

**VILLAGE OF LIBERTYVILLE
BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE**

Tuesday, March 29, 2016
6:00 p.m.

1. Dinner (6:00 – 6:30 p.m.)
2. Approve Minutes of February 16, 2016 (Executive Session)
3. General Fund Balance Discussion
4. Discussion of Alternate Revenue Sources
5. Other Items

MEMORANDUM

TO: Mayor and Village Board

DATE: March 24, 2016

FROM: Kevin J. Bowens, Village Administrator 

SUBJECT: March 29, 2016 Committee of the Whole Meeting

The Mayor and Village Board have scheduled a Committee of the Whole meeting for 6:00 p.m. on Tuesday, March 29, 2016. The main purpose of the meeting will be to continue discussions from the recent Budget Workshop meetings regarding allocation of any General Fund Balance to other uses. As the attached Memorandum (Agenda Item No. 1) from Finance Director Pat Wesolowski indicates, the General Fund balance exceeds the General Fund Balance Policy, and the Mayor and Village Board expressed an interest in discussing possible allocation options for some or all of the excess fund balance. Pat's attached Memorandum identifies various options for consideration, while specifically recommending maintaining an additional \$1.5 million to offset any short-term possible reductions in State of Illinois revenues.

The Committee of the Whole meeting also provides an opportunity to discuss financial sustainability and additional alternate revenue sources. The attached "Draft Financial Sustainability Strategy" report (Agenda Item No. 2) was discussed at the January 2016 Finance Committee meeting, and the Committee expressed an interest in supporting a "Place For Eating Tax" which would be utilized to fund escalating costs associated with current and future downtown parking garage maintenance, downtown and Peterson Road streetscape maintenance, and future Milwaukee Avenue streetscape improvements.

The Staff and Village Board have also previously discussed the possibility of establishing a Storm Water Utility Fee, as the Village continues to allocate increasing funds for storm water management improvements. Attached is a memorandum from Public Works Director Paul Kendzior (Agenda Item No. 3) which provides additional information. Unlike the Water and Sanitary Sewer Utility Funds, storm sewer and drainage are currently funded in the General Fund. Many communities have established a Storm Water Utility Fee as a method of financing storm water related Capital Improvements and ongoing maintenance.

Finally, 2017 will be the final year of the Road Improvement Program, which was authorized and funded through a referendum passed in March 2012. As indicated in the attached memorandum from Public Works Director Paul Kendzior (Agenda Item No. 4), when

construction is completed in 2017, approximately 37% (32.5 miles out of 89 miles) of the Village road inventory will have been rehabilitated. This work, combined with all of the road improvements conducted over the past several years has helped the Village catch up on roadwork, however, going forward significant funding will be necessary in order to complete needed road repairs. The Mayor and Village Board will recall that the Village recently completed an IMS survey on rating the street system, and many of the remaining roads are located in the northwest industrial area of the Village. Excluding bond revenues, the Village currently has available approximately \$1,125,000 annually for road rehabilitation work (\$525,000 from MFT, \$400,000 from vehicle sticker sales, and \$200,000 from the 1% Telecommunications Tax). Village Staff would like to discuss with the Village Board whether or not there is an interest in conducting a future referendum for additional road bonds or for a tax increase to fund an ongoing annual Road Rehabilitation Program.

The Village Staff would like to discuss these issues and obtain Village Board input and direction.

Memorandum

To: Mayor Wepler and Village Board
Date: March 23, 2016
From: Patricia A. Wesolowski, Director of Finance
Subject: Fund Balance Discussion

The Village Board met on Saturday, February 27th and Tuesday, March 2nd to discuss the 2016-17 budget. A portion of the discussion focused on the projected General Fund Balance as of April 30, 2016 and ways to allocate the fund balance above the amount required in the Fund Balance Policy.

For the Current Fiscal Year ending April 30, 2016, the projected General Fund balance is \$14,524,673 which is approximately \$5.9 million above the balance required in the fund balance policy (Exhibit A). Using the proposed 2016-17 budget in the fund balance calculation, Exhibit B shows the calculation of the fund balance required as of April 30, 2017. Due to the increase in budget, and low projected surplus, the Fund Balance required increases to \$9,056,583 and the balance above the policy requirement is \$5,515,130. As mentioned at the budget meeting, there are various options the Village has regarding this portion of the fund balance, which include transfers to:

Capital Projects Fund

A portion of the fund balance can be transferred to the Capital Improvement Fund to be used for various infrastructure improvements to roads, storm drainage systems, sidewalks and street lights. On an annual basis, the Capital Improvements Fund receives approximately \$410,000 in vehicle sticker fee revenue and \$210,000 in Telecom Fees for a total of \$620,000. As of April 30, 2016, the fund balance in the Capital Improvements Fund is expected to amount to \$151,000. The Ten Year Capital Plan includes \$2.5 million in annual improvements to these items (excluding road bond projects) and available funding will only be able to complete about half of the planned expenditures.

Public Building Improvement Fund

The Public Building Improvement Fund is projected to have a fund balance of \$165,000 as of April 30, 2017. Annual funding is derived from an annual transfer of \$85,000 from various General Fund accounts. The 10 Year Capital Plan includes approximately \$650,000 in improvements to the Village Hall, Schertz Building and Fire Stations over the next three years.

Pension Funds

The Village has always provided funding to the Police, Fire and IMRF pension funds in the actuarially required amounts although due to changes in actuarial assumptions, the funding percentages of the pension funds has decreased. As of the last actuarial calculation, the Police Pension is funded at 53.99%, Fire Pension 65.6% and IMRF at 76.8%. A \$500,000 contribution to each pension fund would increase the funding level by approximately 1%.

Sports Complex Bonds

There are \$17 million in outstanding bonds that were issued or refunded to construct the Sports Complex. Two of the issues are callable beginning December 2018 and the third issue is callable in December 2019. The issue callable in December 2019 has a special call provision that allows an earlier call of a portion of the outstanding bonds with proceeds received from the sale of property at the LSC. The board can reserve a portion of the General Fund Balance for the future call of these bonds.

Retain in General Fund

A portion of the balance can remain in the General Fund on a temporary basis due to the uncertainty in Springfield. It is estimated that the impact of a 2 year property tax freeze along with a 50% reduction in State shared revenues (LGDF) will be approximately \$1.2 million. If this were to happen, the Village would need to determine options to either increase revenues or reduce expenses to mitigate the impact of these reductions. The fund balance can be used to temporarily cover these reductions until a permanent solution is found.

As a starting point for discussion, Staff is recommending the following allocation:

\$1.5 million - retain in General Fund to use for possible reductions in State Revenues

\$1.5 million - transfer to Capital Improvement Fund

\$1.0 million - retain in General Fund for early redemption of a portion of Sports Complex Bonds in 2018.

\$1.5 million - Contribute to Pension Funds; \$600,000 for Police, \$600,000 for Fire and \$300,000 to IMRF.

Fund Balance Analysis 2015-16 Fiscal Year

Calculated as of April 30th each year

17% of budgeted expenditures for fiscal year beginning May 1st

60% of average 3 year sales tax

April 30, 2016

2015-16 General Fund Expenditures	\$	26,623,305	
17% of expenditures			\$ 4,525,962
Sales Tax 2012-13	\$	6,088,261	
Sales Tax 2013-14	\$	6,455,397	
Sales Tax 2014-15	\$	7,919,226	
Average for 3 years	\$	6,820,961	
60% of Average			\$ 4,092,577
Total Fund Balance Required			<u>\$ 8,618,539</u>
Fund Balance 4/30/16	\$		14,524,673
Variance	\$		5,906,134

*No Action Required

*Action required once fund balance falls below required amount

Fund Balance Analysis 2016-17 Fiscal Year

Calculated as of April 30th each year

17% of budgeted expenditures for fiscal year beginning May 1st

60% of average 3 year sales tax

April 30, 2017

2016-17 General Fund Expenditures	\$	27,539,165	
17% of expenditures			\$ 4,681,658
Sales Tax 2013-14	\$	6,455,397	
Sales Tax 2014-15	\$	7,919,226	
Sales Tax 2015-16 (projected)	\$	7,500,000	
Average for 3 years	\$	7,291,541	
60% of Average			\$ 4,374,925
Total Fund Balance Required			<u>\$ 9,056,583</u>
Fund Balance 4/30/17 (projected)	\$		14,571,713
Variance	\$		5,515,130

*No Action Required

*Action required once fund balance falls below required amount

Draft Financial Sustainability Strategy

The Mayor and Village Board and Village Staff have continued to review Village finances, with the goals of maintaining a balance budget, maintaining an appropriate level of services, maintaining a necessary and aggressive level of ongoing capital improvements, while monitoring of the State of Illinois worsening financial crisis and potential collateral damage to local municipalities. Specifically, the Governor and General Assembly have discussed: 1) a reduction of 50% in the Local Government Distribution Fund (LGDF) which is the 8% of State Income Tax revenue collected by the State and shared with cities and counties, and which would potentially have a negative impact of \$ 990,000 to the Village; and 2) and the Governor's proposal for a "temporary" 2 year property tax freeze, which would apply to all taxing districts in Illinois and which would have an impact of \$200,000 to \$400,000 to the Village. Furthermore, without a current budget the State presently lacks the appropriation authority to distribute certain revenues to municipalities such as the Motor Fuel Tax (MFT), Income Tax, 911 funding, video gaming/casino revenues, and use tax revenues. The Village is currently due \$500,000 from the State for these payments. It is anticipated that once a 2016 State budget is approved, or legislation is enacted to authorize distribution of these revenues, local governments will then receive the backlog revenue owed to them.

In response to the potential negative impact that the State of Illinois financial crisis might have on Libertyville finances, along with identifying additional and/or dedicated funding sources for Village services and capital improvements, the Staff has summarized recent discussions with the Finance Committee and Mayor and Village Board and prepared a draft Financial Sustainability Strategy with both short-term and long-term actions for consideration:

Expenditure Control/Reductions

First and foremost are ongoing efforts by the Mayor, Village Board and Village Staff to review all expenditures within the Village Budget to assure taxpayers that the Village is providing services and programs in the most cost-effective and efficient manner. The Village continues to operate with a balanced budget, and expenditure savings have been realized over the last several years through a reduction in personnel, consolidation of certain Village services, joint purchasing with other communities, privatization of certain services, and increased utilization of technology. The Mayor and Village Board and Village Staff will continue to analyze expenditures prior to consideration of any new or additional revenue sources. However, it is anticipated that any further revenue reductions will impact personnel and the Village's ability to continue to provide the current level of services enjoyed by Libertyville residents. Furthermore, of specific concern are expenditures related to employee pensions and the annual required subsidy for the Libertyville Sports Complex (LSC).

Short-Term Financial Strategies

1. Utilization of General Fund Reserves: the Finance Committee and Mayor and Village Board established a revised Fund Balance Policy during the 2012-13 fiscal year, and the current 2015-16 Village Budget projects a year end General Fund balance of approximately \$14.5 million (55% of expenditures). While these reserves can be utilized on a short-term basis to cover delayed reimbursements from the State or short-term loss(es) of State revenue, such use should be limited.
2. Reinstitute Utility Taxes: for many years the Village has utilized a "Telecommunications Tax" of 6% to generate revenue (\$1,320,000) for Village technology purchases, capital improvements and economic development. During the recent recession the Village also instituted a Natural Gas Utility Tax of 5% (which generated approximately \$550,000) and an Electric Utility Tax of approximately 5% (which

generated approximately \$1,500,000). The Gas and Electric Utility Taxes were enacted on a temporary basis, and as the economy and Village revenues improved, the Village Board eliminated the Gas Utility Tax and reduced the Electric Utility Tax to 4 %. Reinstating these utility taxes can be enacted quickly and would provide the Village with a potential funding source to offset reductions in State revenues.

3. Places for Eating Tax: this is a tax that can be imposed up to 1% of prepared food that is sold for immediate consumption. The tax is imposed on the owners of a business which qualifies and is typically passed on to the customer, and the Village is responsible for collecting the tax from the business owner. Staff estimates that revenue from this tax at the 1% level would be approximately \$700,000 per year.
4. Amusement Tax: a 5% tax can be imposed upon any amusement such as theatrical performances, motion picture show, videogame, carnival, bowling, billiards and pool games.

Long-term Financial Strategies

1. Non-Home Rule Sales Tax: this tax must be approved by referendum and an ordinance imposing the text must be sent to the state by April 1 (for a July 1 effective date) or October 1 (for a January 1 effective date). The tax will be imposed on the sale of general merchandise, and groceries, drugs and automobile sales are exempt. The taxes are collected by the State, and Staff estimates that each .25% increment would generate approximately \$400,000 per year, or \$1,600,000 per year for the full 1% tax. Several surrounding communities currently utilize this (or the home-rule) sales tax.
2. Home Rule Designation: the Village may hold a referendum in order to obtain home rule authority, which generally would provide the Village with greater flexibility for additional sources of revenue including: exemption from the tax cap, Home Rule Sales Tax, Prepared Food, Beverage and Package Liquor Tax (up to 1.5%), Real Estate Transfer Tax, greater flexibility to utilize the Hotel/Motel Tax, increased bonding limits, and establishment of a Downtown Tax (up to 1 square mile) on gross receipts of food and beverages to use for public parking facilities. The Finance Committee and Staff have been researching home rule authority, and it was recently defeated in the communities of Barrington and Lake Zurich. The Mayor and Village Board have indicated their preference for holding such a referendum during non-Village Board election years, if such a referendum is attempted.
3. Storm Water Utility Fee: the Village can also establish a Storm Water Utility Fee to fund storm water related capital improvements and expenses, which continue to increase on an annual basis. Communities typically base the fee on the lot size or impervious area of a property, and the Village can collect the fee in conjunction with the bimonthly water and sewer billing process. This fee is becoming more common in older municipalities, and would generate revenue that would help reduce current general fund expenditures.
4. Property Tax Increase: the Village can increase the property tax rate through a referendum process, over the property tax cap limit. For each \$0.01 increase in the property tax rate, revenue in the amount of \$104,120 would be generated (each \$0.01 increase would amount to a 1.5% increase in a property owners total property tax paid) based on the 2014 EAV.

Annual Maintenance Costs for Downtown Parking Structure and Downtown & Peterson Road Streetscapes

Downtown Parking Structure-North Garage

Landscape Maintenance-Civic Center	\$ 1,280
Landscape Maintenance-Garage	\$ 1,285
Landscapemaintenance-Parking Lot	\$ 2,185
Snow Removal ⁽²⁾	\$ 9,000
Materials & Supplies	\$ 2,000
Garage Maintenance	\$ 13,350
Janitorial Services (not budgeted)	\$ 10,320
Waterproofing - Capital over next 6 years averages \$50,000/year	\$ 60,000
Total	<u><u>\$ 99,420</u></u>

Downtown Streetscape

Annual Landscape Maintenance	\$ 4,225
Snow removal ⁽¹⁾ , sidewalk cleaning, fence painting, rose garden	\$ 46,770
	<u><u>\$ 50,995</u></u>

Peterson Road Streetscape

Peterson Road Corridor Costs	\$ 25,000
Mowing	\$ 4,375
Phase II Landscaping	\$ 225
Phase III Landscaping	\$ 4,600
Plant Replacement	\$ 2,000
	<u><u>\$ 36,200</u></u>

Total Annual Costs \$ 186,615

⁽¹⁾ Downtown cleanup costs 16-17/ \$6545, 15-16/ \$31,323

⁽²⁾ Snow Removal parking lots/garage 16-17/ \$3134, 15-16/ \$2860

Downtown Street Light Painting \$48,667

Memorandum

To: Chairman Moras and Members of the Finance Committee
Date: April 6, 2015
From: Patricia A. Wesolowski, Director of Finance
Subject: Places for Eating Tax

During the recent budget discussions, the Village Board and Staff discussed the need for a new revenue source to be used to provide funding for maintenance of downtown streetscape and parking areas and to also provide funding for general infrastructure maintenance for all areas of the Village. In the 2015-16 budget, costs to maintain the parking garage along with the downtown and Petersen Road streetscape amount to approximately, \$175,000. With the addition of a second parking garage, the costs could increase to almost \$300,000 per year.

One option to pay these expenses would be to take the increase in sales tax from the restaurant category and dedicate this amount for these expenses. In reviewing the past 4 year history of sales tax from restaurants, there has been a \$152,000 increase in sales tax in this category. This revenue is already accounted for in the General Fund and with the allocation to these expenses, less revenue would be available for other General Fund operations.

Another option would be to hold a referendum to become a home-rule municipality. Home-rule municipalities have the option to increase sales tax on all merchandise sold within the municipality. Home rule tax would not apply to grocery type food or vehicles. The option of becoming Home-Rule was recently established as a Village Board goal, and Staff is in the process of gathering information about Home-Rule.

Another option would be instituting a Places for Eating Tax. The Places for Eating Tax is a new revenue source the Village is able to institute as a non home-rule municipality. This tax has been enacted by municipalities throughout the Chicagoland area to generate revenue for community programs, services and infrastructure improvements. Most of the municipalities that have enacted the tax, recognize the revenue in the General Operating Fund of the municipality. The tax rate ranges between 1% to 1.5%.

LEGAL AUTHORITY TO ENACT TAX

The Places for Eating Tax is allowed under Chapter 65 ILCS 5/11-42-5 which states: The corporate authorities of each municipality may license, tax, regulate, or prohibit hawkers, peddlers, pawnbrokers, itinerant merchants, transient vendors of merchandise, theatricals and other exhibitions, shows, and amusements and may license, tax, and regulate all places for eating or amusement.

HOW IS THE TAX PAID

Technically this is a tax on the owner of an establishment that serves food and/or beverages and have a dining area in which customers are intended to consume their food and/or beverage purchase. In most cases the business passes the tax on to the customer and is shown on the check as a separate tax line. The tax does not apply to vending machines or "qualifying food" which is subject to the lower state sales tax rate. The owner is responsible for remitting the tax to the Village on a monthly basis.

IMPACT ON VILLAGE

Based on the 2014 calendar year sales tax information provided by the State of Illinois, Department of Revenue, a 1% Places for Eating Tax would provide approximately \$670,000 in

revenue to the Village. As this tax is passed on to the consumer, the tax will not directly impact homeowners or merchants in the Village unless they choose to consume/purchase food and beverage in Libertyville.

Currently sales tax on food and beverages sold at restaurants is taxed at the sales tax rate for Libertyville which is 7%. With a 1% Places for Eating tax, Libertyville would still remain competitive with the surrounding municipalities. Many of the surrounding local municipalities have either instituted a home-rule sales tax and/or a food and beverage tax and their tax rate for food purchased at restaurants is higher than Libertyville. The following table summarizes local taxes on prepared food & beverages:

Community	Sales Tax Rate	Eating Establishment Tax	Food and Beverage Tax	Total Tax on Prepared Food/Beverage
Vernon Hills	7.25%			7.25%
Gurnee	8.00%		1%	9.00%
Lake Forest	7.50%			7.50%
Lake Bluff	8.00%		1%	9.00%
Mundelein	8.00%			8.00%
Wheeling	8.00%	1%		9.00%
Libertyville	7.00%			7.00%

Attached is information obtained from other municipalities that have enacted a Places for Eating Tax that explains the tax and answers some commonly asked questions.

MEMORANDUM

Date: March 29, 2016
To: Mayor and Board of Trustees
From: Paul Kendzior, P.E., C.F.M., Director of Public Works
Subject: Consideration of Possible Stormwater Utility Fee

Background: The Village does not have a dedicated funding source for our storm sewer and drainage (stormwater management) system and is currently funding routine maintenance and limited capital expenditures from the General Fund. The Village's water distribution system, sanitary sewer system (including lift stations) and the Waste Water Treatment Plant are separate enterprise funds in the Budget with a dedicated funding source (water and sewer rates).

The Village's stormwater management system consists of approximately 90 miles of storm sewer, 4,750 structures (manholes, catch basins & inlets), roadside ditches, one lift (pumping station) and two large (Charles Brown & Winchester Road) detention basins. The common trend nationwide has been for municipalities to create a "Stormwater Utility" for the maintenance costs and capital improvements to their stormwater management systems. User fees are typically collected based upon an "equivalent residential unit" (ERU), a flat-rate charge or water usage.

The first step in the process of creating a Stormwater Utility is to identify the annual maintenance costs and desired capital improvements. A Village-wide Master Stormwater Management Plan would need to be prepared to identify all of our problematic/chronic flooding locations that impact public and private property and structures. Once the flooding locations are identified, conceptual designs and costs for flood reduction capital improvement projects to a desired level of protection are then developed. From this information a Stormwater Capital Improvement Plan (SWCIP) is completed. The annual costs associated with the SWCIP and maintenance are then compiled into an annual Budget. Based upon the annual projected Budget costs a desired fee and collection method can then be determined and the resulting Stormwater Utility created.

Public Works Department

Administration and Engineering Division (847) 918-2100 (847) 918-9439 fax
Streets and Utilities Division (847) 362-3434 (847) 918-2122 fax
Fleet Services Division (847) 362-3434 (847) 918-2122 fax
Waste Water Treatment Plant (847) 918-2007 (847) 362-4256 fax
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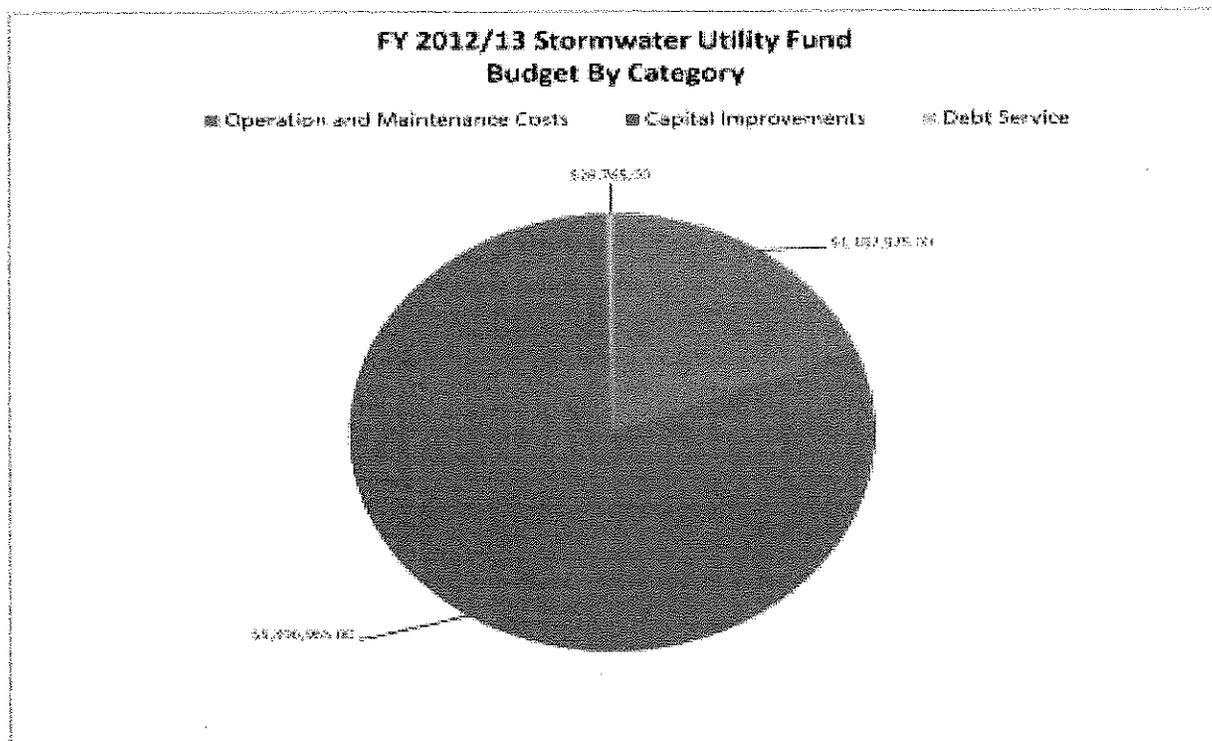
NORTHBROOK'S STORMWATER UTILITY - WHERE DO YOUR STORMWATER FEES GO?

Stormwater Utility Fees

Given the breadth and magnitude of the stormwater issues throughout Northbrook, the Village is addressing this as a community-wide program through the creation of a new Stormwater Utility Fund, which will provide a dedicated revenue source and allow for a full accounting of the operating, capital, and debt service costs associated with providing ongoing stormwater management services. The fee will be assessed at \$1 per 1,000 gallons of water consumed. This fee will be solely dedicated to funding approximately \$20 million in stormwater management projects which were developed as a part of the Village's new Master Stormwater Management Plan and the ongoing maintenance of our stormwater management system. It is estimated this fee will add approximately \$27.00 to the average quarterly residential water bill.

How is the Stormwater Utility Fee Spent?

The Stormwater Utility Fee is accounted for in a special fund, the Stormwater Utility Fund. The is comprised of three (3) main components: 1) Operations and Maintenance; 2) Capital Improvements; and 3) Debt Service. The graph below illustrates how expenditures amongst these three categories are broken down.



What is included in each category?

A description of the expenditures included in each category is outlined below.

- **Operations and Maintenance Costs** - This category includes the operational costs for maintaining the storm sewer system including parts for lift stations, structure repairs, and televising the Village's storm sewers to identify where repairs may need to be made. This category also includes the salaries of Village employees assigned to maintaining the Village's stormwater system.
- **Capital Improvements** - This category includes the design and construction of stormwater projects such as Phase III and IV of the Techny Drain Project and lining of existing storm sewers. This category also includes the purchase of capital equipment used for stormwater functions such as a replacement sewer cleaning machine.
- **Debt Service** - This category includes principal and interest payments on debt issued to fund stormwater projects and other capital expenditures.

Residents have the opportunity to appeal the fee if they believe that metered water consumption is not directly related and proportional to the volume of stormwater runoff generated by the user's property. Below is an SOP and application to be used to make such an appeal.

- Alternate Fee Application
- Stormwater Drainage Review SOP

MEMORANDUM

Date: March 29, 2016

To: Mayor and Board of Trustees

From: Paul Kendzior, P.E., C.F.M., Director of Public Works

Subject: Consideration of Possible Referendum for Tax Rate Increase for Annual Road Rehabilitation Funding

Background: The Village is moving into the fourth year of the five-year Road Referendum that was passed in March 2012. When construction is completed in 2017, approximately 36.5% (32.5 miles out of 89 miles) of our street inventory will have been rehabilitated. Even though the referendum has gone a long way to address the surface condition of many streets in the Village, approximately 2/3 of the street inventory needs to be rehabilitated in some manner. We have just completed Infrastructure Management System (IMS) Pavement Condition survey for all Village streets. The IMS Survey has indicated that for the 50 lowest rated streets, only 18 (or 36%) will be rehabilitated as part of the current Road Referendum. Also not included in the 50 lowest rated streets is the industrial area in the northwest sector of the Village. These streets will be needing rehabilitation soon, and are approximately 3.5 miles in length at an estimated construction cost of \$3,160,350. For the remaining 53 miles of streets, the estimated construction cost is approximately \$31,800,000 (\$600,000/mile).

The Village's annual Motor Fuel Tax (MFT) allotment, which has been decreasing each year, is estimated to be approximately \$525,000 for this Fiscal Year and is a direct funding source for road rehabilitation work. Additional revenues of approximately \$400,000 from vehicle stickers and approximately \$200,000 from the 1% telecommunications tax have recently been allocated to fund road rehabilitation work. This amounts to approximately \$1,125,000 annually for road rehabilitation work.

In order to keep up with the maintenance of the Village's street inventory, a referendum to increase our tax rate in order to provide an annual dedicated funding source should be considered. This additional amount should be in the range of \$2,000,000 (with a 3% annual escalator for inflation) and assumes that the annual MFT funds and monies from the vehicle stickers and telecommunications tax will continue to be used for road rehabilitation and other roadway related maintenance activities. This proposed tax rate increase would cost the owner of a \$400,000 home approximately \$255/year.

Public Works Department

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