
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: BRENT M. EICHELBERGER, VILLAGE ADMINISTRATOR
SUBJECT: STREET MAINTENANCE PROGRAM FUNDING
AGENDA: JUNE 20, 2017 BOARD MEETING
DATE: JUNE 15, 2017

ISSUE

Should the Village consider new revenue streams to enhance the annual street maintenance program.

DISCUSSION

This item was discussed at the June 6, 2017 Village Board Meeting where the Board directed staff to present the Ordinance for action as discussed.

In 2011 the Village had approximately 60 centerline miles of roadway with an annual recommended maintenance budget of \$1,450,000. The Village has approximately 70 centerline miles today. While the Village Engineer has not been asked to do an updated funding recommendation, a 3% inflation factor and the additional street miles would push the annual recommendation to around \$2,000,000.

In 2017 the Village expects to spend approximately \$240,000 on street maintenance. Examples of needed projects that were not able to be funded include Strafford Woods Resurfacing (\$337K), Walnut Woods Microsurfacing (\$281K), and Windsor West Microsurfacing (\$283K). There are many other recommended projects that are unfunded.

The Village relies on the annual MFT allotment as the primary source of street maintenance funding. Currently this is approximately \$240,000. The Village applies for grants when available. These are becoming less prevalent and cannot be counted on. When a General Fund surplus is achieved in a given fiscal year, the Village often uses these funds for street maintenance as well. The transfers cannot be expected to take place every year. The likelihood of a successful street maintenance referendum remains low.

The Village has collected an average of \$527,000 a year over the last five years in Non Home Rule Sales Tax. These funds are being used to pay off the bonds that funded the Municipal Drive and Galena Boulevard extensions. Once these bonds are paid off in 2026, the funds can be used for other street projects.

In order to increase funding for street maintenance, staff recommends the Board consider an Infrastructure Maintenance Fee under the vehicle registration authority. A nearby community successfully implemented this approach several years ago at an \$8.00 per month rate. With about 3,375 current residential and commercial users, Sugar Grove would generate \$324,000 in new street maintenance funds.

The new refuse contract has allowed for a recommended \$5.59 per month reduction in refuse fees. If a \$5.59 per month Infrastructure Fee was implemented, users would see no change in their monthly bills and \$226,395 would be collected annually to be spent on street maintenance.

This new revenue source, while still leaving the Village significantly short of the recommended annual maintenance budget, would nearly double the base annual budget and allow for significantly more street repairs on an annual basis.

COST

Attorney review fees are estimated at less than \$1,000. The program will generate approximately \$226,395 in annual revenues specifically for the purpose of street repairs.

RECOMMENDATION

That the Board approve Ordinance 20170620B adopting a Vehicle Use Fee for Infrastructure Maintenance and

Approve Resolution 20170620D Establishing a Infrastructure Maintenance fee in the amount of \$5.59 per month.



**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

Ordinance No. 20170620B

**An Ordinance Adopting a Vehicle Use Fee for Infrastructure Maintenance
Village of Sugar Grove,
Kane County, Illinois**

Adopted by the
Board of Trustees and President
of the Village of Sugar Grove
this 20th day of June, 2017.

Published in Pamphlet Form
by authority of the Board of Trustees
of the Village of Sugar Grove, Kane County,
Illinois, this 20th day of June 2017.

ORDINANCE NO. 20170620B

**An Ordinance Adopting a Vehicle Use Fee for Infrastructure Maintenance
Village of Sugar Grove,
Kane County, Illinois**

BE IT ORDAINED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

WHEREAS, the Village of Sugar Grove (“Village”) is not a home rule municipality within Article VII, Section 6A of the Illinois Constitution, and accordingly, seeks to act pursuant to the powers granted to it under the Illinois Municipal Code (65 ILCS 5/1-1 *et seq*); and,

WHEREAS, Section 8-11-4 of the Illinois Municipal Code (65 ILCS 5/8-11-4) provides that each owner of a motor vehicle may be required by the municipality in which they reside to pay a regular tax or license fee for the use of such motor vehicle within that municipality; and,

WHEREAS, the streets, roads, highways and public ways contained within the Village of Sugar Grove are held for the benefit of the public; and,

WHEREAS, the Village desires to preserve the quality of the streets, roads, highways and public ways within its jurisdiction to the extent that its authority and means will allow, which includes imposing a vehicle use fee pursuant to Section 8-11-4 of the Illinois Municipal Code for the purpose of improving, paving, repairing and maintaining the Village’s streets to address the wear and tear caused by the use of vehicles; and,

WHEREAS, the Village finds that the issuance of a motor vehicle sticker after payment of said vehicle use fee would require the Village to expend a significant amount of the funds collected for administrative tasks, including, but not limited to, the costs of issuance of the applications, collection of the funds, issuance of a vehicle sticker, and enforcement of the same; and,

WHEREAS, the Village has found it reasonable to establish a rebuttable presumption that each vehicle owner is also a utility customer and has at least one vehicle that could be subject to a Village vehicle use fee; and,

WHEREAS, the Village has determined that only one vehicle of each owner shall be subject to said fee and that said fee shall be collected from the vehicle owner as a Village utility customer as part of that customer’s utility bill; and,

WHEREAS, the Village hereby adopts a vehicle use fee, to be imposed upon one vehicle each owner; and,

WHEREAS, the Village authorizes said vehicle use fee to be imposed through its utility billing process without the issuance of a vehicle sticker.

NOW THEREFORE BE IT ORDAINED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

SECTION ONE: ADOPTION OF VEHICLE USE FEE

Title 3, Chapter 1 of the Village Code of Ordinances is hereby added to add the following Article F, which shall read as follows:

3-1F-1. Vehicle Use Fee Imposed.

A vehicle use fee shall be imposed upon the owner of a motor vehicle, as defined by the Illinois Vehicle Code, when it is registered with the Illinois Secretary of State to a premises located within the Village or has its situs in the Village notwithstanding the owner's residency. Such registration or situs shall constitute prima facie evidence that a motor vehicle is operated on the streets of the Village. For purposes of this provision "situs" shall mean the owner's premises where the motor vehicle is principally garaged, dispatched, or where the movement of the vehicle otherwise originates. An "owner's premises" shall mean the same as the premises of a utility service customer.

3-1F-2. Presumption of Ownership.

There shall be a rebuttable presumption that each owner, as a utility customer within the Village, has at least one motor vehicle registered or with situs to the owner's premises in the Village. This presumption may be rebutted by the owner filing a sworn affidavit with the Village's Finance Department asserting that there is no such motor vehicle registered to or with situs on the premises in the Village. Upon the owner's submission of the affidavit, the Finance Department will investigate the matter. If the Finance Department, in its sole and absolute discretion, determines that the facts as set forth in the affidavit are true, no vehicle use fee shall be imposed upon that owner.

3-1F-3. Fee Amount.

Each owner shall pay a vehicle use fee on one motor vehicle registered or with situs to the owner's premises in the Village. Said fee shall be in accordance with the schedule on file with the Village Clerk, as may be updated from time to time, and billed and paid as part of that owner's utility service bill. The revenue generated from said fee shall be used for the purpose of maintaining the Village's infrastructure, including, but not limited to, improving, paving, repairing, and maintaining the streets and other public roadways within the Village.

3-1F-4. Exemptions.

No fee shall be imposed for owners that are units of local government or a school district.

SECTION TWO: GENERAL PROVISIONS

REPEALER: All ordinances or portions thereof in conflict with this Ordinance are hereby repealed.

SEVERABILITY: Should any provision of this Ordinance be declared invalid by a court of competent jurisdiction, the remaining provisions will remain in full force and effect the same as if the invalid provision had not been a part of this Ordinance.

EFFECTIVE DATE: This Ordinance shall be in full force and effect on and after its approval, passage and publication in pamphlet form as provided by law.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 20th day of June 2017.

P. Sean Michels
President of the Board of Trustees
of the Village of Sugar Grove, Kane
County, Illinois

ATTEST: _____
Cynthia L. Galbreath
Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Kevin Geary	___	___	___	___
Trustee Mari Johnson	___	___	___	___
Trustee Sean Herron	___	___	___	___
Trustee Ted Koch	___	___	___	___
Trustee Rick Montalto	___	___	___	___
Trustee David Paluch	___	___	___	___
Village President P. Sean Michels	___	___	___	___

**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

RESOLUTION NO. 20170620D

**RESOLUTION ESTABLISHING A VEHICLE USE FEE
(INFRASTRUCTURE MAINTENANCE) FOR
THE VILLAGE OF SUGAR GROVE**

**Adopted by the
Board of Trustees and President
Of the Village of Sugar Grove
This 20th day of June, 2017**

**Published in Pamphlet Form
By authority of the Board of Trustees
Of the Village of Sugar Grove, Kane County, Illinois
This 20th day of June, 2017**

RESOLUTION NO. 20170620A

BE IT RESOLVED, by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois as follows:

WHEREAS, Village Code 3-1: provides that the charges for a Vehicle Use Fee (Infrastructure Maintenance Fee) within the Village of Sugar Grove shall be set from time to time by the Board of Trustees of the Village of Sugar Grove:

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois as follows:

1. That the Vehicle Use Fee pursuant to the Village Code of Ordinances, 3-1F-1: for the purpose of Infrastructure Maintenance shall be and hereby is set as follows:

\$5.59 per unit effective with the August 1, 2017, billing

PASSED AND APPROVED, by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois on the 20th day of June, 2017.

P. Sean Michels
President of the Board of Trustees
Of the Village of Sugar Grove, Kane County, Illinois

	AYES	NAYS	ABSENT
JOHNSON	_____	_____	_____
HERRON	_____	_____	_____
GEARY	_____	_____	_____
KOCH	_____	_____	_____
MONTALTO	_____	_____	_____
PALUCH	_____	_____	_____

Attest:

Cynthia L. Galbreath, Clerk, Village of Sugar Grove