



# Village of Spring Grove

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February 1, 2021

## REFERENDUM QUESTION

Dear Spring Grove Resident,

In 2019, the Village surveyed its residents for their input on updating its Comprehensive Land Use Plan. When asked about your transportation preferences, the highest ranked preference was focusing on neighborhood road repair. Most people will agree that a clean, freshly paved street improves the overall appearance of their neighborhood.

Unfortunately, despite the Village's best efforts, Spring Grove is falling behind in the battle to maintain our local streets. This is due to a significant increase in the cost of materials and a decade long shortfall in revenue coming from the state. The bottom line is that without new sources of revenue, the Village's ability to provide core services, attract new business development, and maintain the quality of life standards our residents and businesses expect will be severely impacted.

In April, you will be asked to approve a referendum which will add a 0.75% sales tax on most purchases within the Village. That means for every \$100.00 of purchases made in our town, \$0.75 that cannot be touched by the county or state will go toward vital infrastructure projects in your community. The following question will appear on the April 6, 2021 ballot:

Shall the corporate authorities of the Village of Spring Grove be authorized to levy a sales tax at a rate of three quarters percent (3/4%) for expenditures on municipal operations, expenditures on public infrastructure, or property tax relief?	Yes	No
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\*Note, the required wording of the referendum question is set forth by State statute. A "Yes" vote will authorize the Village to increase the local sales tax rate by  $\frac{3}{4}$  percent bringing the total sales tax rate for goods purchased in the Village to 7.75% - consistent with the rate paid for goods purchased in the City of McHenry.

The board's decision to place the question of a sales tax increase on the ballot was based on the following key factors:

- Survey results reflecting the residents want the village to focus on the repair of neighborhood roads.
- The Village's need to establish sufficient revenues to support road resurfacing and other underfunded capital items.
- Sharing the Responsibility - An increase in the local sales tax will be shared by all people who shop in our community, not just our residents. Raising the sales tax from 7 percent to 7  $\frac{3}{4}$  percent will provide the Village with approximately \$483,750/year of additional revenue to help pay for our road maintenance and infrastructure.

## CHALLENGES THAT WE STILL FACE

### Road Resurfacing

The Village is responsible for more than 55 miles of roadway, with some roads not being resurfaced in 27 years. Based upon accepted engineering practices, the Village should be spending nearly \$1 million each year in order to resurface approximately 4 miles of roadway annually. Since 1994, the Village has resurfaced 41.66 miles of roadway (an average of 1.60 miles annually). Currently, we do not receive adequate Motor Fuel Tax Revenues to support the resurfacing of even 1 mile of roadway per year. *If this measure passes, the Village will receive enough funding to double the pace of our neighborhood road improvement program without dipping into other infrastructure funds.*

### Water and Sewer Expansion

An integral part in attracting new businesses is sewer and water along commercial corridors. The Village was fortunate to have the water tower paid for by Jewel when it was built but the Village has not been able to expand the water system down Route 12 and into our commercial and industrial areas, which has limited growth. Many retail and industrial businesses prefer to be connected to Village sewer and water and those over 12,000 sq. ft. are required to provide a fire suppression system. The lack of having water available to vacant or unoccupied properties has limited our growth. Expanding water to these areas will help attract new businesses and fill some of the vacant properties along Rt 12.

### Police Pension

New laws enacted by the State require the Village to invest more revenues in its Police Pension Fund. To enforce this requirement, the State of Illinois can withhold State disbursed revenues such as Income Tax and Sales Tax and direct those dollars to the Police Pension Fund. If that should occur, the Village will have to reduce services to address the decrease in revenues it would experience.

**GET OUT AND VOTE ON APRIL 6, 2021** and register your position on the Sales Tax question.

At the current time, only 1 percent of the 7 percent paid in sales tax comes back to the Village, the remaining 6% is retained by the State of Illinois. If approved, shoppers will pay a 7 3/4 percent **sales tax** (same as McHenry) for goods purchased within the Village of Spring Grove, of which 1 3/4 percent will be disbursed back to our community.

The additional **sales tax** revenue that will be collected and used to pay for our road maintenance and other obligations will be paid by **ALL** people shopping in our community, not just our residents.

We encourage you to get out and vote on April 6, 2021. For more information or answers to your questions, please see the attached information sheet. Should you have any comments or questions after reading the material please email [info@springgrovevillage.com](mailto:info@springgrovevillage.com).

Respectfully



Mark R. Eisenberg  
Village President