

**Village of Northfield**  
**Home Rule – Frequently Asked Questions**

**What is Home Rule?**

Provided in the Illinois Constitution, Home Rule shifts decision making from the State of Illinois (Springfield) to the local community (Northfield). Home Rule gives local citizens increased ability to find local solutions to local issues.

Home Rule communities may exercise a greater range of responsibilities for the welfare of their residents. Home Rule communities are exempt from many of the requirements mandated by State legislation.

**How does a community become Home Rule?**

By population – Communities in Illinois with a population greater than 25,000 automatically have Home Rule authority.

By referendum – Communities in Illinois with a population of less than 25,000 may become Home Rule by voter approval via a referendum.

**How many communities are Home Rule?**

Home Rule is prevalent in Illinois. Currently 199 Illinois communities are Home Rule and a majority of these became Home Rule by referendum. As a result, nearly 80% of all Illinois citizens live in a Home Rule community.

**Which nearby communities are Home Rule?**

Buffalo Grove	Golf	Lincolnshire	Skokie
Deerfield	Highland Park	Lincolnwood	Riverwoods
Evanston	Highwood	Mettawa	Waukegan
Glenview	Lake Bluff	Mundelein	Wilmette
Gurnee	Lake Forest	Northbrook	Winnetka

**What are the benefits of Home Rule?**

Home Rule can help preserve the community character by:

- Maintaining existing level of police, fire and public works services
- Maintaining a sound infrastructure of roads, water, storm water, and sanitary systems
- Allowing Northfield increased authority to maintain the unique character of the Village through zoning regulations
- Maintaining the programs that affect the quality of life of residents (*emergency response times for Police and Fire, flood assistance, Willow Road advocacy, crossing guards, sidewalk snow removal, well-being checks, animal control, and beautification*)

## What are the benefits of Home Rule? Continued-

Home Rule can enhance financial flexibility by:

- Restoring the Village to long term financial stability through fiscally conservative practices
- Diversifying the Village's revenue streams to decrease our reliance on property taxes
- Responding more quickly and flexibly to the changing market conditions
- Providing a way for non-residents to pay for the services they utilize when in our community. (*sales tax, prepared food and beverage tax, gas tax*)
- Managing the Village with lower general fund operating reserves
- Protect our low property tax rate by staying within the State tax caps – the Village Board adopted legislation to abide by the property tax caps
- Frequently improving bond ratings which lowers borrowing costs

Home Rule can provide local solutions for local needs by:

- Opting out of State legislation inconsistent with our community needs
- Affording increased responsiveness to public issues specific to Northfield. (*property maintenance – vacant gas station site, local enforcement of zoning violations, community development initiatives, flooding*)
- Providing for a stronger say in Springfield – nearly 80% of Illinois residents live in Home Rule communities
- Providing the Village with greater autonomy from Springfield

## What are the disadvantages of Home Rule?

With Home Rule, local government has more discretion to generate revenue through issuing bonds and by increased taxes, including the ability to raise property taxes above the tax cap.

## Why is Northfield considering Home Rule now?

***Northfield is facing a long range financial crisis.*** Despite spending cuts, Village expenses have continued to increase more rapidly than revenues. This has resulted in a projected \$188,000 deficit this year and a \$993,000 operating gap is projected by 2014/15.

Revenues have declined, including:

- Property tax levy capped at 0.1% for 2009
- Sales tax down 20% since its 2005/06 high
- State income tax down 13.2% in 2010
- Water sales down 11% in 2010
- Licenses and permits down 15.8% in 2010
- Fines and alarms down 35.5% in 2010

Expenses mandated by the State have risen steeply, such as:

- Police Pension costs increased an average of 15.9% a year over the past 10 years
- Illinois Municipal Retirement Fund costs increased an average of 10% a year over the past 10 years

Budget cuts have taken place, but are not enough to balance budget without decreasing services. As an example, since 2005 the Village has:

- Eliminated 10% of the full-time staff

- Eliminated over 50% of the part-time staff
- Instituted a general hiring freeze since 2006 and a Police hiring freeze since 2007
- Instituted a wage freeze in 2010
- Drawn down reserves and worked to sell the Village owned condominiums
- Privatized building maintenance, engineering, health, and computer services, and joined a municipal consortium for Fire and Ambulance 911 services

**What alternatives exist to solve the budget gap?**

The Long Range Financial Sub-Committee of the Board thoroughly reviewed the options for solving the budget gap including:

- Reducing service levels(*increased emergency response times for Police and Fire, flood assistance, Willow Road advocacy, crossing guards, sidewalk snow removal, well-being checks, animal control, and beautification*)
- Strategic restructuring and consolidation of services
- Increasing property tax revenue via a referendum to exceed the State tax cap
- Become Home Rule so that alternate revenue streams can be utilized

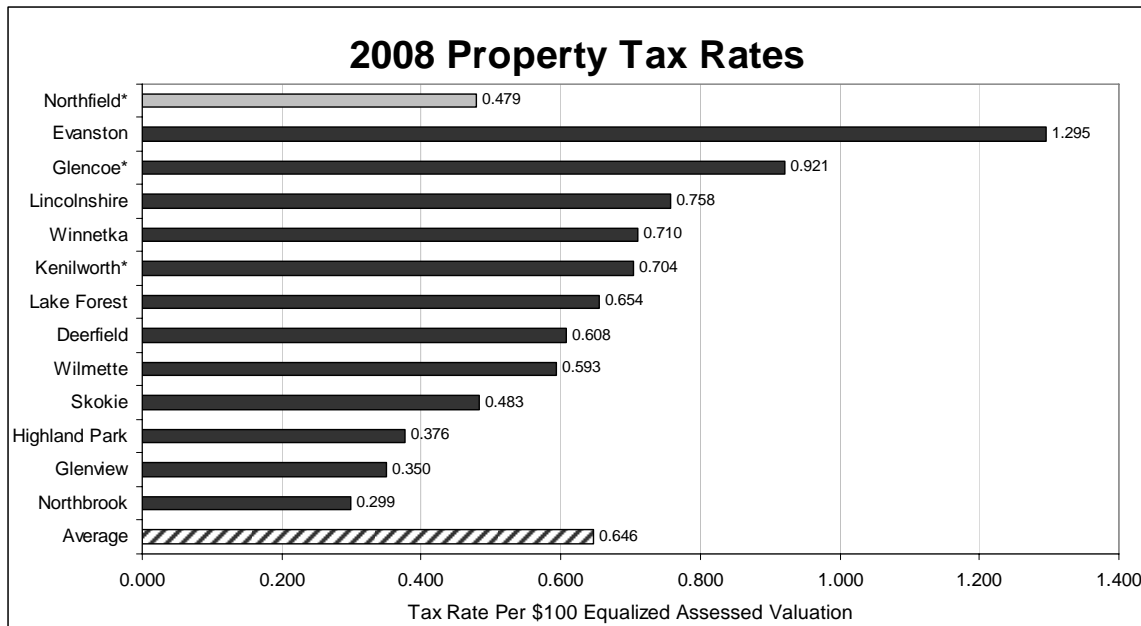
**What are the advantages of Home Rule over other options to close the budget gap?**

Home Rule allows the Village to generate additional revenues:

- without the need to raise property taxes above the cap; and
- minimizes the impact on residents as the majority of the new revenue would be paid by non-residents

**How does Northfield’s Property taxes rate compare to neighboring communities?**

The Village’s share of the total property tax bill is 10%. Our tax rate is among the lowest on the North Shore.



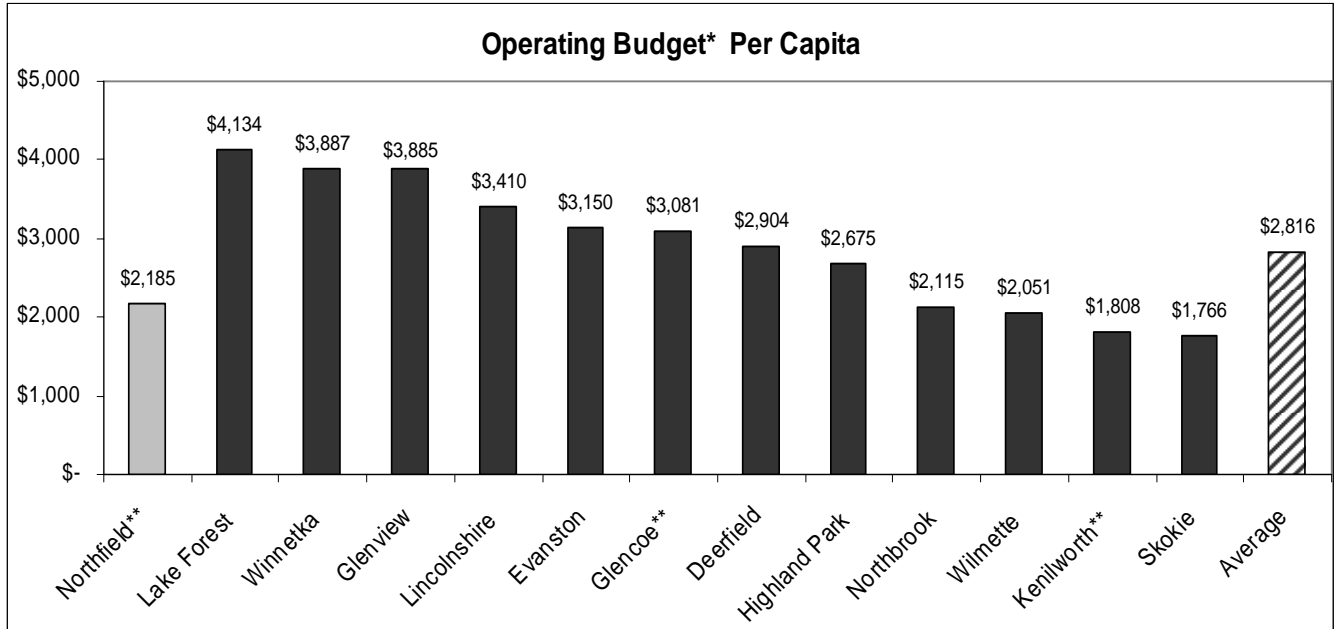
\* Northfield, Glencoe, and Kenilworth are non-home rule communities.

**How do Northfield’s costs and budget compare to neighboring communities?**

As with most towns in the State, about 70% of all of our costs are associated with personnel expenses. These costs provide direct services to residents, such as:

- Public Safety – Police, Fire, Ambulance, and 911 dispatching
- Public Works - public facilities, water distribution, snow plowing, streets, sidewalks, sewer lines, water lines, and storm sewers
- General governance – Building, Zoning, Engineering, Health, and Finance

While Northfield’s salaries and benefits are at the mid-point of surrounding communities, our community’s budget to population level (per 1,000 residents) is among the lowest in the area.



\* Operating budget includes the General, Water, and Sanitary Sewer Funds

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**What revenue sources are being considered if Home Rule is approved?**

The Village Board has considered and identified the potential revenue sources which are available to Home Rule communities. The Village will examine the budget to determine which additional revenue streams will be utilized. If the average rates used in the area were implemented in Northfield, the following additional revenue could be expected to be generated:

- Sales Tax – a 0.75% local tax would generate approximately..... \$420,000
- Gasoline Tax – a \$0.03 local tax would generate approximately .....\$96,000
- Food & Beverage Tax – a 0.75% local tax would generate approximately .....\$60,000

The majority of the above taxes would be paid by non-residents shopping within the community

### **Will property taxes increase under Home Rule beyond the tax cap?**

- On May 18, 2010, the Village Board adopted a local ordinance pledging to adhere to the property tax cap.
- According to the Journal of Regional Analysis & Policy (2002)32:1, “Home Rule, in short, is not used by government officials primarily as a method of raising more tax revenue.... Less than one-fourth of Home Rule communities use Home Rule to increase property tax levies above the levels allowed by statute or to increase such levies above statutory tax caps.”

### **Will the Village be able to adopt a real estate transfer tax under Home Rule?**

No, this is not something the Board could do. Under Home Rule, a completely separate referendum would have to be held and approved before a real estate transfer tax could be put in place.

### **How do residents oversee the use of Home Rule?**

- Participate in Village elections
  - 50% of Trustees are elected every 2 years
  - The Village President is elected every 4 years
- Participate in Village Board and commission meetings
  - Public comment is permitted on all agenda and non-agenda items
  - All resolutions and ordinances are published, discussed and acted upon in open session meetings
  - Information is available to residents on the Village website and at Village Hall
- The Village President and Trustees are Northfield residents, serving as volunteers and personally affected by Village Board actions
- Voters can file a petition to rescind Home Rule

### **How do I find out more about Home Rule?**

- Attend an upcoming meeting. There will be three Public Information Forums held at the Village Hall (361 Happ Road)
  - Thursday – September 23, 2010 from 7:00 p.m. to 9:00 p.m.
  - Saturday – October 2, 2010 from 9:00 a.m. to 11:00 a.m.
  - Thursday – October 14, 2010 from 7:00 p.m. to 9:00 p.m.
- In addition a series of coffees with the Board will be offered throughout October at the Village Hall (361 Happ Road). These coffees will provide residents a chance to have their individual questions on Home Rule answered in a more casual setting and will take place on:
  - Saturday – October 9, 2010 from 9:00 a.m. to 11:00 p.m.
  - Saturday – October 16, 2010 from 9:00 a.m. to 11:00 p.m.
  - Saturday – October 23, 2010 from 9:00 a.m. to 11:00 p.m.
- Visit the Village website [www.northfieldil.org](http://www.northfieldil.org) and click on the “Home Rule” link on the right side of the screen
- Subscribe to the Village’s e-news via the website at [www.northfieldil.org](http://www.northfieldil.org) and enter your e-mail information in the green box located on the upper right hand side