



# STREETS, SIDEWALKS & FLOODING REFERENDUM

Special Edition Newsletter  
October 2020

## Your Vote Counts on Tuesday, November 3, 2020

Dear Neighbors:

Please take a moment to read this special edition of Flossmoor News. Throughout this edition, you will find valuable information on the Village's upcoming bond referendum to finance street, sidewalk and stormwater improvements.

Because we know the need is real and can no longer be delayed, the Village Board voted unanimously to place this referendum question on the November 3, 2020 election ballot. We are very committed to providing high quality infrastructure. These improvements must be done. The referendum question focuses on how best to pay for it.

The Village recognizes that resident tax bills are high. Currently, the Village receives 16% of your property taxes and the community should feel confident that their tax dollars are well managed. The Village Board has chosen this time to ask voters to approve the referendum because the bonds the Village issued to finance the construction of the Flossmoor Public Library will be paid off in 2021. **Therefore, if the referendum passes, you will be paying about the same amount in property taxes as you pay now.** Without the successful passage of this referendum, the Village will be required to delay these projects until another funding source can be identified.

Get informed by attending a virtual meeting on October 13 at 7:00 PM for the virtual meeting. For more information, visit [www.flossmoor.org](http://www.flossmoor.org).

Cordially,

Mayor Paul S. Braun and  
the Village Board of Trustees



### What are the projects?

The projects are street resurfacing and sidewalk replacement of various Village streets and stormwater improvements to the Flossmoor Road viaduct and areas upstream in Heather Hill and the neighborhood north of downtown Flossmoor that contribute to flooding.

### Why are these projects necessary?

**Streets and Sidewalks** — The Village receives a dedicated funding source called Motor Fuel Tax (MFT) to help pay for street resurfacing and reconstruction as well as sidewalk replacement. MFT dollars come from a tax on gasoline which is distributed by the State on a per capita basis. A street resurfacing plan was originally created so that every street in Flossmoor could be resurfaced on a 15-year rotation using MFT dollars. Over several years, the MFT dollars have not been able to “keep up” with the cost of streets and sidewalks. Why? Until Illinois increased the MFT last year, the tax had not been adjusted to make up for increasing construction costs as well as fuel efficiency, which causes drivers to use less fuel. The MFT revenues no longer provide enough to continue to resurface the desired 2.5 miles of streets every year, but rather closer to 1 mile of street. To improve this situation over the past three years, the

Village Board has spent approximately \$540,000 in total from the General Fund to supplement the street program. Continuing to allocate General Fund money, which is to support public safety and other general services, toward the street resurfacing program is not financially sustainable. The Village is at a point where a significant investment must be made. With the increase in the number of hybrid and electric cars, we expect to experience an additional negative impact on MFT revenue. Financing these projects is urgent to avoid falling further behind.

**Flossmoor Road Viaduct** — The Village of Flossmoor continues to experience street and building flooding problems at the Flossmoor Road viaduct under the Metra/CN railroads. The viaduct floods, causing road closures and lower level flooding of the adjacent downtown commercial/residential building. This viaduct is the main access point between the west and east sides of the Village. When closed, motorists and emergency response vehicles cannot travel to the east side of the Village, causing the Village to rely on mutual aid from other communities.

In 2005, a study was completed by CTE Engineers through a program administered by the Army Corps of Engineers — Chicago District Office. This study recommended several storm sewer alternative improvements to drain the viaduct east to Butterfield Creek and reduce the flooding during heavy storm events. At that time, flooding in the viaduct was not as frequent or severe. Given today’s climate conditions and other stormwater management issues in the Village, this project needs an updated review and construction to begin. The study is underway and will be available in time for planned implementation. Dollars from the referendum will be allocated to getting the work done if grants are not received.

**This project is sorely needed for the Village of Flossmoor for the following reasons:**

The viaduct and Flossmoor Road closure, during flood events, impacts emergency vehicle access to the east side of town in a timely manner. The lower level flooding to the downtown commercial/residential building adjacent to the viaduct has caused much distress to the downtown business district. Businesses have been forced to leave the building and relocate, at times out of Village, due to the high costs of flood damage and repairs. This issue has made it difficult for the building owner to keep the commercial units full over time. The success of our businesses in the downtown area impacts our local economy. When the viaduct is flooded, commuter access to the Metra Train Station is severely restricted. This has caused some commuters to use other stations outside of the Village. For these reasons, the time has come to address this flooding issue. Without remediation of this flooding, the future of Flossmoor’s central business district and the small businesses that call it home is at risk. The health of the downtown as well as the safe access through the Flossmoor Road viaduct is in the best interest of the entire community.

*How much will my tax bill increase if the referendum passes?*

You will be paying about the same as you are paying now because the debt the Village issued to build the Flossmoor Public Library will be paid off in 2021. The current tax levy on the library bond issue, which will be paid off in 2021, is \$620,700. The estimated impact of this new bond on the tax levy is \$643,310.

**Library Bond Levy Ending in 2021 vs. Projected Infrastructure Levy**

The following is an estimate of the impact to taxpayers.

ANNUAL PROPERTY TAX	CURRENT LIBRARY BOND DEBT LEVY	PROJECTED INFRASTRUCTURE DEBT LEVY
\$7,500	\$114.47	\$118.55
\$12,000	\$190.68	\$197.46
\$20,000	\$304.57	\$315.41

**Currently, only 16% of your property taxes go to the Village of Flossmoor. Approximately, 65% of your bill goes to the school districts and the remaining 19% goes to other taxing agencies shown on your tax bill.**

### *Why is the Village doing the referendum now?*

In 2002, the Village issued \$8 million in bonds to construct the Flossmoor Public Library. Since then, the Village's tax levy has included this bond repayment. The Library bonds will be paid off in 2021, and this debt will fall off our tax bills. The Village Board has intentionally discussed pursuing this bond issue for streets and the Flossmoor Road viaduct once the Library bonds were paid off so that the Village is replacing one debt issuance with another of a similar size to minimize any additional cost to taxpayers.

### *What streets are impacted by this project?*



Visit the Village website ([www.flossmoor.org](http://www.flossmoor.org)) to view project maps. This is a preliminary list of streets to be resurfaced and could change depending upon changing conditions and cost of construction.

### *I don't live on a street that needs to be paved. How does this benefit me?*

The quality of the Village's infrastructure is a community-wide issue. The condition of our roads and sidewalks contributes to the appearance and desirability of a street, neighborhood and the community as a whole. By catching up on the worst streets now, the Village will be better prepared to address the other streets in the future.

The Village's annual street resurfacing program does not have enough funding to support all the current resurfacing needs, and the Village cannot continue to supplement the street program with monies which are meant to support public safety and other general services. Without a significant investment in this program, the condition of our streets will fall further behind.

### *How much will the Flossmoor Road viaduct project cost?*

The Flossmoor Road viaduct drainage improvement project is estimated to cost between \$5.7 million and \$6.5 million. The Village's engineer is currently working on the updated study and finalizing the cost estimate for the project. Updated information will be shared with the public once it is available.

### *I hear the Village is seeking grants for the Flossmoor Road viaduct project. Why is the Village also asking to use bond money to pay for this project?*

If the Village can obtain grants for the Flossmoor Road viaduct project, the Village can adjust and allocate more bond monies toward the street resurfacing and sidewalk replacement program. However, if grant monies are not received, the Village Board has decided the Flossmoor Road viaduct is a priority infrastructure project for the Village and improvements must be made soon.

### *What happens if the November 3, 2020 referendum does not pass?*

If the referendum does not pass, the Village would not complete a comprehensive street project unless and until the Village finds another financing method that could provide the Village with the cash needed to complete the project. Unfortunately, that financing method would carry a higher interest rate. Street resurfacing and sidewalk projects would continue to be done on an annual basis (approximately 1 mile per year) using MFT revenues. The flooding mitigation projects would not occur until the Village finds a grant source to cover the cost of the project.



## HERE IS THE BALLOT QUESTION YOU WILL SEE ON TUESDAY, NOVEMBER, 3. PLEASE VOTE!

### *Village of Flossmoor, Issue Bonds*

Shall the Village of Flossmoor, Cook County, Illinois, issue General Obligation bonds in an amount not to exceed \$10,000,000, said bonds bearing interest at not to exceed the rate of 9.00% per annum, for the purpose of paying the costs of the following infrastructure improvements throughout the Village: street reconstruction, street resurfacing and sidewalk improvements; and storm sewer system improvements including those related to the Flossmoor Road viaduct, and expenses related thereto?	Yes	
	No	

### *Why does the referendum question point out a 9% interest rate when the Village's bond rating is so good?*

A 9% interest rate is the maximum permitted by law. It is legally required by the State of Illinois that the maximum possible interest rate for the project be included in the referendum question. The Village is confident that with our bond rating and the state of the current economy, we can obtain an interest rate far less than 9%. Once issued, 85% of the bond proceeds must be spent within 3 years. Given the historically low interest rates and the Village's strong rating, borrowing is cheaper than it has been in recent history and now is an excellent time to go to the bond market.

The most recent debt issuance was the refinancing of the remaining Library Bonds in 2017. The net interest rate is 1.72%.

### *Flossmoor ... You're Invited to Learn More in Person and Online*



Please drop into our special **IN-PERSON OPEN HOUSE** at Village Hall on:

- **Monday, October 26 from 6:30 to 8 p.m.**



Alternatively, join us **VIRTUALLY** on:

- **Wednesday, October 21 at 7:00 p.m.**

**Sign up for the virtual meeting at [www.flossmoor.org](http://www.flossmoor.org)**



# FLOSSMOOR

**Village of Flossmoor**

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