Park | 13,579 | \$ 3,403,907 | \$ 251 |

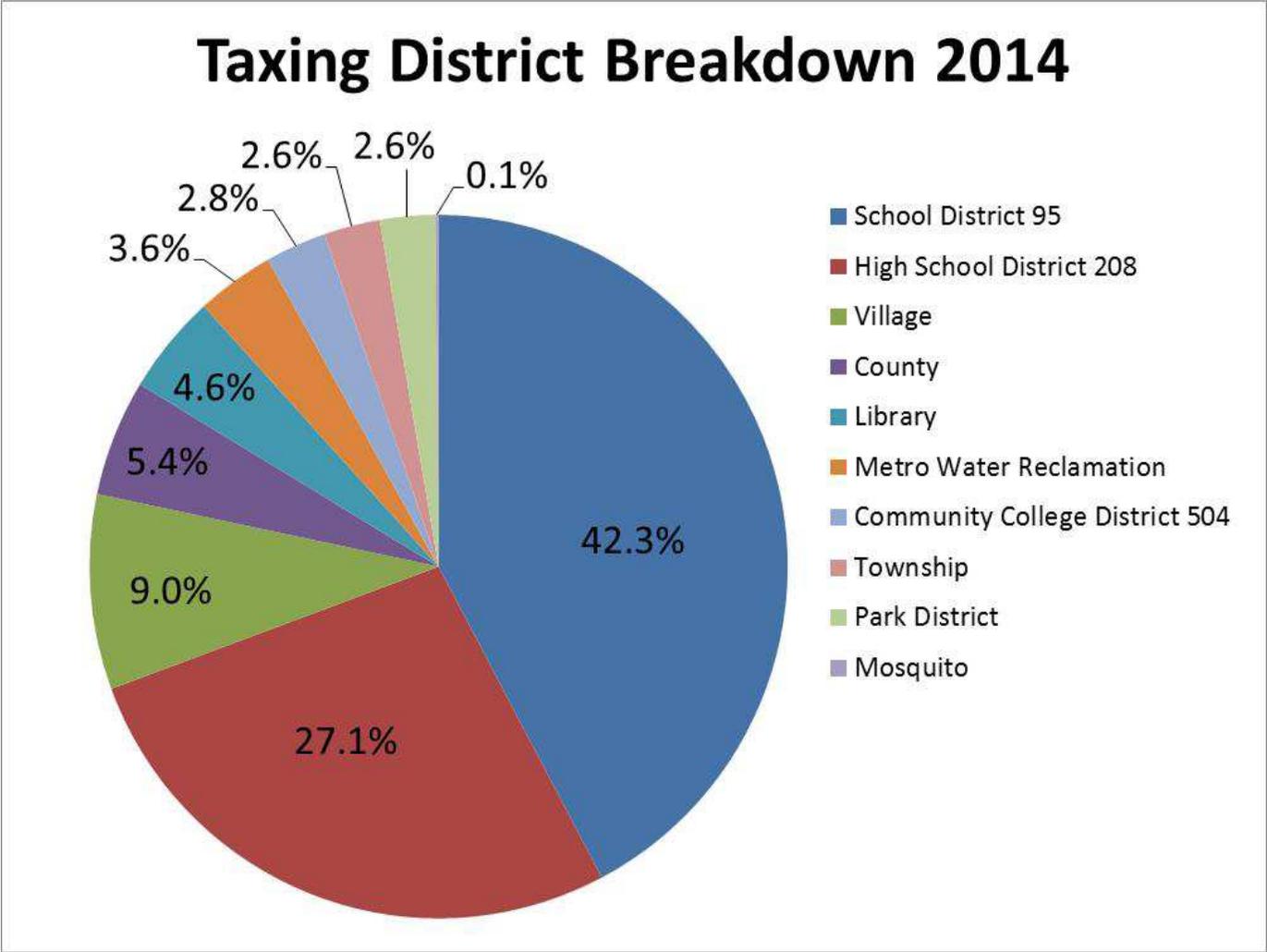
Estimated debt service of \$1.274 million included for La Grange Park



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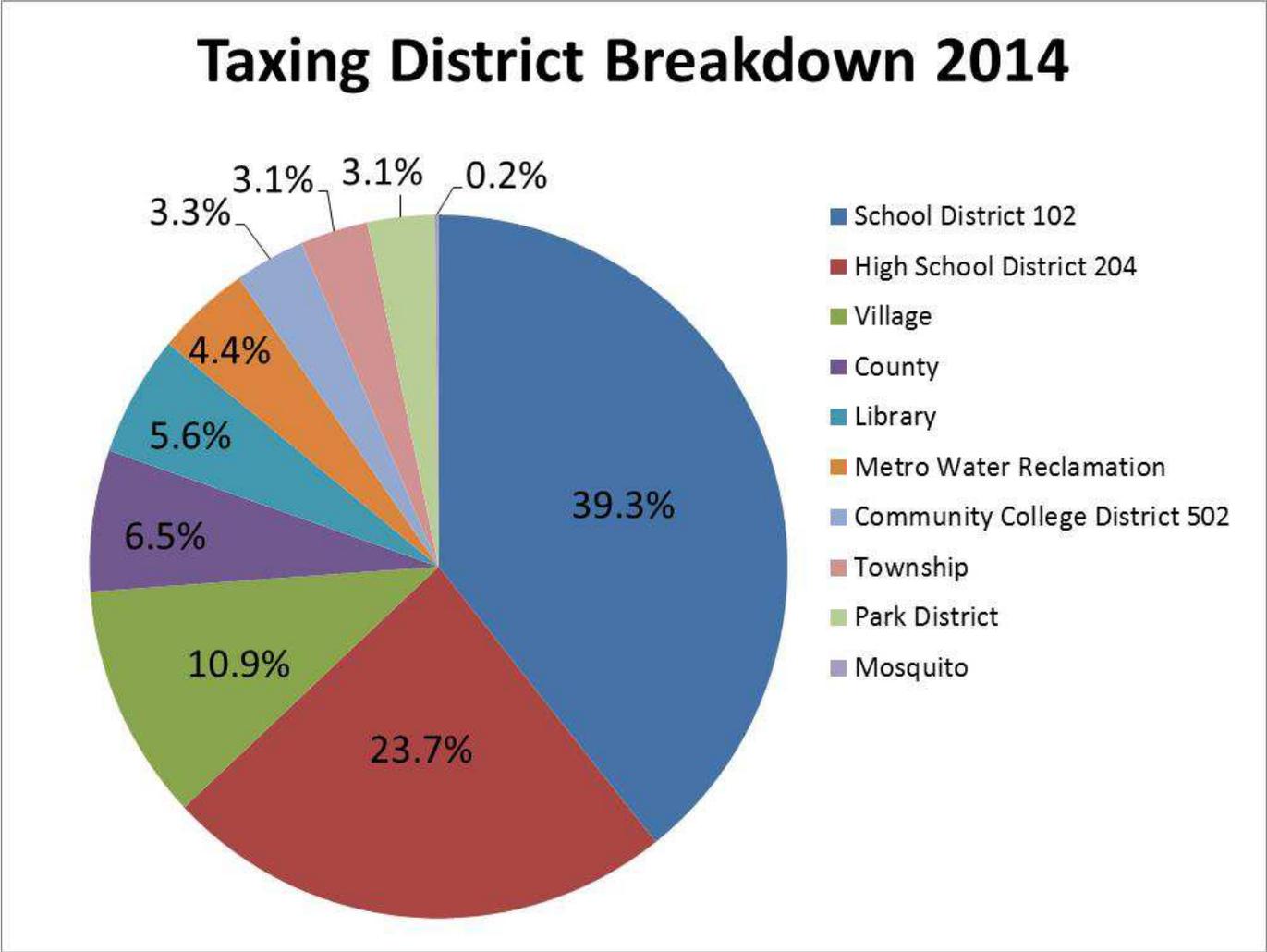
Property Taxes

DIST 95/208



Property Taxes

DIST 102/204



Challenges – Uncertainty at the State

- Currently we are not receiving certain revenues by the state which help fund operations (MFT, 911, Use Tax).
- This intensifies the financial situation.
- 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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 138,000 | 162,000 | 39,000 | 339,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| FY 2106 | 189,948 | 243,000 | 52,000 | 484,948 |

Strengths

- Highly desirable community, great 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 – FIRE EQUIP

- \$1.2 Million for Fire Equipment
 - **Ladder Truck** is 25 years old, end of life and rusting.
 - **Ambulance** is about 16 years old, end of life and needs to meet new safety standards.
 - In 2014, we had 1,652 EMS Responses and 496 Fire / Rescue Responses.
 - Options are very limited for obtaining this equipment.



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?

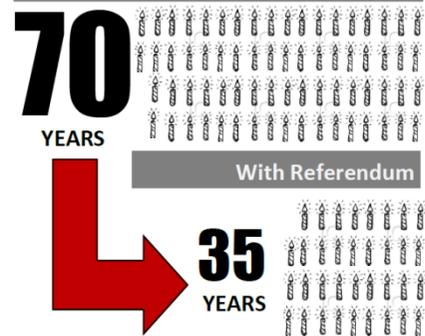
Village of La Grange Park 2016 Referendum

VOTE on March 15, 2016

| | |
|---|---|
| <p>Roads</p> <p>\$10 Million To Repave Local Roads</p>  | <p>Fire Apparatus</p> <p>\$940,000 For a New Ladder Truck</p>  <p>\$260,000 For a New Ambulance</p>  |
|---|---|

Miles of Roads in La Grange Park **3.5** MILE

Current Village Cycle to Repave Roads



In 2014...

 1,652 EMS Responses

 496 Fire/Rescue Incidents

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

Age of Current Ambulance: **16**
Recommended Replacement Age: 16

17.2%

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



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

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

For a **\$350,000** Home,
The cost is **\$1.04** Per Day

 Less than the cost to buy a cup of coffee.