



HOMER GLEN

## TRANSFER OF STEWARDSHIP FREQUENTLY ASKED QUESTIONS

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*Updated as of 12/17/20*

### **Why can't the Village wait until 2021/2022 for this to happen?**

The very reason for the "transfer of stewardship" is to eliminate political uncertainty and the possibility of increased costs that Village taxpayers could have to bear in the near future. Although the intergovernmental agreement between the Village and Road District has worked well, the April 2021 election will likely result in new office holders – including a new Road District Commissioner – and the opportunity to complete the transfer may no longer exist. A new road district commissioner and/or Township board members could also terminate the IGA, resulting in the Village needing to create a new public works department from the ground up. If this occurred, it would cost the Village much more money, which would be paid by our residents.

### **What is the total out of pocket costs a homeowner will have to pay?**

The additional cost to residents of Homer Glen is an increase in property taxes. The 2020 levy was approved for \$1.5 million. This levy was calculated in line with the information the Village published and circulated publicly during the last several months, which projected a property tax increase of \$57 per \$100,000 of market value listed on individual tax bills. Based on an average home market value of \$300,000, the increase would amount to \$171.

### **Why can't the Village use the 3 cents it collects in Motor Fuel Taxes to cover the costs?**

The local gas tax is obligated, per the ordinance approved by the Village Board in 2016 and the Village Summary of Procedures, to fund the current maintenance of our park land and trail system. The maintenance cost of land and trails is approximately equal to current local gas projections. The village receives approximately \$500,000 in local MFT funds, which is not enough to fund the operations of a public works department.

### **Is Mike DeVivo doing this in exchange for being hired by the Village as their public works director?**

The decision to proceed with the transfer was made by the Village and its trustees who unanimously approved a resolution last fall to do so. While Commissioner DeVivo supports the transfer, the Village will not hire him as its public works director. The Village will hire a professional public works director to oversee the new department, which will not be an elected position. Meanwhile, the Village and Commissioner DeVivo will continue to work together while the transfer takes place.

### **What is really a fair separation agreement for unincorporated residents and Lockport residents?**

The Village is currently working with the other Homer Township municipalities, including Lockport, to complete an intergovernmental agreement that will fairly compensate them for a portion of the equipment, assets and real estate that those taxpayers have paid for. It is anticipated these agreements will be finalized within the next few months and prior to the completion of the transfer.

### **Where did the money go that was collected by the City of Lockport?**

Half of the taxes paid by Lockport residents for its Road and Bridge levy was used by the Homer Township Road District to fund its operations. The other half was paid directly to the City of Lockport to offset its public works department.

### **Why can't the Village wait until the lawsuit is settled?**

Under the existing intergovernmental agreement between the Village and Homer Township Road District, the Road District has the authority to nullify the current intergovernmental agreement and withhold funding in one year's time – leaving the Village with little time to create a public works department from scratch that would cost taxpayers millions of dollars. In addition, all local governments in Illinois must legally establish its funding process (i.e., property taxes) and approve their tax levies for the next year by the last week of December.

### **What happens if the Village loses the lawsuit?**

The current intergovernmental agreement between the Village and the Road District would remain in place for at least one year. However, after that

the Village would need to have its public works department created, which would include the purchase of land and equipment. Those costs would amount to significantly more than the appraised value of the assets required to complete the proposed transfer. Additionally, the Township Board has already gone on record indicating they do not believe the Homer Glen residents are paying their “fair share” of the Road District. This exposes our residents to increased costs, even if the IGA were to remain in place, as is.

### **Why does the Village of Homer Glen want to take over the responsibilities of the Road District?**

Currently, only 18 of the 234 miles of roads in Homer Township are located in unincorporated portions of the Township. The rest are all located within boundaries of a local municipality (Homer Glen, Lockport, New Lenox or Lemont). Except for Homer Glen, the other municipalities operate their own public works departments, which maintain the streets in each town. In fact, Homer Glen is the largest municipality in the State of Illinois that has its roads controlled by a Township Road District. As it continues to grow, Homer Glen wants to assume control and certainty over its roads – just like nearly every municipality in Illinois – and not be beholden to another jurisdiction.

### **What entity currently controls the roads within Homer Glen?**

The Homer Township Board controls the budget and property tax levy that supports the Road District. The Road District controls the condition of the roads, including snow plowing, repairs, mowing, etc. Currently, the Village of Homer Glen has no control of the roads, even though they are owned by the Village.

### **Will the Village just take over the Road District?**

No. Both the Village and the Homer Township Road District consider this a legal transfer of stewardship, which both agencies support. In other words, the residents of Homer Glen should not have to pay for something that they already paid for and own. Homer Glen and the Homer Township Road District must both approve and sign legal documents for the transfer to occur.

### **What does the Transfer of Stewardship involve?**

The transfer of stewardship means that the Village of Homer Glen will assume responsibility of the roads it owns. The transfer between the Homer Township

Road District and the Village will allow Homer Glen to operate its own public works department. This gives the Village the authority to prioritize, fund, and schedule projects, maintenance, and repairs. The Illinois Highway Code and the Illinois Local Government Property Transfer Act enable such transfers to occur between local units of government. In Homer Glen’s case, it involves the Road District transferring of real estate property and assets, including equipment, to the Village under an amended and restated intergovernmental agreement (IGA) approved by both parties.

### **What does the amended and restated intergovernmental agreement (IGA) between the Village of Homer Glen and the Homer Township Road District accomplish?**

The new IGA replaces the previous agreement, effective since 2003, between both entities. The new agreement also outlines the legal authority of each of the entities to complete the transfer. Additionally, it provides a timeline to complete the transfer of property and assets, as well as addresses what happens to the remaining 18 miles of unincorporated Homer Township roads, which the Township has indicated it wants to continue to oversee. The agreement can be found [here](#).

### **When will the actual transfer of property and equipment occur?**

According to the new IGA, the transfer of real estate property and assets, including equipment, will occur on March 31, 2021 or another agreed upon date as approved by the Village and the Road District in writing.

### **Why was this date chosen?**

This date provides for the least amount of disruption in service to our residents throughout the winter months when plowing and snow removal efforts are in full swing. It also allows for the preliminary development of the Village’s 2021/2022 annual budget in anticipation of the transfer of operations and the creation of the Village’s new public works department.

### **Does the defeat of the November 3 referendum impact the transfer?**

No. Homer Glen and Homer Township voters soundly defeated a binding referendum in the November election that would have allowed the Homer Township Board to take over the Village’s streets from the Road District, instead of the Village. The outcome demonstrated that voters strongly support the

Village's plan to control its own destiny and not be beholden to another government entity. The Village is moving ahead with the transfer, which voters indicated they want.

### **What else is involved in the transfer?**

Before the transfer of assets from the Homer Township Road District to the Village of Homer Glen occurs and the Village creates its own public works department a series of steps need to take place. These include: finalizing the buy-out agreements with the other impacted governmental entities; on-boarding Road District employees; cross-training our employees across both agencies to gain work efficiencies and cost effectiveness; and developing Homer Glen's first public works department budget for spring budget adoption.

### **How will this appear on my tax bill?**

Because the Township still wants to maintain a Road District to oversee the 18 miles of unincorporated roads, the Homer Township Road District tax levy would remain on tax bills of township residents, including Homer Glen residents, but at a significantly reduced level. In addition, the Village will adopt a new tax levy that will appear on the tax bills of Homer Glen residents. In order to fund the future operations of its public works department, the Village will levy \$1.5 million to be collected next year. This amount, combined with other Village funding sources, will be used for the first year's operations. This should equal the approximate \$57 increase per \$100,000 of home market value that was discussed at the Village's public informational meetings.

### **How will this impact my overall tax bill?**

If you live in Homer Glen, your taxes will rise slightly. If you live outside of Homer Glen, your taxes will remain the same for this upcoming year. In 2021, the Road District levy will be greatly reduced, as they will levy a smaller amount as they will now only be maintaining an 18-mile road district. In 2021, the Village of Homer Glen will then pick up the levy amount that was previously levied by the Road District and use those funds to pay for the Village's public works department.

### **Why can't the Village just create their own Public Works Department without involving the Road District?**

Creating a brand-new public works department would cost millions of dollars, and the same taxpayers of Homer Glen have already paid for the Road District's equipment and land for the past 20 years.

### **Would Homer Glen increase the tax levy?**

No. The levy from the Homer Township Road District would be eliminated and it is anticipated the same levy would be imposed by the Village of Homer Glen under the new public works department.

### **What will happen to the 18 miles of roads in unincorporated Homer Township?**

While the Village offered to maintain these for free, based upon feedback from the Homer Township Board, the 18 miles of roads will remain under the control and maintenance of the Township. The Township will need to continue to tax all of the properties located within Homer Township to pay for these 18 miles of roads. The Homer Township Road District Commissioner has estimated this will cost approximately \$500,000 annually. This decision rests entirely with the Homer Township Board to decide, as a separate unit of government. This means the Township Road District will remain in place and will continue to take care of roads located in unincorporated Homer Township, but will no longer maintain the Village's roads. The Homer Township Road District Commissioner, an elected position, will continue but the responsibilities will only include the 18 miles of unincorporated streets.

### **How will the Township Road District continue to operate after the transfer is completed?**

As part of the IGA, the Road District will continue to own equipment needed for the 18 miles of streets it oversees. Additionally, a portion of the existing building and property will be leased back to the Road District for their operations. Both entities will also agree to share resources as may be deemed reasonable and necessary.

### **How will the 18-mile Road District be funded going forward?**

The Township will need to continue to tax all residents within the Homer Township boundaries for their operating and capital budget needs. This amount should be significantly less than it is today, as it will no longer include the Village's roads. However, the Village of Homer Glen has no legal authority over the Township's real estate levy or budget.

### **What is the fair market value of the Road District?**

The Village has obtained professional independent outside appraisals of both the real estate and equipment owned by the Road District. The

value of the property is \$2,115,000. The value of the equipment, fleet, and personal property is \$2,092,830. This makes the value of the total asset \$4,207,830.

### **Will the property owners in the other communities (Lockport, New Lenox and Lemont) receive compensation for their ownership stake in the Road District?**

Yes. Despite having their own public works departments, Lockport, New Lenox and Lemont taxpayers have been funding the Road District for decades. The Village is working with the communities on an IGA that will fairly compensate them for a portion of the equipment, assets and real estate that those taxpayers have paid for. It is anticipated these agreements will be finalized within the next few months and prior to the completion of the transfer.

### **What is the difference between the Homer Township, the Homer Township Road District, and the Village of Homer Glen?**

All three entities are separate units of local government. The Homer Township is responsible for the legislative affairs of unincorporated Homer Township property. They have taxing authority to impose a real estate levy, which is then assessed on all properties within the Homer Township, even those that are also located in other towns, such as the City of Lockport and the Village of Homer Glen. The Homer Township Road District, is responsible for the care and maintenance of unincorporated roads and they also have a real estate levy, which is also assessed on all properties within the Homer Township boundaries. Through an existing IGA, they also maintain all of the Village of Homer Glen's roads and the residents of the Village pay them to do this. The Village of Homer Glen also shares a portion of the gas tax that is collected with the Road District, for this maintenance. The Village of Homer Glen is a home-rule unit of local government. The Village has authority to impose a real estate levy, along with other taxing authority – such as sales or gas taxes. The Village's boundaries include properties that are located within all three entities – Homer Glen, Homer Township, and the Homer Township Road District. Every property that is located within the Village of Homer Glen is also located in both the Homer Township and the Homer Township Road District. However, not every property located in the Homer Township or

the Homer Township Road District is located in the Village of Homer Glen.

### **Why should Homer Township residents who live in Lockport, New Lenox and Lemont care about this?**

For Homer Township residents who reside in Lockport, New Lenox and Lemont, they will no longer pay taxes to a road district to maintain Homer Glen streets. They still will pay for the 18 miles of unincorporated roads in Homer Township but their tax bills will decrease.

### **Is Homer Glen going to hire the current Road District Commissioner as its Public Works Director?**

No. The Village will hire a professional public works director to oversee the new department. This position will not be an elected position. The Village and Commissioner DeVivo will continue to work together while the transfer takes place.

### **What will happen to the existing employees at the Road District?**

They will have an opportunity to apply for jobs with the Homer Glen Public Works Department. The Village anticipates those that desire to work for the Village, would be re-hired to work in the public works department.

### **How does the Village plan to educate and reach out to residents?**

The Village will continue to reach out and engage with the Township and all other stakeholders in a collaborative way. We fully recognize the needs and concerns of all Township residents will need to be heard and addressed and invite everyone to participate in this process moving forward. There are many steps that still need to be undertaken before any plans are finalized. Both the Village and the Road District intend to hold meetings with impacted employees, residents and taxpayers in the coming weeks and months. The transfer of stewardship will be an open and transparent process. This is both the Village's and the Homer Township Road District's commitment to our residents that we serve. We believe that if we can work together, this process will be a victory for everyone involved.

### **How do I learn more?**

You can email or call the Village at [kfriling@homerglenil.org](mailto:kfriling@homerglenil.org) or 708-301-0632 for more information. The Village's website address is [www.homerglenil.org](http://www.homerglenil.org).