



Village of Green Oaks

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Subject: Proposed Municipal Tax

Dear Residents:

As was recently published in the Oak Leaf, the Village Board is proposing a modest municipal tax referendum which is needed to assist with funding a long-term road repair initiative to combat our deteriorating local roadway infrastructure. If passed, the proposed municipal tax of less than one tenth of a percent would generate approximately \$233,000.00 of revenue for the Village to apply to the repairs of Village roads.

There will be a series of public meetings to present the facts driving this proposed referendum question appearing on the November 8th ballot and to answer homeowner questions. The meetings will be held at 7:30pm on October 17th, 24th and 26th at the Oak Grove School Junior High Cafeteria.

In reviewing the feedback results regarding the unsuccessful prior road referendum, the two most significant aspects reported were:

1. Over 66% of the residents thought the prior proposed referendum was too costly while 22% did not.
2. Over 42% of the residents indicated their support for a small municipal tax to support a slower-paced road repair effort versus 36% who would not.

Survey Question	The proposed property tax was too high					Rather than road bonds, I would rather see a small property tax implemented for road repair over a longer period of time and ongoing maintenance.				
	Strongly Agree	Somewhat Agree	Neutral	Somewhat Disagree	Strongly Disagree	Strongly Agree	Somewhat Agree	Neutral	Somewhat Disagree	Strongly Disagree
Individual Results Total	242	77	58	38	71	97	104	103	40	132
Individual Results Percentage	50%	16%	12%	8%	15%	20%	22%	22%	8%	28%
Grouping Total	319		58	109		201		103	172	
Grouping Percentage	66%		12%	22%		42%		22%	36%	

While the prior road referendum was costly, it concentrated repair of the roads over the shortest practical time possible. However, given that 66% of the responses felt that the road referendum was too expensive, a new approach was developed to repair the roads over a longer period of time at a significantly reduced annual cost to the residents. The proposed plan would result in a new municipal tax at a rate of 0.0928. While it will take longer to implement all of the necessary repairs, this program will allow the Village some significant forward progress to address our failing roads. The chart below compares the costs to the residents of the failed road referendum versus the proposed municipal tax.

Proposed Tax Amount based on Home Value					
Prior Road Referendum Tax					
Amount Levied based on home value	Tax Rate	Impact on \$100K Home	Impact on \$300K Home	Impact on \$600K Home	Impact on \$900k Home
Prior Road Referendum Annual Tax Amount	0.4605	\$144.33	\$433.00	\$893.00	\$1,354.00
Per Month		\$12.03	\$36.08	\$74.42	\$112.83
Proposed Municipal Tax					
Proposed Municipal Tax Annual Amount	0.0928	\$30.93	\$92.79	\$185.58	\$278.37
Per Month		\$2.58	\$7.73	\$15.47	\$23.20

If the proposed municipal tax passes, the Village will have a guaranteed and predictable steady stream of revenue to apply to road repairs and road stabilization. Based on this, the following is an illustration of how the Village can budget for meaningful road repairs on an ongoing basis:

	Current Funding	Proposed Funding
Revenue Sources		
Vehicle Stickers	\$70,000	\$70,000
Motor Fuel Tax	\$100,000	\$100,000
Funds reallocated from General Fund	\$55,000	\$150,000
Funds Drawn from Reserves (This was a one-time event for 2015)	\$106,800	TBD
OTB Funds Projected Revenues	\$0	\$126,000
Municipal Tax (0.0928)	\$0	\$233,000
Total Funds Available	\$331,800	\$679,000
Yearly Maintenance		
Yearly Cracksealing	-\$30,000	-\$30,000
Yearly Patching	-\$70,000	-\$70,000
Net Funds Available for Road Repairs	\$231,800	\$579,000

The significant changes between the current funding and the proposed funding if the municipal tax is approved are as follows:

1. Funds reallocated from the General Fund – Each year in addition to the funds received from the vehicle stickers and Motor Fuel Tax, the Village allocates approximately \$55,000.00 from the General Fund. If the Village has a steady stream of municipal tax income, this yearly allotment can be increased to \$150,000.00. This will be achieved by reducing some ongoing expenditures as well as reducing any contribution to the General Fund Reserves.
2. Funds Drawn from Reserves – Periodically, to maximize the amount of road repairs or when a road reaches the point of critical failure, the Village will draw upon its limited reserves to boost the road funding level. This is not sustainable as it can, within a short period of time, deplete the Village reserves. However, if a municipal tax is approved, there will be a predictable revenue stream allowing the reserves to be drawn upon to assist a long-term road rehabilitation program.

3. OTB Funds Projected Revenues – As was highlighted in The Oak Leaf, the Village recently approved a new restaurant and off track betting facility at the site where Fatman Bowl was located. This new establishment will be a potentially significant source of revenue to the Village and the Village Board anticipates earmarking the majority of the revenue from this establishment towards road repairs.
4. Municipal Tax – This will be the single most significant means to fund a long-term road repair program. The Municipal Tax will provide a long term, stable, and dependable funding source for repairs to Village roads. This will nearly double the Village’s current yearly road repair budget and will permit longer lengths of road repairs each year and maximize the impact of a road repair program throughout the Village.

The Village will focus on roads at a critical point in their lifecycle with the funds in this referendum. The priority will be roads that are failing and severely cracked/potholed and must be repaired before complete failure takes place and costly reconstruction is then the only option.

Green Oaks has been fortunate to go 56 years without a municipal tax, however, it is very evident that the current state of our roads drives this need to take action to address this issue. The introduction of a municipal tax is a critical first step in addressing the failing roads throughout the Village and maintaining the great community in which we all live.

We hope to see you at one of the open meetings. If you cannot attend or have more pressing questions, please contact the Village directly with any questions at 847-362-5363 or vilgrnoaks@aol.com.