

Answers to Your Top 20 Questions...

Over the past six months, the residents of Hawthorn Woods have asked many great questions about the Village's proposed Infrastructure Improvement Plan, including our streets and drainage. Following are answers to the top 20 most commonly asked questions.

1. How can Hawthorn Woods residents determine in which Special Service Area (SSA), if any, they live?

The SSA number is listed on a property owners' real estate tax bill. Tax bills can be accessed on the Lake County Treasurer's website: <http://www.lakecountyil.gov/508/Current-Payment-Status>

2. Why do residents in SSA #2 currently pay a lower tax rate than the other two SSA's?

All three SSA's in the Village initially paid the same tax rate when the SSA bonds were issued 15 years ago to fund street improvements. After the bonds were issued, significant new development occurred in SSA #2, resulting in more taxpayers sharing in the cost of the bonds for that SSA. This brought down the tax rate for individual property owners in SSA #2. With more property owners paying the debt, the smaller the tax impact.

3. Why does the Village want to refinance the outstanding SSA bonds?

The Village seeks to prevent a major spike in property taxes if a new 20 year, voter-approved bond issue is pursued to address street and drainage improvements. Refinancing the SSA bonds, and rolling the outstanding debt into the new bond issue, can accomplish this goal while interest rates are currently low.

4. Is the estimated tax rate increase associated with the proposed 20 year, \$25.5 million bond measure presented in previous informational mailers an amount over and above what is currently being paid?

Yes, in addition to the property taxes that local taxpayers are currently paying, it is estimated that the proposed bond measure would add the following amount to your tax bill:

SSA #1: \$300.29 (an increase of \$25.02 per month)

SSA #2: \$452.12 (an increase of \$37.68 per month)

SSA #3: \$303.98 (an increase of \$25.33 per month)

NOTE: Rather than pursuing a March 2018 referendum, the Village is now considering pursuing a November 2018 or Spring 2019 referendum. Some of the outstanding debt on the SSA bonds would be paid down during that time period. This would result in a lower total projected tax increase than the above-mentioned amounts.

5. Are there other funding sources from the state or county that can be used?

The streets the Village seeks to improve and maintain are local roadways and not the responsibility of the state or county. The Village does receive about \$200,000 from the State's motor fuel tax; however, this is not remotely close to what is needed for street resurfacing, reconstruction and ongoing maintenance. While the Village has been successful in being awarded a \$331,562 Federal Surface Transportation Pavement grant for Schwerman Road, the Village does not qualify for other funding at this time.

6. If the Village seeks to implement a 15-year road improvement and maintenance plan, why pursue a 20-year bond issue?

With resurfacing, reconstruction AND proper maintenance, the Village should be able to wait the full 20 years before having to return to voters with another bond proposal for street improvements. The goal would be for the bonds to be fully paid off before asking for additional tax dollars for street and/or drainage improvements. However, the lifespan of a street is not only impacted by the maintenance program, but is also impacted by snow, ice, and salt in this Northeastern part of the state. The typical lifespan of a road in this part of Illinois is 15 to 20 years.

7. Of our total tax bill, how much goes to the Village?

For every dollar in local property taxes paid, about 6 cents goes to the Village. Local property taxes generate about \$770 annually per household (for a homeowner with a \$500,000 home) and go toward police services, maintenance of parks and trails, recreation and special events, snow and ice removal operations, funding all municipal departments, and other local services.

8. Why are developers not paying for the Village's street and drainage improvement needs?

When investors develop their property in Hawthorn Woods, the developer does pay for their own street installation. Developer donations are also collected to fund their impact on municipal services. The Village receives a contribution toward our general fund that offsets anticipated expenses for services provided, including recreational and law enforcement services. Developer donations are limited to impacts from a specific development, and are not large enough to repair roads throughout every existing neighborhood.

9. Why would the Village want to install additional concrete ribbons?

The concrete ribbons not only define the edge of the roadway but also hold the pavement in place. The ribbon serves as a termination to help keep the pavement from expanding and deteriorating. While cracking may still occur when concrete ribbons are in place, the best engineering practices demonstrate that the roadway would deteriorate much more quickly without the ribbon defining the asphalt edge. The alternative, curb and gutter, is a more expensive retrofit.

10. Why did the Village use corrugated metal pipes underneath our roadways, rather than concrete culverts?

When some of our residential homes were built in subdivisions 40 to 50 years ago, corrugated metal pipes were an approved standard of conveying water in culverts under roadways. Best engineering practices now recommend the use of reinforced concrete culverts under roadways rather than corrugated metal pipes because of their susceptibility to corrosion and collapse.

11. Have any corrugated metal pipes already failed under the Village's roadways and what has been the impact and cost to address these repairs?

The Village has already experienced the failure of several corrugated metal pipes in the Village, resulting in road closures at Bruce Circle North and Onondaga Road. This resulted in a total repair cost of approximately \$200,000. Currently, the Village is working on another collapse under Darlington Road at the choker bridge. The cost to repair this corrugated pipe failure and replace the collapsed roadway will cost taxpayers almost \$500,000. This repair requires Army Corp of Engineering and Lake County Stormwater permits and will be closed at least 9 months. (NOTE: This one repair represents 8% percent of the Village's total annual budget.) The Village has several larger diameter corrugated metal pipes needing replacement in the Village.

12. Would drainage improvements be tackled at the same time that roadways are improved?

Yes, the plan includes the installation of concrete culverts at the same time that roadways are being reconstructed, in order to replace aging infrastructure simultaneously to save time, money, and prevent long term road closures.

13. How can residents determine when their street would be resurfaced or reconstructed?

In 2012, Christopher B. Burke Engineering developed a 15-year plan for street resurfacing, reconstruction and maintenance village-wide. The plan ranks every Village-owned street and predicts which year in the program each street will be repaired or replaced. All streets owned by the Village will be a part of this new resurfacing and reconstruction street program. Maps and other information are available on the Village's website: www.vhw.org/InfrastructureImprovementPlan.

14. Can we save money on the funding if bike paths are funded from other sources, and not part of the referendum?

Yes. While many residents are highly supportive of the bike path extension project, the recent survey results revealed that a majority of the respondents consider it to be an alternative we should eliminate from the funding

program. If the Village were to eliminate the bike bath improvements from the overall proposal, it would reduce the request by approximately \$500,000. The Village will attempt to find another source of funding, including grants or donations, to connect the neighborhoods in our town with walking and bike paths to the parks and schools.

15. Why should residents support a bond issue to improve streets and address flooding if their streets appear to be in good shape and their home/neighborhood does not experience flooding?

While many streets in Hawthorn Woods appear to be in good shape, the reality is that at least 90 percent of the Village's streets need to be resurfaced or completely reconstructed. It is critical that the Village be proactive when it comes to street improvements. Once you see the deterioration at the surface level, like pavement cracks or an uneven surface, the sub-base of the road is already affected. The longer we wait, the more it will cost. And while some residents appear to have little, if any, problems with flooding, the Village's storm sewer system is deteriorating. Furthermore, large diameter, corrugated metal pipes were installed under roadways village-wide. These pipes are also deteriorating. In fact, the Village has already experienced several pipe failures that resulted in street closures. The reality is that property values will be protected village-wide by addressing our highest priority infrastructure needs.

16. How do other small towns pay for their road programs?

Many Villages do exactly what Hawthorn Woods is proposing. Libertyville was successful a few years ago passing its streets program of \$20 million by voter referendum. Deer Park is seeking a higher sales tax rate this spring by voter referendum to pay for its drainage needs. Hawthorn Woods plans to also ask you, the voters, to approve our streets and drainage program. Investment in our own community is what will keep Hawthorn Woods a safe, secure, and desirable community for all.

17. It has been about 15 years since the last streets funding program. Is there an advantage to seeking voter approval now?

Yes. The Village has hired a professional consultant team to assist us with this major infrastructure project. The Village and consultants agree that the timing is advantageous now to save in total construction costs if we borrow the money while interest rates are historically low. We will also save in total program costs if we can get to the streets quickly enough to repave them before the pavement cracks so deeply that the sub-base also needs to get replaced. Resurfacing roads is more cost effective than reconstruction of roads, which averages about \$1,000,000 per mile. The Village has almost 57 miles of roadway to manage.

18. Why does the Village believe the proposed financing plan, which includes eliminating the SSA districts, is a more equitable approach?

The Village plans to defease and eliminate the existing SSA districts. Unlike the current situation, in which some residents pay a higher tax rate than others on the outstanding debt, with the passage of the referendum each resident would pay the same tax rate. SSA's will be eliminated from your property tax bill and replaced with one line item from the Village of Hawthorn Woods.

19. Have the cost estimates changed since 2012?

The Village is working with its consulting engineers to update the comprehensive street and drainage plans. Since the analysis was created in 2012, the condition of the Village-owned streets has continued to deteriorate. Once the plan is updated, it will include a comprehensive repair/replacement schedule, by specific street and year of completion and updated cost estimates that will be published on the Village website.

20. What happens if the residents vote no in response to issuing the bonds to fund the Infrastructure Improvement Plan?

The Village's current annual operating budget of \$4 million is not adequate to fund the \$25 million Infrastructure Improvement Plan for streets and drainage without a property tax increase. Without the recommended scheduled maintenance, the Village-owned streets will continue to deteriorate affecting safety, property values, and transportation routes for first responders, school buses, and deliveries. Roads may be closed where unsafe conditions exist.