



# Village of Villa Park

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DEPARTMENT OF PUBLIC WORKS

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## Sales Tax Referendum Information Meeting March 23, 2017 Questions and Answers

**Question:** There is approximately 28% of the Village that remains a combined sewer area. Is the \$3 fee we see in the water bill to fund the remaining combined sewer separation?

**Response:** The \$3 fee is a combined sewer separation fee and therefore designated for the purpose of combined sewer separation. It is expected to generate about \$290,000 annually. It is the Village's intent to use a portion of the proceeds to secure low-interest loans to fund three projects.

**Question:** How long will it take to complete the remaining approximately 28% of sewer separation using the \$3 fee?

**Response:** The exact time frame is unknown but currently the \$3 fee has been earmarked for three sewer separation projects: South Michigan, Park to Madison; Astor Court and Myrtle; and South Michigan, Kenilworth to Central. Those three projects will expend the majority of the new funds and some projects will require loan funding. The loans will likely be low-interest rate Illinois Environmental Protection Agency (IEPA) loans which will take 20 years to repay. Those projects will separate another 4,653 feet for a total of 128,177 feet or 75% separated.

**Question:** What keeps the money from the \$3 combined sewer separation fee and the \$6 stormwater fee from being diverted to other funds?

**Response:** The \$3 combined sewer separation fee is deposited into the waste water fund and a cost center has been established that can only fund combined sewer separation. The \$6 stormwater fee is deposited into the stormwater fund and can only be used for stormwater projects.

**Question:** Will the sales tax be dedicated to specific needs or can it be spent on anything the Village determines necessary?

**Response:** The sales tax must be used on public infrastructure. The primary use of the funds would be for the installation, replacement, and maintenance of sanitary sewer, storm sewer, and water main systems within the Village, as stated in the ballot question.

**Question:** When will the \$3 combined sewer separation and \$6 stormwater fee be removed?

**Response:** The Village Board has the authority to change these fees up or down (including eliminating them) at any time if they believe it is in the best interest of the Village. If the Village achieves 100% sewer separation and any debt secured by the \$3 fee is paid off, the \$3 combined sewer separation fee may be removed. The \$6 stormwater fee is less likely to be removed as even after the completion of all stormwater projects there is no other dedicated funding source to maintain the stormwater systems throughout the Village.

Question: What benefit is there to residents to separate the combined sewer? What benefit do residents who don't have a combined sewer see from separating the combined sewer?

Response: Any resident who has a sewer service tributary to the combined sewer would see a benefit from sewer separation. This is because when the stormwater overloads the combined sewer it will impact the sanitary sewers of separated areas as well, resulting in potential basement flooding. The combined sewer separation will also result in area-wide environmental benefits by reducing pollution that results when the combined sewer overflows. All residents of the Village would see a benefit from combined sewer separation because any stormwater that ends up in a combined sewer must be treated by Salt Creek Sanitary District and the Village's Wet Weather Flow Treatment Facility (WWFTF) the same as normal sanitary sewage. If the combined sewers are separated the stormwater would be allowed to directly drain to Salt Creek without this volume having to be treated, resulting in reduced treatment costs.

Question: Why did the Village not ask for the underground funding at the time of the road referendum? At the time the road referendum was being considered was it known how much underground funding was needed?

Response: A main reason the Village did not ask for the funding at the time of the road referendum was that the amount of funding needed was not yet known. The flood studies that were commissioned after the 2013 flooding events had not been completed. If the Village had waited for the flood studies to be completed and included the cost of the underground improvements in the road referendum, the cost of the referendum would have been too high. The Village would also have been closer to its debt limit and then the Village would not be able to issue bonds if needed for another purpose.

Question: Is the Village looking to schedule the underground improvements before the road improvements?

Response: Yes. If the sales tax referendum passes the Village would look to do the underground improvements either before the road improvements or concurrently with the road improvements. If the sales tax referendum does not pass then the road improvements would be completed and any underground improvements would need to be deferred 15 years or more. During this time there is no guarantee that the existing underground infrastructure will not fail resulting in damage to the newly paved streets.

Question: There is approximately \$32 million in unfunded combined sewer separation, stormwater improvements, and water main improvements shown in the presentation. Does this represent everything that still needs funding or is there more beyond the \$32 million?

Response: The \$32 million represents the portion of underground improvements that would need to be completed with the road improvements and are shown in the Capital Improvement Plan (CIP). There is an additional about \$14 million in stormwater projects that have already been identified but are currently unassociated with any road improvements and not shown in the CIP. Also, the Village's infrastructure continues to age so by the time the currently proposed projects are completed additional projects will likely be needed.

## Sales Tax Referendum Information Meeting

March 7, 2017

### Questions and Answers

Question: How much money could Villa Park borrow with the additional revenue generated from a 0.5% sales tax increase?

Response: The Village believes the 0.5% sales tax will generate about \$1.5 million in additional revenue per year. If the Village were to use the full \$1.5 million to pay down 20-year IEPA low-interest loans with 2% interest (the current rate), the Village could borrow up to \$24 million. If the Village were to use \$1.2 million to pay down 20-year IEPA low-interest loans with 2% interest (the current rate), the Village could borrow \$19 million. The remaining \$300,000 would be used to fund pay as you go projects or projects which are not loan eligible. Not all projects are eligible for IEPA low-interest loans. Projects that are not eligible for IEPA low-interest loans may require alternate revenue bonds. When securing alternate revenue bonds the Village is unable to leverage the full \$1.5 million for loans. In this case, the Village would be able to leverage up to \$1.2 million for loans with the remaining portion (\$300,000) being held for pay as you go projects. Using the \$1.2 million to pay down 20-year alternate revenue bonds with 4% interest (the current rate), the Village could borrow \$16 million. It is likely that the Village will use a portion of the \$1.5 million to pay back loans (both IEPA low-interest loans and alternate revenue bonds) and the remaining portion would be used to pay for projects at the time of implementation.

Question: When will the utility projects be constructed?

Response: The Villa Park Capital Improvement Plan (CIP) is the planning document the Village uses to track proposed project location, improvements, costs, and implementation year. A copy of the document can be found [HERE](#).

Question: What is the linear footage of utility piping in Villa Park?

Response: Villa Park has 79.5 miles of water mains, 81.8 miles of sanitary sewer mains, and 73.9 miles of storm sewer mains.

Question: How much will a 0.5% sales tax increase cost each resident?

Response: The exact amount will depend on how much each individual purchases. However, the Village believes that approximately half of the sales tax it currently collects comes from people who are not Villa Park residents. Assuming this is accurate and the additional 0.5% sales tax generates \$1.5 million, with 21,000 residents in Villa Park that would result in each resident paying approximately an additional \$35 per year.

Question: Does Villa Park clean inlets?

Response: Villa Park cleans inlets and catch basins from April 1 to December 31 each year. There are 1,700 inlets and catch basins currently in the stormwater collection system. Approximately 30 inlets and catch basins can be cleaned per day. Villa Park also performs spot inlet cleaning in known problem areas prior to rain events. Villa Park also performs street sweeping from March 1 to September 15. During this time each street is swept once per month. On September 15 the Village begins fall leaf sweeping and continues until all leaf debris is collected. During fall leaf sweeping the street sweeper is out every day collecting leaves.

Question: What does Villa Park plan to do with the property located at 546 S. Euclid?

Response: The Village is currently working with DuPage County to use Community

Development Block Grant – Disaster Recovery (CDBG-DR) funds to acquire the property. If the property is acquired the Village intends to construct a regional stormwater facility to help alleviate flooding problems in the area.