

THE BEECHER BULLETIN

Special Edition
2016 Referendum

"Your Village Newsletter"



Village of Beecher

OFFICIALS

Greg Szymanski
President

Trustees:

Scott Wehling
Ronald Kuhlman
Gayle Ahrendt
Jonathan Kypuros
Marcy Meyer
Frank Basile

Janett Conner
Clerk

S. Lynne Orr
Treasurer

Robert O. Barber
Administrator

Jeffrey Weissgerber
Chief of Police

Harold "Bud" Cowger
Supt. of Public Works

VILLAGE BOARD APPROVES REFERENDUM TO BE HELD ON TUESDAY, MARCH 15TH

The Illinois Environmental Protection Agency (IEPA) has mandated that the Village of Beecher rehabilitate our sewer treatment plant by 2019. The EPA has adopted stringent requirements that sewer treatment plants must now follow, including ultra-violet lighting for disinfection, removal of phosphorous from detergents, mechanical dewatering of sludge, and increased treatment and pumping capacity. The cost for this mandatory upgrade is \$6,600,000.00.

The referendum would increase the local sales tax by 1/2% which would be used for the sewer plant debt. It amounts to a half penny on every dollar, or 50 cents on \$100.00. **Groceries, prescription drugs and vehicle purchases are exempt from this tax.**

REFERENDUM TO READ AS FOLLOWS:

Shall the Village of Beecher be authorized to impose a tax at the rate of 1% upon all persons engaged in the business of selling tangible personal property and upon all persons engaged in the business of making sales of service in the Village on gross receipts from the sales made in the course of their business to be used for public infrastructure purposes?

***Please note: Only 1/2% will be Imposed, since the other 1/2% of the total 1% the Village can Implement was already Increased In 2007.**

HISTORY BEHIND THE REFERENDUM

In 2007, the Village Board received permission by vote of 353 to 224 to increase sales tax by 1/2% for funding the road resurfacing program. The Village Board then eliminated the annual \$15 vehicle sticker. Since 2007 the Village Board never re-established the vehicle sticker and has used the \$143,000 collected annually on road repairs. A 10-year road improvement program was approved in 2012, and is anchored by a \$2.4 million reconstruction of Penfield Street from Dixie to Reed using \$1.9 million in federal grant dollars. This first 1/2% will be used to fund the Village's \$500,000 share. The Village has also used these funds to resurface portions of Oak Park, Dunbar, Elliott, Fairway, Catalpa, Miller, and Hodges Streets.

WHERE WE STAND TODAY

Within two years the Village will be required to submit engineering design of the updated sewer treatment facility. The Village will apply for a \$6,600,000 loan from the IEPA for 20 years, requiring payments of \$412,500 per year. \$260,500 of this amount will be available after a 1996 loan is retired, but an additional \$152,000 per year will be needed to make the annual payment.

TWO OPTIONS ARE AVAILABLE TO RAISE THESE FUNDS:

OPTION #1: Increase the Public Infrastructure Sales Tax in town by 1/2% which would raise the \$152,000 required annually. This would bring the local municipal sales tax to its full amount as permitted by state statute and referendum.

OPTION #2: Raise the flat charge for sewer debt by \$15 (from \$10 to \$25) per billing which raises everyone's water bill by \$90.00 per year, and also raises the \$152,000 amount required.



PRSRT STD
ECRWSS
U.S. POSTAGE
PAID
EDDM RETAIL

Village of Beecher

625 Dixie Highway / P.O. Box 1154
Beecher, IL 60401

Village Hall Hours

Monday thru Friday: 8:00 a.m. - 4:30 p.m.

Village Hall Phone

946-2261

Web Site: www.villageofbeecher.org

**LOCAL POSTAL CUSTOMER
BEECHER, IL 60401**

The Village Board strongly believes that **OPTION #1** is the best option to pursue since it will cost Village residents the least. It is estimated that up to 70% of local sales tax is paid by non-Village residents, **and it would take \$18,000 of annual purchases in town by a household to equal the proposed sewer debt flat charge increase.** In the event proceeds from the tax exceed debt service requirements, some of the proceeds may also be used for sidewalk replacement, road resurfacing, and other capital projects. **It cannot be used to fund operations or salaries.**

ADVANTAGES

1. A large part of the sales tax is paid by non-residents (gasoline, restaurants, etc.)
2. Village residents would have to spend \$18,000 in town on items subject to the sales tax (excluding groceries, prescription drugs and vehicle purchases) to equal the \$90 increase in the annual sewer flat charge required to raise the same amount of funds.
3. Sales taxes are paid in small increments, but a \$15 increase in sewer debt charges are paid six times per year and are subject to a late penalty if not paid on time.

DISADVANTAGES

1. Beecher's current sales tax rate is 7.5% which includes 5% to the State of Illinois, 1.5% to the Village, 0.25% to Will County and 0.75% to the RTA. The Village's sales tax rate will increase by 1/2% (to 8.0%) making it less competitive.
 - The sales taxes of some surrounding communities are: University Park: 9.0%; Chicago Heights: 9.0%; Monee: 8.0%; Manhattan: 8.0%; Beecher (currently): 7.5%; Peotone: 7.0%; Crete: 7.0%; State of Indiana: 7.0%; Grant Park: 6.25%; Manteno: 6.25%.
2. The business community could be impacted by the proposed sales tax increase. The price of gas could increase by \$0.02 per gallon. This could drive some customers to out of town locations. A \$100 dinner tab would increase by 50 cents.
3. If the sales tax is increased by referendum, there are no additional sales taxes that can be imposed in the future to help pay for Village projects. The Village will have reached its limit.

SUMMARY



Would you rather pay an additional 1/2% of sales tax or pay an additional \$90.00 per year on the sewer bill? The choice is yours to make on March 15th!