

VILLAGE OF LONG GROVE COMMUNITY WORKSHOPS

April 4, 2014 2:00 pm

April 5, 2014 3:00 pm

April 7, 2014 7:00 pm

AGENDA

- ◉ Welcome and Introduction
- ◉ Summary of Long Grove Finances Presented at Town Hall Meetings
- ◉ Possible Funding Alternatives
- ◉ Workshop objective: obtain community input on options for road maintenance
- ◉ Define possible next steps/path forward

WELCOME AND INTRODUCTION

- ◎ Workshop participants
- ◎ Why are we here?
- ◎ Ground rules
 - THIS IS A WORKSHOP...we need your ACTIVE PARTICIPATION
 - “Brainstorming” approach...develop, define, but NOT DEBATE, ideas
 - Develop options for Board consideration

SUMMARY OF LONG GROVE FINANCES PRESENTED AT TOWN HALL MEETINGS

- ◎ No property tax
- ◎ 2013 total revenues of \$3.2 M, including
 - *Sales tax \$660K (variable)*
 - *Income tax \$560K (at risk)*
 - *New home permits \$300K (declining)*
- ◎ 2013 total expenditures of \$3.2 M, including
 - *Infrastructure \$1.5 M (escalating)*
 - *Village hall operations \$641K*
 - *Village Security—Lake County Sheriff \$520K (?)*

POSSIBLE FUNDING ALTERNATIVES

- ◎ 2013 Paving cost \$68 per linear ft--escalation
 - 8% vs 10% annual inflation
 - *In ten years, cost projected \$147 to \$216 per linear ft*
 - *In fifteen years, cost projected \$176 to \$284 per linear ft*
- ◎ Paving cycle for local roads 10 yr vs. 15 yr
- ◎ “Early Paving” via bonding to reduce expenditures
- ◎ Net impact: Annual Gap \$1.6 M vs. \$2.0 M
 - Closing the Gap
 - Processes and “sharpening pencils”
 - New sources of revenue

REAL ESTATE TAX VS. SSA COMPARISON

	Real Estate Tax	SSA
Lifetime	Permanent or specified	Specified by proposing ordinance
Rate	Can be increased by CPI via the Tax Cap Law	Specified by proposing ordinance
Rate Basis	EAV	EAV or specified set rate
Use of funds	As specified	As specified
Geography	Village wide	Specified
If “Excess” funds collected by mechanism	---	Returned
Implementation	Majority vote approve	Less than 51% object

DEALING WITH THE “FUNDING GAP” VILLAGE-WIDE

- ◎ Funding gap approximately \$1.6 M
 - Thoroughfare funding gap about \$715 K
 - With about 2741 homes in Village, average is \$260 per home
 - Public local street funding gap about \$870 K
 - *With about 814 homes in public subdivisions, average is \$1070 per home*
- ◎ *Two tiers*
 - 1927 “Low homes” average \$260 (thoroughfare only)
 - 814 “High homes” average \$1330 (thoroughfare plus public local street or \$260 plus \$1070)

ISSUES TO BE ADDRESSED TOAY

- ◉ *How do we aggregate the cost of road maintenance?*
- ◉ *How do we allocate responsibility for paying for road maintenance?*
- ◉ *How do we define the “fine line” between the “High homes” and “Low homes”*
- ◉ *What alternatives exist to a real estate tax to fund road maintenance?*
- ◉ *What is the path forward?*

WORKSHOP TASK #1: HOW DO WE AGGREGATE PAVING COSTS FOR LOCAL PUBLIC ROADS (THE 814)?

THAT IS, HOW MANY SEPARATE COST ELEMENTS DO WE USE?

- ◉ Each home separate (*i.e. feet of road frontage...814 cost elements*)
- ◉ By street
- ◉ By subdivision; but...if home is not in a “subdivision,” then what?
- ◉ Village wide (*1 cost element*)
- ◉ Other?

WORKSHOP TASK #2: HOW DO WE ALLOCATE PAVING COSTS?

(APPLY SEPARATELY TO BOTH PUBLIC LOCAL AND THOROUGHFARE ALLOCATIONS)

- ◉ Linear feet of road frontage (home by home)
- ◉ EAV
- ◉ Uniform...each home pays same
- ◉ Number of cars
- ◉ Number of drivers
- ◉ Other?

WORKSHOP TASK #3: HOW TO DEFINE “HIGH HOME” AND “LOW HOME”

- Is a “low home” defined by...
 - *Requirement to pay for road maintenance via a HOA?*
 - *Contributes voluntarily for road maintenance?*
 - *Defined by where driveway exits?*
 - *Other?*
- Is a “high home” defined by...
 - *Defined by where driveway exits?*
 - *To a public local street*
 - *To either a public local street or thoroughfare*
 - *Other?*
- Should there be any “special” considerations?
 - *Long driveway, etc.*

WORKSHOP TASK #4: WHAT ARE THE ALTERNATIVES TO NEW FUNDING?

ROAD FUNDING SHORTFALL IS NOT UNIQUE TO LONG GROVE

- ◎ Clarendon Hills
- ◎ Hawthorn Woods
- ◎ Other suggestions?

WORKSHOP TASK #5: DEFINE THE PATH FORWARD

- ⦿ What end result would you like to see?
- ⦿ What should the next steps be to get there?

Thank you for your participation!!!

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