

Dear Residents:

I want to share with you some exciting opportunities presented to the Village in the past year. This document is long, but important. Please stick with it and give it some thought. Your responses are welcome via email to bvillageinfo@gmail.com or by calling the Village at 815-459-4833 and requesting a return call to discuss your questions or concerns.

A. Two Opportunities to Enhance Village Life

The Thompson Road Farm

Living With The Land

B. Ten Years of Financial Prudence

C. Ten years of Village Road Improvements: In spite of fiscal constraints, the Village has resurfaced over 14 miles of road in the past ten years.

D. Looking to the Future for Funding

E. There is Another Possible Solution: Home Rule

What is Home Rule?

How can a community become Home Rule?

Are There Advantages to Home Rule?

F. Taxes

Property Taxes

Other Taxes

G. Self-Determination as a Village: Our Heritage

Local Solutions to Local Issues

Financial Flexibility

Say “No” to Unfunded Mandates

Demands on Infrastructure by Development

Privacy and Security

Roads: Speed, Traffic, and Truck Damage

H. Limitations and Controls on the Exercise of Home Rule

Attachment: List of Home Rule Communities in Illinois

More Information on Thompson Road Farm and Living With the Land, is available on the Village Web site at www.thevillageofbullvalley.com

<p>Town Hall Meeting: Please join us for an open discussion on Home Rule on February 21, 2023 from 6:00 p.m. to 8:00 p.m. at Loyola University Retreat and Ecology Campus, 2710 Country Club Road, Bull Valley IL, 60098.</p>
--

A. Two Opportunities to Enhance Village Life

Recently, the Village has been presented with two great opportunities to enhance Village life while continuing to respect and maintain Village character. These are the acquisition of the **Thompson Road Farm**, and our partnership with the School of the Art Institute, **Living With the Land**. I will send updates on these and other projects throughout the year.

The Thompson Road Farm. The Thompson Road Farm, comprised of an original 324 acres, was acquired by The Land Conservancy of McHenry County and subsequently annexed into the Village. The Village has a long history of collaboration with TLC, which made preservation of this rare ecosystem possible through \$2.6 million in grants and fundraising. Once the mortgage is paid, the Farm will be gifted to the Village and will become the Crown Jewel of the Bull Valley Park System. As residents of the Village, we are grateful to TLC and recognize the need for additional donations toward the mortgage and annual maintenance.

The Land Conservancy will continue to hold conservation easements, and approximately 275 acres will be returned to its natural state of wetland, woodland, or prairie. Over five miles of trails will be available for public use and enjoyment. You will be able to walk, hike, horseback ride, snow shoe, and participate in sponsored activities. You will be able to experience the healthful effects of being outdoors in nature and see first-hand the benefits of preserving this ecologically diverse acreage in perpetuity. We are on track to open the first trail this summer.

Living With The Land. Our partnership with the School of the Art Museum of Chicago called Living With The Land, has resulted in a holistic vision for the Stickney House/Village Hall property that goes beyond restoration of the house. It includes creation of a historic district, a community center and a community identity for the Village. You will not only be able to tour the renovated historic Stickney House Mansion, you will be able to rent the newly renovated Stickney Barn for weddings and other events, enjoy summer festivals on the grounds, enjoy the walking and biking trails and experience the embodiment of the interconnection of our glacial, cultural and historic landscapes in the Village. This is a seven-year plan that will create its own revenue stream upon completion.

These opportunities are going to require some funding. For the past ten years, the Village has done little else beyond road work. It's time we put some thought into a broader vision to enrich Village life and keep the Village viable for the future. By doing so, we do not intend to neglect the roads.

B. Ten Years of Financial Prudence

The Village has worked hard to keep property taxes low, opting to hold the line with no increase in ten of the previous twelve years in spite of continuing reductions in state shared funds and increases in the number of requirements imposed on us by state law. As a result, in 2018, the Village was operating on a 2008 revenue budget with 2018 expenses. In 2019 the Village Trustees voted to begin to take only the statutorily permitted increase based on the Consumer Price Index.

To put that into perspective, the entire Village budget from year to year ranges between \$850,000 and \$950,000. Your property taxes are approximately one-third of that total. That is not a lot of money to run the Village but we have been able to make it work, with a large measure of fiscal prudence, a balanced budget and clear priority setting. As a result, the Village is debt free and has been since 2014 other than a small loan for a new police vehicle.

C. Ten years of Village Road Improvements: In spite of fiscal constraints, the Village has resurfaced over 14 miles of road in the past ten years.

Maintenance of Village roads is the Village’s largest expense, and the Village road system is its largest investment of property tax funds. Of the annual Village operating budget, approximately \$300,000 annually is spent on road rehabilitation, or about a third of the budget. This doesn’t include mowing, snow plowing, pot-hole filling and salaries.

Over the past 10 years the Village has been awarded \$5,884,400 in five separate federal grants, paying 80% of the cost of resurfacing Bull Valley, Country Club, Crystal Springs, Mason Hill and soon to be Queen Ann Roads. In addition to the Village’s 20% match of \$1,390,156, the Village has used approximately another \$1,000,000 from the operating budget over the years, to rebuild Blackberry Drive and resurface Cherry Valley, Ridge, and sections of Valley Hill, Cold Springs, Shadow Lane and Pine Needle Pass.

As we move into 2023, road funding is becoming harder to find.

D. Looking to the Future for Funding Over the past few years, your Village Board has sought additional revenue sources in the way of grants, annexations and commercial development to make up for the continuing decrease in state shared funds. However, we have likely reached the end of our eligibility for further federal road grants for a while. After diligent research we find that other grants (for parks, broadband internet, storm water improvements, and other road grants) are out of our reach. We have had success with several smaller grants of \$2,500 to \$10,000 in the past few years for some basic equipment, and holiday events, but none with any substantial funding.

Tax revenue from annexations alone is not sufficient to raise revenues significantly, but is an important addition to the stabilization of our tax base. Many who enjoy the amenities and protection of the Village are not annexed. Residents can help by encouraging un-annexed neighbors to annex.

Commercial development has to be limited too, as a matter of policy, to honor our commitment to the character of the Village. There has been only one new commercial development in the Village in the last ten years. The Village has recently revised the standards for home occupations and removed many of the previous restrictions to encourage expansion of this form of business. But none of this is bringing in revenue.

E. There is Another Possible Solution: Home Rule.

Your Trustees and I believe that the prudent thing to do is ask you vote on whether the Village should become a Home Rule municipality. When you vote in the April 4, 2023 election, that question will be on your ballot:

“Shall the Village of Bull Valley, McHenry County Illinois, become a home rule unit of government?” There will be two checkboxes. **YES** or **NO**

What is Home Rule?

In Illinois, Home Rule is the State constitutional grant of authority to local governments to self-govern provided the General Assembly does not explicitly limit that power, or maintain the exclusive exercise of authority in a specific area. Essentially, home rule communities may do anything they deem necessary, unless the state specifies they cannot. This is contrary to non-home rule communities like Bull Valley that only have the authority that is specifically granted to them under state statutes.

How can a community become Home Rule?

A municipality can become a home rule unit of government in one of two ways. First, municipalities with certified populations over 25,000 are automatically granted home rule status. Otherwise, communities under this population threshold, such as the Village of Bull Valley, can place a referendum question on a ballot and let you, the voters, decide.

Many of our neighboring communities are Home Rule: Woodstock, Crystal Lake, McHenry, Prairie Grove, Barrington, and Barrington Hills, to name a few. A map of Illinois' 221 Home Rule governments is attached to this letter.

Are There Advantages to Home Rule?

The answer to this question is two-fold.

1. Home Rule authority includes a number of avenues available to increase revenue other than a property tax increase. This includes sales taxes, impact fees, contractor registrations, higher fines for ordinance violations, and enhanced borrowing power and flexibility.
2. Having Home Rule authority results in decision-making being shifted from the state level to the local level. As a Village founded on self-determination, Home Rule would allow for local solutions to local issues, particularly in the areas of finance, zoning and code enforcement.

F. Taxes:

Property Taxes: Our intent is to avoid having to raise property taxes if Home Rule status is obtained. As a non-Home Rule municipality the Village is limited by the tax cap and your property tax can only be raised above the statutory limit by referendum. As a Home Rule municipality, the tax cap would not apply. However your Village Trustees are committed to seeking other sources of revenue, rather than a property tax increase.

Remember, we all live in the Village too, and any tax increase will impact us as well.

Other Taxes: The Illinois Constitution authorizes Home Rule units to impose, administer, and collect other taxes on items such as utilities services, hotel room rentals, real estate transfers, and motor fuel taxes. This includes a local sales tax that shifts some of the burden to non-resident shoppers. A Home Rule community is able to enact a higher local sales tax than a non-Home Rule community. Although we don't currently have a base on which to apply these taxes, being Home Rule will allow us to address them when it becomes appropriate.

G. Self Determination as a Village Government: The desire for self-determination and local control was the reason our Village founders and followers incorporated the Village in 1977 and has continued to be an integral part of Village governance. Local needs and concerns should be resolved by local government action. A Home Rule municipality has powers to regulate for the protection of the public health, safety, morals and welfare in any area not specifically preempted by the state. With Home Rule, the Village would have a greater ability to respond to local concerns without being limited to the authority the state grants us.

Local Solutions to Local Issues: As a Home Rule unit of government, we can enact ordinances that are specific to our community's needs and enforce these regulations in our administrative court system. In Bull Valley this includes zoning and building codes that maintain our desired character and philosophy of respect for the land, resource preservation and restoration, open space, privacy and self-determination. The Village would be able to enact and enforce zoning and building ordinances specific to Bull Valley, and to impose different fine structures for violations.

Financial Flexibility: With Home Rule, the Village would have more flexibility to borrow at lower rates for longer periods of time to spread payments out, allowing us to act quickly when opportunities arise.

The borrowing capacity and funding vehicle of a non-Home Rule community is restrictive and requires a referendum to obtain. This makes the funding of capital improvements such as road reconstruction and land acquisition for parks a slow process. There have been a number of "keystone properties" which could not be acquired and this has limited our annexations and has left development surrounding the Village to County or neighboring towns zoning. Having the ability to acquire key parcels would allow the Village to control and influence growth while benefiting our revenue base.

Say "No" to Unfunded Mandates: State legislatures often impose requirements (mandates) on local governments to provide certain services, but fail to provide a revenue source to offset the cost of those services. As a Home Rule municipality, the Village would be able to "opt out" of state mandates that aren't specifically preempted by state law, rather than pass that expense on to taxpayers.

Demands on Infrastructure by Development: With Home Rule, the Village is on better footing to be able to require impact fees for roads and other types of infrastructure directly affected by new development. This would assure that the costs of new development are imposed primarily on the developer rather than the residents.

Privacy and Security: The Village would have the authority to license and regulate businesses where licensing is not preempted by state laws. This gives us broader control over the types of businesses we want in our community. This could cut down on the number of fly-by-night contractors who stalk our community after a storm, and make our neighborhoods more secure.

Roads: Speed, Traffic and Truck Traffic Damage: These areas are perfect examples of areas strictly controlled by state laws. We know that our narrow, winding roads are not suitable for high speeds and heavy trucks but can only act within the confines of state restrictions. These restrictions apply to Home Rule as well as non-Home Rule.

Lowering the speed limit on a road requires approval of IDOT after a speed study. The risk is that if the study shows the average speed travelled is higher than the posted speed, IDOT will raise the posted speed. The extent to which we can control heavy truck traffic that damages our expensive roads is limited as well since only the state can control the movement of vehicles.

We are researching other ways that we could have an impact in these areas as a Home Rule municipality.

H. Limitations and Controls on Home Rule: Home Rule is not a blank check. As we have found in the areas of Speed and Truck Traffic, the Illinois legislature can specifically preempt home rule authority. In addition there are Constitutional prohibitions on certain home rule powers, i.e. a Home Rule government may not levy taxes on income, occupation, or earnings unless specifically authorized by the State legislature. The Constitution also denies certain other powers such as the power to issue bonds with more than a 40- year maturity or defining criminal acts as felonies.

We intend to continue the level of fiscal responsibility we have shown for the past ten years. We want to use Home Rule's flexibility to seek other sources of revenue to avoid a property tax increase if at all possible. We are all residents of this Village just like you. We have the same values and respect for what the Village represents.

However, whether you vote for Home Rule status on April 4th or not, we encourage you to actively participate in Village meetings and bring your concerns to us. We are all unpaid volunteers with a commitment to honoring the Village's history of open space, respect for the land, and self-determination. Let us know what you want in your Village. Remember, every two years, one half of the Village Board of Trustees will be up for election. And finally, Home Rule can be revoked by referendum initiated by you, the residents.

Town Hall Meeting: Please join us for an open discussion on Home Rule on February 21, 2023 from 6:00 p.m. to 8:00 p.m. at Loyola University Retreat and Ecology Campus, 2710 Country Club Road, Bull Valley IL, 60098.

Very Truly Yours,

Emily Berendt, Village President

Village Trustees: Ed Ellinghausen, Peg O'Brien, Nancy Sobol, Mark Kersten, Mark Newton, Steve Thomas.

bvillageinfo@gmail.com

815-459-4833

Attachment: Map of Home Rule Communities in Illinois,

More information about The Thompson Road Farm and Living With the Land is available on the Village web site at www.thevillageofbullvalley.com