

Town Hall Meeting IV

Infrastructure Funding Presentation

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WELCOME!

THE NEXT FIFTY YEARS....



Town Hall IV - Infrastructure Funding Meeting

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- Special Thanks to School District 96.
- Introduction of the stakeholders who are present tonight.

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Zero (No) Property Tax Village Of Long Grove

750K Market Value Home

2013
PROPERTY TAX BILL EXAMPLE - NO VILLAGE OF LONG GROVE PROPERTY TAX
 SAMPLE TAX BILL FOR INCORPORATED
 VERNON TOWNSHIP PARCELS (LONG GROVE)
 750000 MARKET VALUE

 LakeCounty

1st
 INSTALLMENT
 PAYMENT
 COUPON

Tax Year 2012

ROBERT SKIDMORE
 LAKE COUNTY COLLECTOR
 Pin 14-36-200-000
 IMA HAPPY RESIDENT
 15156 RFD
 LONG GROVE, IL 60047-8340

Postmarked on or before 9/6/2013

\$21,359

PAYABLE TO LAKE COUNTY COLLECTOR

Your cancelled check is your receipt

Property Location: 15156 RFD
 LONG GROVE

Legal Description: I LOVE LONG GROVE SUBDIVISION
 LOT 7

Taxing Body	Rate	% Of Tax Bill	\$ Amount
KILDEER COUNTRYSIDE SCHOOL DIST #96 +	3.68	42.1%	\$8,993
STEVENSON HIGH SCHOOL DISTRICT #125 +	2.751	31.5%	\$6,723
LONG GROVE FIRE PROT DIST + PENSION	0.766	8.8%	\$1,872
COUNTY OF LAKE + PENSION	0.627	7.2%	\$1,532
VERNON AREA PUBLIC LIBRARY DIST + PENSION	0.296	3.4%	\$723
COLLEGE OF LAKE COUNTY #532	0.272	3.1%	\$665
FOREST PRESERVE + PENSION	0.212	2.4%	\$518
TOWNSHIP OF VERNON + GRAVEL + ROAD &	0.136	1.6%	\$332
Totals	8.74	100%	\$21,359

Land Value \$85,000
 + Building Value \$164,750
 = Equalized Value \$254,379
 + Farm Land and Bldg State Assessed Pollution
 + State Assessed Railroads
 Total Assessed Value \$254,379
 - Fully Exempt
 - Senior-Freeze
 - Home Improvement
 - Limited Homestead \$6,000
 - Senior Homestead \$4,000
 - Veterans/Disabled
 - Returning Veteran
 = Taxable Value \$244,379
 x Tax Rate 8.74
 = Real Estate Tax \$21,358.77
 + Special Assessment
 + Drainage
 = Total Current Year Tax \$21,358.77
 + Omitted Tax
 + Forfeited Tax
 = Total Tax Billed \$21,358.77
 + Interest Due as of

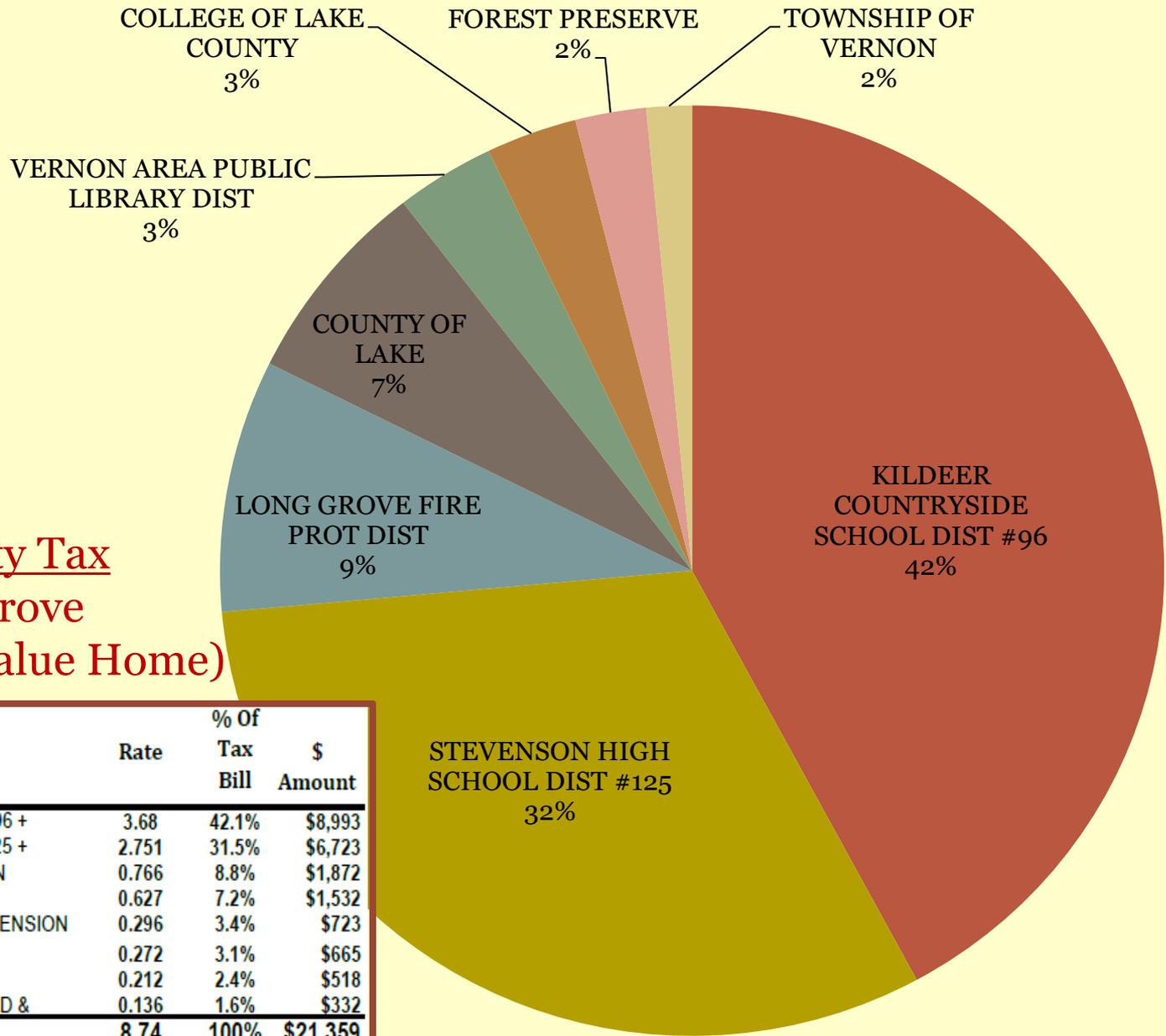
= AMOUNT BILLED \$21,358.77

Fair Market Value \$750,000
 1st Installment Due \$10,679.38
 2nd Installment \$10,679.38

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Village Of Long Grove
(\$750K Market Value Home)**



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• Village Finances – Balanced Annual Budget \$3.2M (2013)

○ Revenues:

✦ Taxes (No Property Tax)	= \$2.4M	(75%)
○ Non-restricted		
• Sales Tax	= \$660K	
• Income Tax	= \$560K	
• Telecommunications Tax	= \$460K	
• <u>Misc. Taxes</u>	= \$ 81K	
	<u>\$1.76M</u>	
○ Restricted		
• Infrastructure Sales Tax	= \$490K	
• Motor Fuel Tax (MFT)	= \$200K	
	<u>\$690K</u>	
✦ Fees/Permits/Licenses	= \$710K	(22% - New Homes \$300K)
✦ Fines/Penalties	= \$81K	(2%)
✦ Miscellaneous	= \$17K	(1%)
	\$3.2M	

*Minimum Reserve Policy = One Year Revenues 2.8M, Current Unobligated Reserve is \$2.78M

**For further detailed information on Village Budgets & Financial Reports visit www.Longgrove.net.



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● Village Finances – Balanced Annual Budget \$3.2M (2013)

○ Expenditures:

✦ **Infrastructure** = \$1.5M (47%)

- Paving = \$750K (*\$550K General Fund + \$200K MFT*)
- Snow & Salt = \$350K
- Maintenance = \$126K
- Bridge = \$100K
- Mandatory = \$ 71K
- Street Signs = \$ 52K
- Pathways = \$ 25K

✦ Village Hall Operations (Staff; Supplies; Maint) = \$ 641K (20%)

✦ Village Security (Sheriff) = \$ 520K (16%)

✦ Contracted Services (Finance; Inspector; Mosquito) = \$ 243K (7%)

✦ Legal & Engineering (Non-reimbursable) = \$ 220K (6%)

✦ Operations, Maintenance & Misc. = \$ 126K (4%)

\$3.2M

*Minimum Reserve Policy = One Year Revenues 2.6M, Current Unobligated Reserve is \$2.78M

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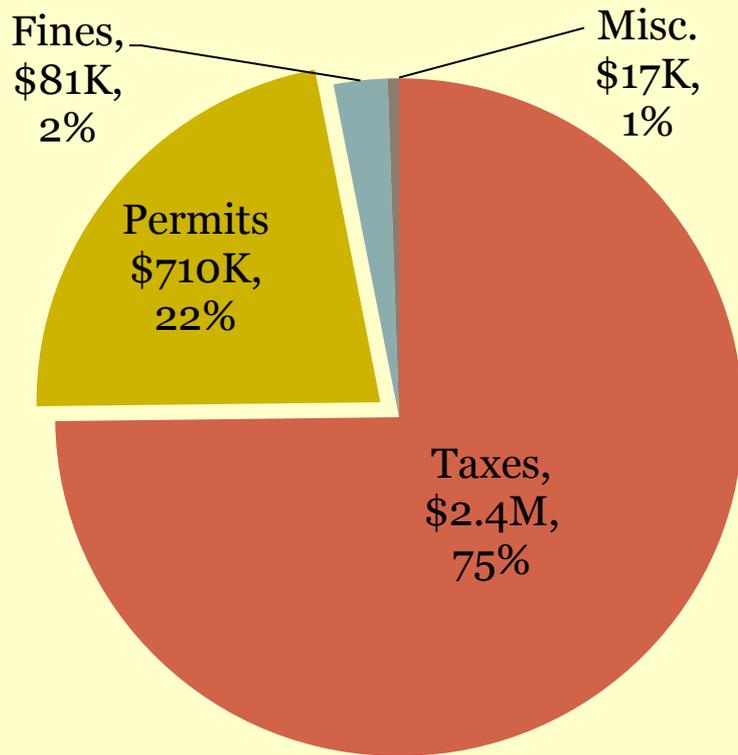


Town Hall IV - Infrastructure Funding Meeting

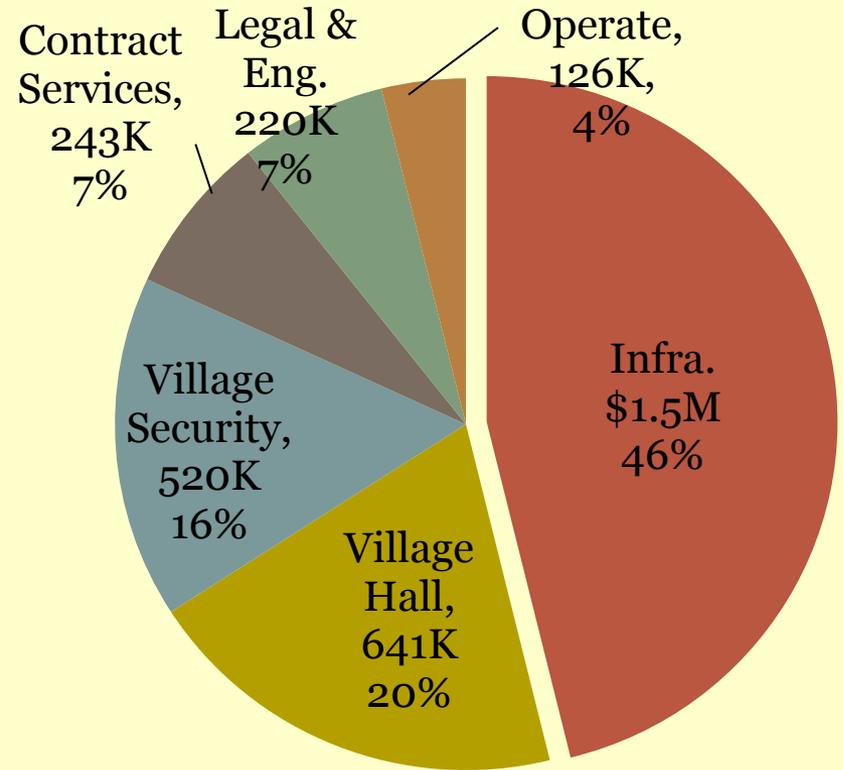
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• Village Finances – Balanced Annual Budget \$3.2M (2013)

Revenues:



Expenditures:



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Village Operations Comparisons

	Bannockburn	Barrington	Glencoe	Hawthorn Woods	Kenilworth	Kildeer	Lake Bluff	Lincolnshire	Northfield	Long Grove	Average
Population (2010)	1,583	10,327	8,723	7,663	2,513	4,114	6,223	7,956	5,726	8,035	6,721
Sq. Miles	2.5	5.1	3.85	5.4	0.8	4.5	4.1	4.4	3.3	12.3	3.8
Equalized Assessed Valuation	\$157,725,106	\$277,101,354	\$1,276,244,638	\$402,285,460	\$353,108,816	279,741,780	\$506,500,163	\$562,195,221	\$713,139,513	\$560,455,237	\$503,115,784
Total Budget/Expenditures	\$7,301,215	\$31,276,411	\$24,662,053	\$4,471,443	\$7,820,761	\$6,000,000	\$8,700,000	\$18,637,100	\$12,800,000	\$3,240,600	\$13,517,665
Median Home Value (2010)	\$933,500	\$480,000	\$1,520,940	\$618,700	\$979,043	\$743,120	\$726,918	\$391,400	\$610,300	\$765,213	\$805,296
Median Income (2010)	\$226,875	\$102,370	\$201,050	\$165,139	\$298,311	\$156,448	\$153,357	\$129,428	\$107,279	\$148,150	\$173,880
# Full-time employees	10	104	94	22	23	14	35	66	48	4	46
Annual full-time payroll	\$944,258	\$8,906,000	\$11,669,672	\$1,520,000	\$1,833,507			\$5,350,000	\$5,465,170	\$367,993	\$5,098,372
# Part-time employees	10	33	19.0	5	6	1	1	7	52	2	15
Annual part-time payroll	\$64,605	\$752,000.00		\$130,000	\$69,537			\$80,000	\$282,000	\$46,004	\$229,690

	Long Grove	Average
Population (2010)	8,035	6,721
Sq. Miles	12.3	3.8
Equalized Assessed Valuation	\$560,455,237	\$503,115,784
Total Budget/Expenditures	\$3,240,600	\$13,517,665
Median Home Value (2010)	\$765,213	\$805,296
Median Income (2010)	\$148,150	\$173,880
# Full-time employees	4	46
Annual full-time payroll	\$367,993	\$5,098,372
# Part-time employees	2	15
Annual part-time payroll	\$46,004	\$229,690



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10-Year History Expenses Of Village Infrastructure

Year	03	04	05	06	07	08	09	10	11	12	13*
Pave (K)*	401	386	354	404	308	502	405	409	170	402	750
Plow (K)	262	314	426	332	622	460	401	303	326	241	350
Other (K)	59	14	14	39	67	138	111	64	75	59	400
Total (K)	722	721	936	732	997	1,122	917	776	571	702	1.5M

*2013 = Gen Fund + MFT Funds. Gen Fund Increased \$700K (Tele Tax \$400K + New Home Permits \$300K).

2013 Budgeted Expenses:

Restricted = \$690K (Infra Sales Tax = \$490K & MFT = \$200)

Does Not Include Village Parking Lot Reconstruction



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Recommended Annual Infrastructure Maint. Program

Annual Maintenance	Life (Yrs)	Annual Goal	Avg. Annual \$
Paving & Patching	10	3.1 miles	\$2.4M
Snow Removal	NA	NA	\$425K
Parking Lot	20	1/20 year	\$320K
Road Drainage	30	0.94 miles	\$90K
Mandatory Maint.	1	Potholes, Mow/Brush, Utilities, Storm	\$180K
Bridge	10	1/10 year	\$70K
Street Signs	10	1/10 year	\$3K
Total Avg. Cost			\$3.5M

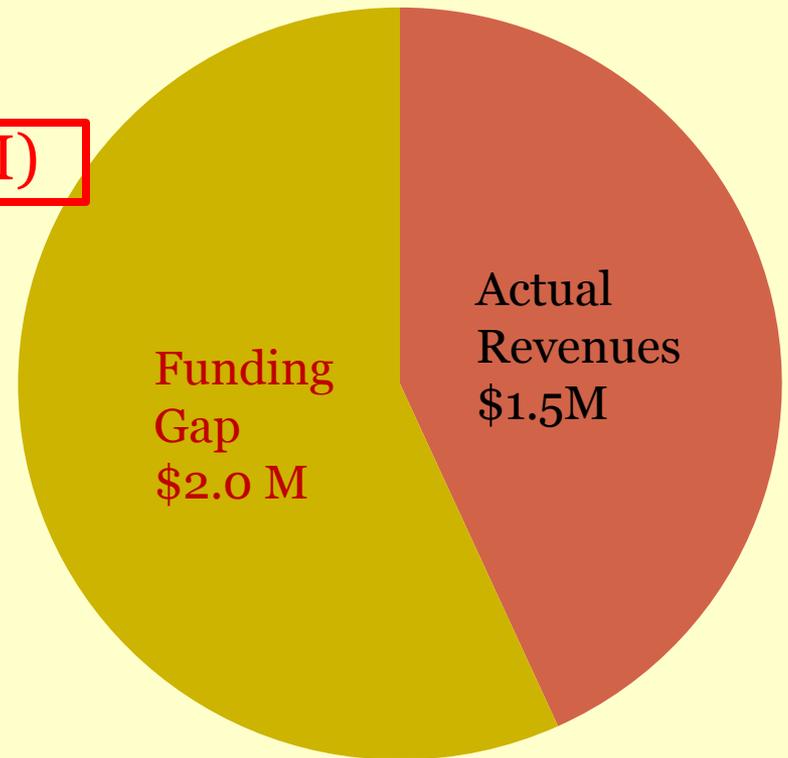
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Issue: Recommended Annual Infra. Maintenance.

Required Revenues	\$3.5 M
<u>Actual Revenues</u>	<u>\$1.5 M</u>

Difference (Funding Gap) (\$2.0M)

Funding Gap



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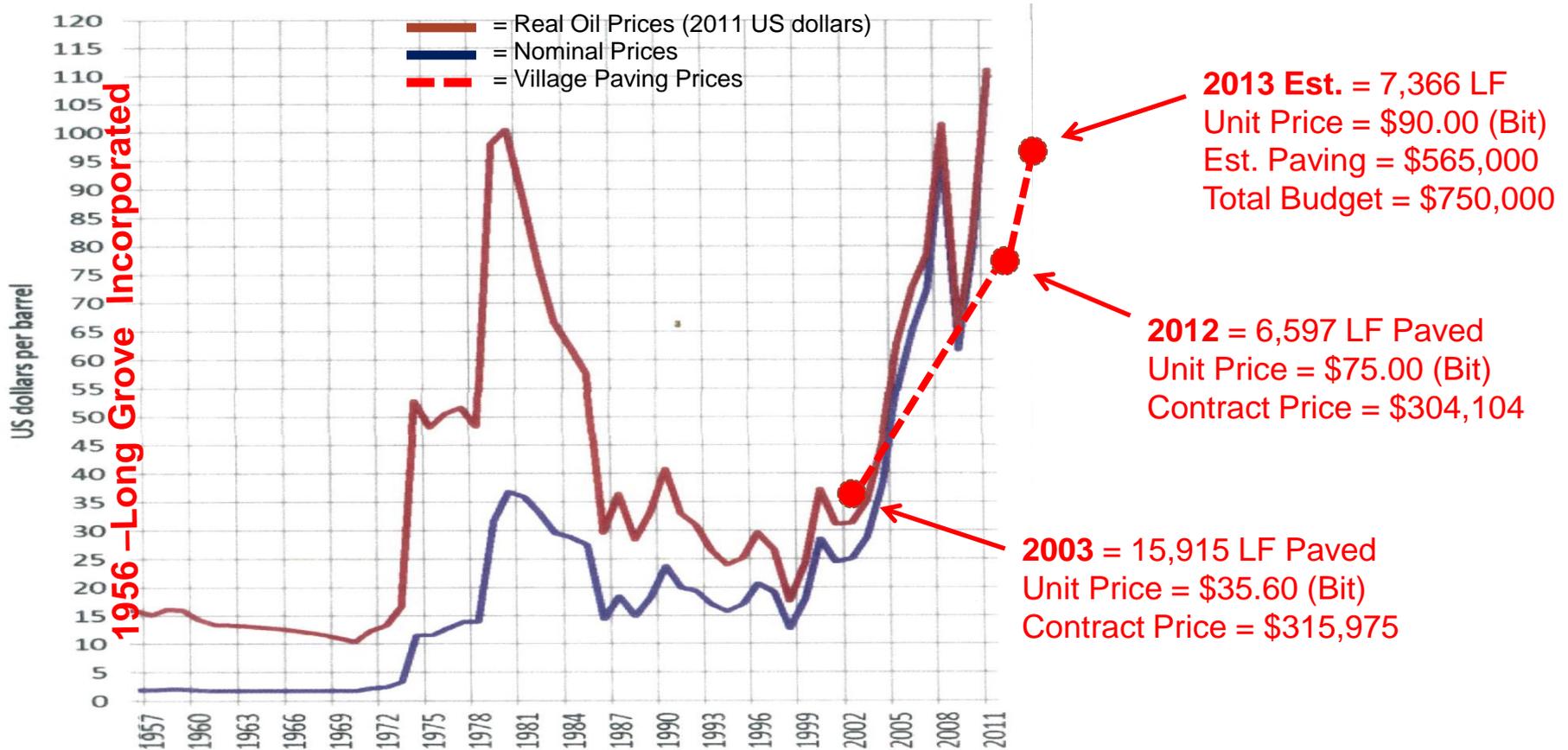
• Growth & Miles Of Village-Owned Public Roads

Year	1956	1960	1970	1980	1990	2000	2010
Sq. Miles	4	6	9	14	16	18	18
Miles	1	1	13	27	31	31	31

- Incorporated In 1956 To Protect From Sprawl.
 - Protect Low-Density Residential Development Character.
 - Limit Development Through Annexation (Agreements).
 - Since Late 1970's Recognition Of Public Road Maintenance Costs & Adoption Of Policy Limiting New Development To Private Roads.
 - ✦ Included Policy Of Establishing Strong Homeowner Associations With Legal Ability To Collect Homeowner Association Dues To Cover Costs Related To Private Roadway Maintenance.

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Historical Crude Oil Prices & Village Paving Costs



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What Has The Village Been Doing?

Reduced Non-Infrastructure Expenses.

- Reduced Staffing Levels.
- Reduced Police Contract Coverage.
- Reduced Mosquito Abatement.
- Reduced Office Operations Expenses.
- All Non-Infrastructure Expenses Could Be Eliminated & There Would Still Be A Funding Gap Of \$300K.

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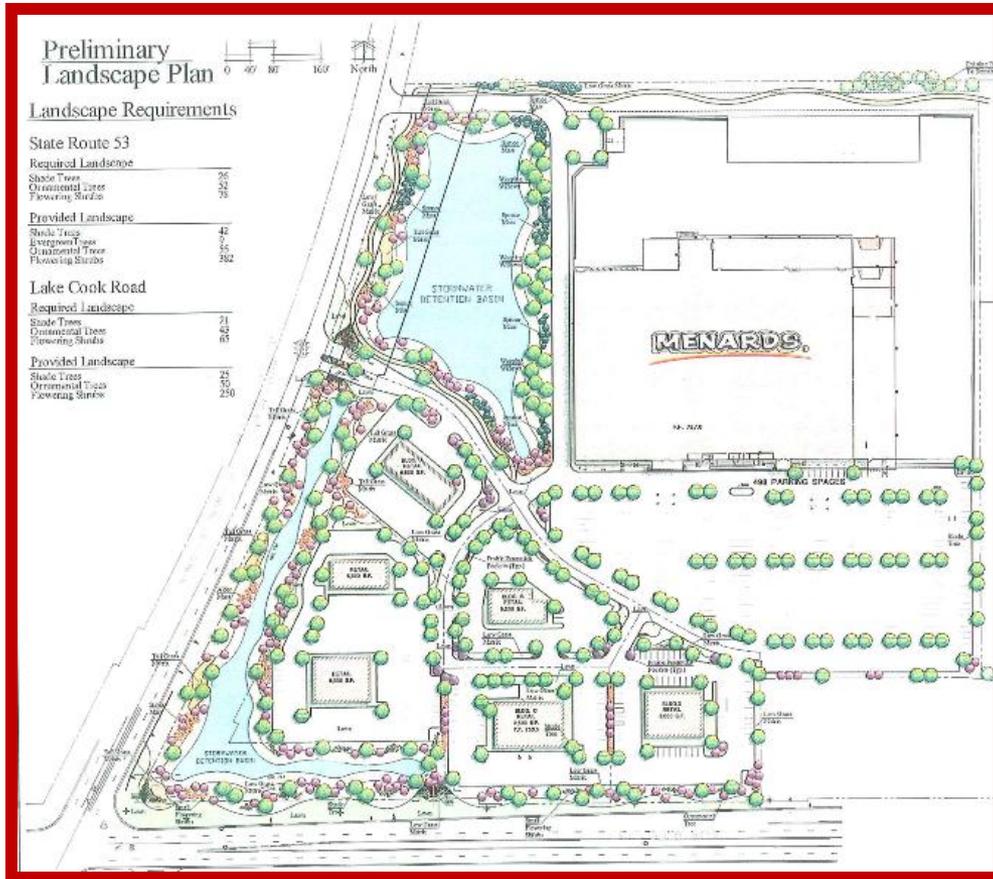
What Has The Village Been Doing?

Increased Revenues.

- **Supportive Environment For Economic Development.**
 - Created Downtown Master Plan.
 - Established IL Rt. 83/Downtown TIF District.
 - Established IL Rt. 83 Business District
 - Established IL Rt. 83 Public Water SSA.
 - Archer Parking Lot & Archer Road (Four New Outlots).
- **Approved Sales Tax Producing Developments/Uses:**
 - Long Grove Commons (IL 22 & Old McHenry).
 - Menards & Outlots (Lake-Cook & IL Rt. 53).
 - Sunset Grove & Executive House (IL Rt. 83).

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Lake-Cook IL 53 Sub Planning Area



Menards Development



Arbor Grove PUD



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Downtown B1A Sub Planning Area



Sunset Grove Development – 2010

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Downtown B1A Sub Planning Area/TIF



Long Grove Downtown Master Plan - Long Term Vision

Downtown Master Plan 2008



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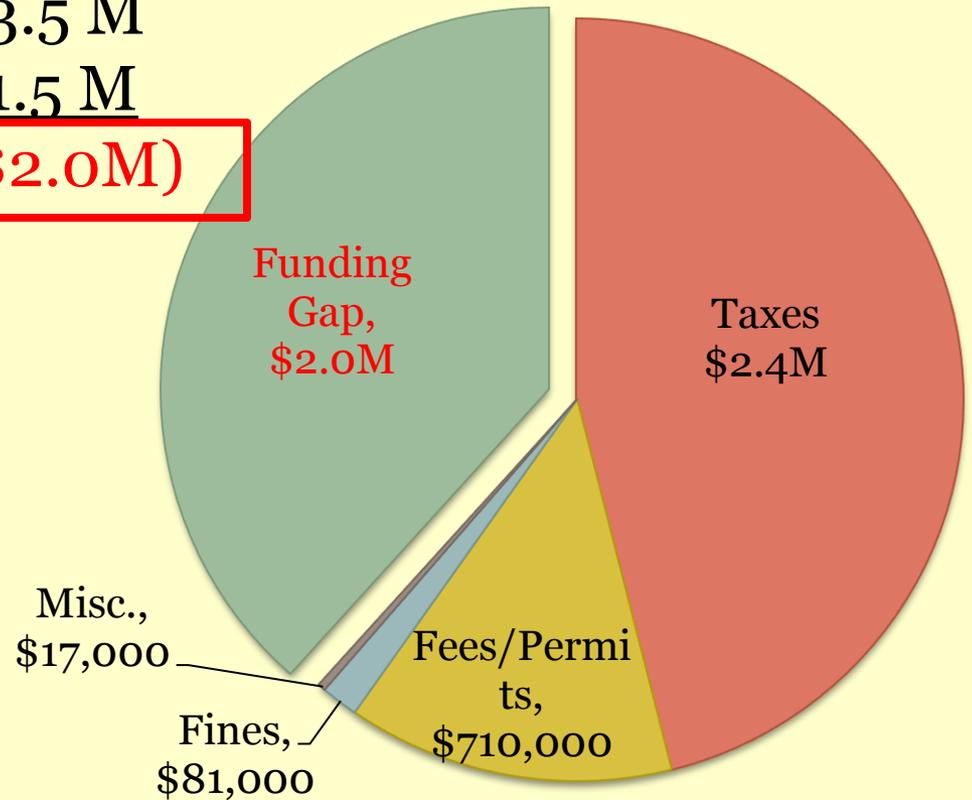
19

Issue: Recommended Annual Infra. Maintenance.

Required Revenues \$3.5 M

Actual Revenues \$1.5 M

Difference (Funding Gap) (\$2.0M)



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Options to Deal with Funding Gap.

- X) Do Nothing Different.
- X) Reduce The Length Of Public Roads (Reduce Gap).
- X) Alternate. Upgrade All Public Roads Over Next 10 Yrs
Then Reduce Length By Making Non Thoroughfare
Roads Private (Current Gap).
- X) Make All Roads Public (Increase Gap).
- X) Further Reduce Other Expenses.
- 1) Increase Revenues To Cover Funding Gap.

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Option:(1) Other Revenue/Funding Considered.

- Increase Sales Taxes Collected (Retail Development).
 - Long-term Goal (10 Years).
- Increase Sales Tax Rate.
 - Infrastructure Sales Tax Additional 1%.
 - State Law Does Not Permit Further Increases.
- Increase Utility Tax Rate.
 - Telecommunications Tax Increased From 1% to 6.5%.
- Increase Franchise Fees.
 - Cable TV Franchise Sets Rate At 5%.
- Vehicle Stickers (\$290 Per Vehicle).
 - Difficult/Expensive To Enforce.
- Utilize Reserves (Savings).
 - Minimum Reserve \$2.8 M.
 - No Excess Reserves, Would Require 20M Reserves.
- Special Service Areas.
 - Inefficient/Costly To Establish.
- Village-Wide Infrastructure Property Tax.

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Proposed Solution. Infrastructure Property Tax Referendum.

Referendum To Establish A Village-wide Infrastructure Annual Property Tax At A Rate Of 0.328.

- Average (\$750K Market Value Home) Annual Property Tax Of \$802.
- Restricted To Spending On Infrastructure.
- Restrictions Cannot Be Changed Without Another Referendum.

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Proposed Solution. Infrastructure Property Tax Referendum.

750K Market Value Home

2013
PROPERTY TAX BILL EXAMPLE - VILLAGE WIDE ROAD PROPERTY TAX

SAMPLE TAX BILL FOR INCORPORATED
 VERNON TOWNSHIP PARCELS (LONG GROVE)
 750000 MARKET VALUE

LakeCounty

1st INSTALLMENT PAYMENT COUPON
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IMA HAPPY RESIDENT
 15156 RFD
 LONG GROVE, IL 60047-8340

YOUR CANCELLED CHECK IS YOUR RECEIPT

PAYABLE TO LAKE COUNTY COLLECTOR

Property Location: 15156 RFD LONG GROVE
 Legal Description: I LOVE LONG GROVE SUBDIVISION

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KILDEER COUNTRYSIDE SCHOOL DIST #96 + STEVENSON HIGH SCHOOL DISTRICT #125 + LONG GROVE FIRE PROT DIST + PENSION	3.68	40.6%	\$8,993
VIL OF LONG GROVE	0.328	3.6%	\$802
COLLEGE OF LAKE COUNTY #532 FOREST PRESERVE + PENSION TOWNSHIP OF VERNON + GRAVEL + ROAD &	0.272	3.0%	\$665
Totals	9.068	100%	\$22,160

TOTAL VILLAGE EQUALIZED ASSESSED VALUE \$609,151,008
 TOTAL ROADWAY MAINTENANCE FUNDING GAP = \$2,000,000
TAX RATE TO FUND THE MAINTENANCE 0.00328

TOTAL CURRENT YEAR TAX \$22,160.33
 = Total Current Year Tax
 + Omitted Tax
 + Forfeited Tax
 = Total Tax Bill \$22,160.33
 + Interest Due as of
= AMOUNT BILLED \$22,160.33
 Fair Market Value \$750,000
 1st Installment Due \$11,080.17
 2nd Installment \$11,080.17

Taxing Body	Rate	% Of Tax Bill	\$ Amount
KILDEER COUNTRYSIDE SCHOOL DIST #96 + STEVENSON HIGH SCHOOL DISTRICT #125 + LONG GROVE FIRE PROT DIST + PENSION	3.68	40.6%	\$8,993
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TAX RATE CALCULATION: VILLAGE-WIDE INFRA TAX

TOTAL VILLAGE EQUALIZED ASSESSED VALUE	\$609,151,008
TOTAL ROADWAY MAINTENANCE FUNDING GAP =	\$2,000,000
TAX RATE TO FUND THE MAINTENANCE	0.00328

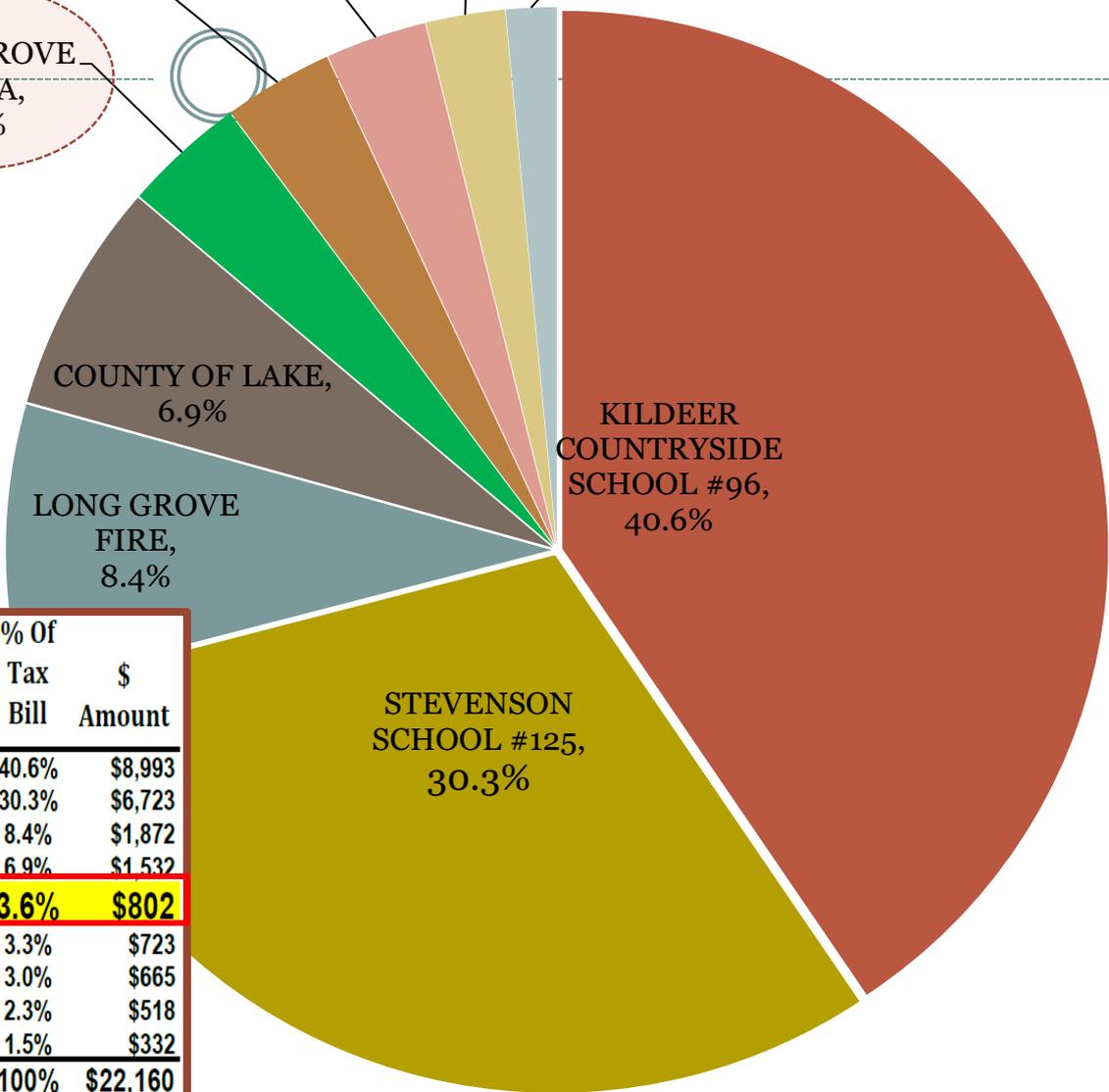
\$802 Avg. Annual Tax Bill



Proposed Solution
Infrastructure Property
Tax Referendum
(\$750K Market Value Home)

VERNON AREA PUBLIC LIBRARY, 3.3%
 COLLEGE OF LAKE COUNTY, 3.0%
 FOREST PRESERVE, 2.3%
 TOWNSHIP OF VERNON, 1.5%

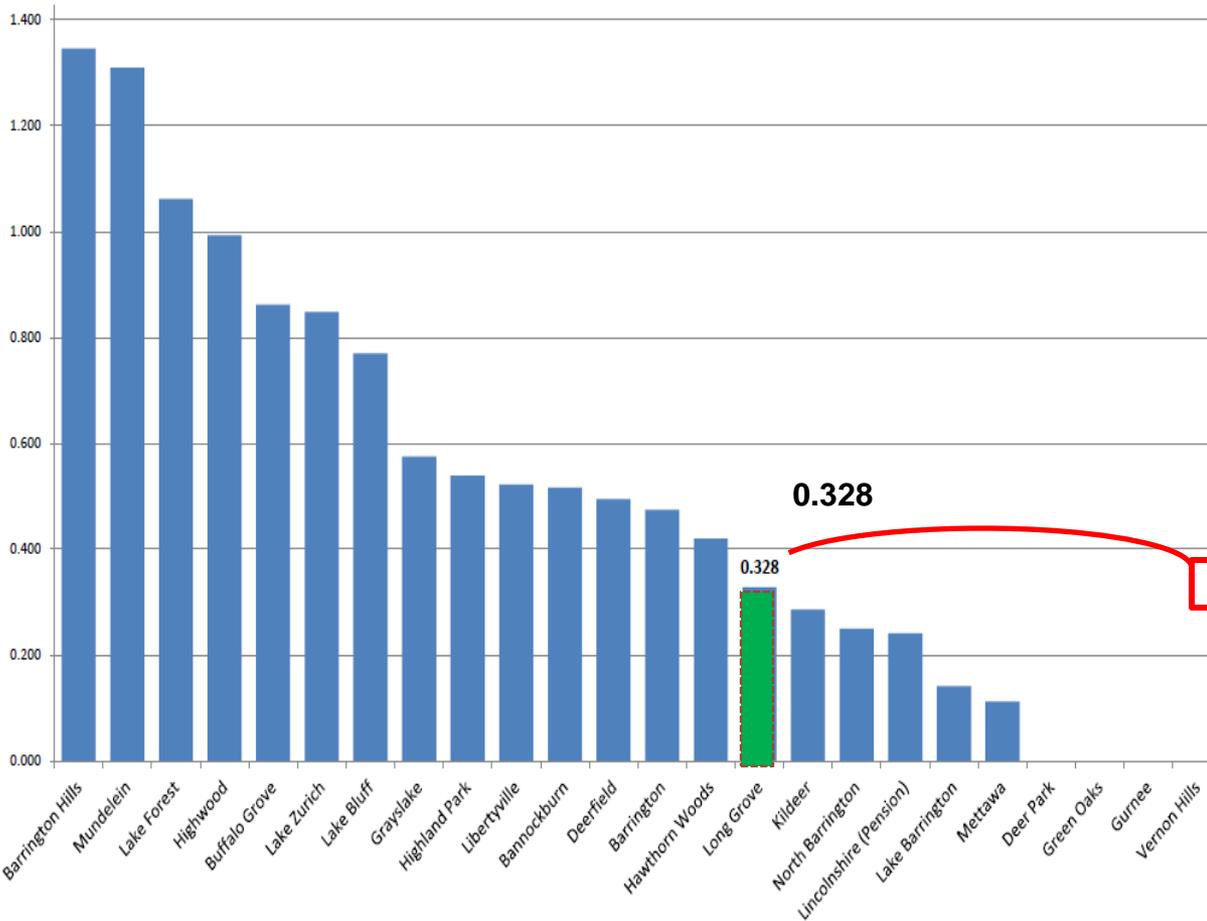
LONG GROVE INFRA, 3.6%



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Proposed Solution. Infrastructure Property Tax Referendum.



Municipalities Property Tax Rates (2013)

Barrington Hills	1.346
Mundelein	1.310
Lake Forest	1.062
Highwood	0.993
Buffalo Grove	0.862
Lake Zurich	0.848
Lake Bluff	0.770
Grayslake	0.575
Highland Park	0.539
Libertyville	0.522
Bannockburn	0.516
Deerfield	0.495
Barrington	0.474
Hawthorn Woods	0.420
Long Grove	0.328
Kildeer	0.286
North Barrington	0.250
Lincolnshire (Pension)	0.241
Lake Barrington	0.141
Mettawa	0.112
Deer Park	0.000
Green Oaks	0.000
Gurnee	0.000
Vernon Hills	0.000

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Decision(s) Timeline. Property Tax Referendum.

- ❖ June 26, 2012– Town Hall Meeting I.
- ❖ August 14, 2012 – Town Hall Meeting II.
- ❖ October 23, 2012 – Town Hall Meeting III
- ❖ *October 8, 2013 – Town Hall Meeting IV.*
- ❖ October 22, 2013 – Draft Referendum Question.
- ❖ November 12, 2013 – Referendum Question.
- ❖ April 2014 – Referendum Vote.
- ❖ June 2015 – First Property Taxes Received.

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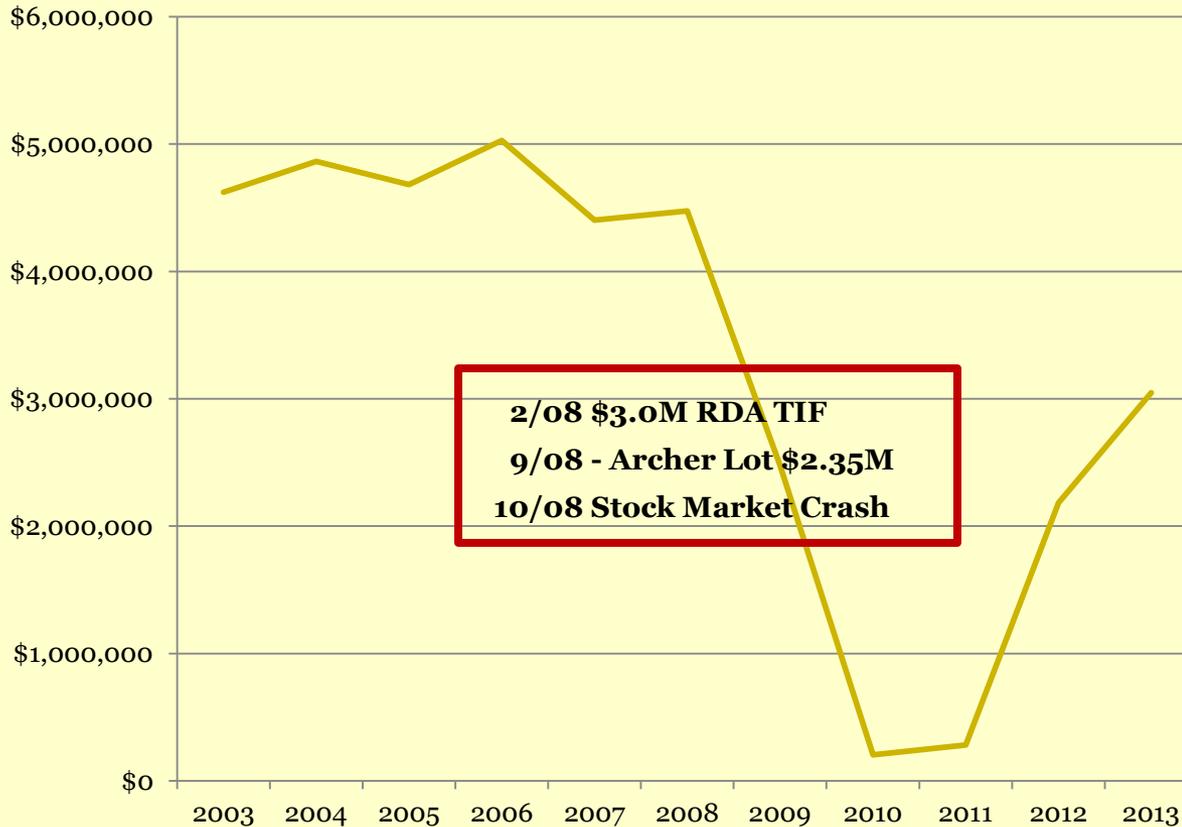
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- ❖ Questions & Answers.
- ❖ Thank You For Participating.

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2003-13 Village General Fund Balance



<u>Year</u>	<u>General Fund Balance</u>	<u>\$ Change</u>
2003	\$4,620,663	NA
2004	\$4,862,723	\$242,060
2005	\$4,681,022	-\$181,701
2006	\$5,027,052	\$346,030
2007	\$4,402,169	-\$624,883
2008	\$4,473,372	\$71,203
2009	\$2,479,963	-\$1,993,410
2010	\$205,825	-\$2,274,137
2011	\$282,483	\$76,658
2012	\$2,183,303	\$1,900,820
2013	\$3,048,064	\$864,761