

Comparing Infrastructure Funding Solutions

Home Rule Status



Referendum Required: Roselle Voters Decide

Communities with population below 25,000 can gain home rule status by passing a referendum. As a non-home rule municipality, the Village has limited tools to increase revenue for mandated infrastructure improvements. Gaining home rule status would provide the Board more options to fund infrastructure.



Infrastructure Funding: Implement Sales and Local Gas Tax

As a home rule municipality, the Board would be able to establish a local sales tax and a local gasoline tax to raise revenue for infrastructure.

Less Reliance on CIS to Fund Wastewater Improvements

The more sales tax revenue earned, the less the Village would need to rely on CIS funding. If Roselle becomes home rule, the Board has established not-to-exceed CIS rates for 2025-2029:

2025: \$9.00/1,000 gallons 2026: \$9.25/1,000 gallons 2027-2029: \$9.50/1,000 gallons

Does This Solution Meet Infrastructure Funding Needs?

Complete Funding for Wastewater



Home rule status would allow the Village to increase infrastructure funding through a sales tax. A 1.5% sales tax could provide about \$5.25 million in revenue. Any additional revenue above the needed \$4.5 million for wastewater improvements could be directed toward water and stormwater improvements.

More Additional Funding for Streets



Home rule would allow the Village to increase infrastructure funding through a local gasoline tax. A 3 cents/gallon tax could provide approx. \$300,000 for streets and sidewalks. Additional revenue from a local sales tax could be used for street and sidewalk improvements.

Increase User Fees + Utility Taxes



No Referendum Required to Raise Revenue with Existing Tools

The Board of Trustees can vote to increase user fees and/or utility taxes at any time to fund infrastructure improvements. Increasing user fees like the Capital Improvement Surcharge (CIS) would remain Roselle's only means of funding infrastructure improvements.



Infrastructure Funding: Raise Revenue from Resident Fees/Taxes

As a Non-Home Rule municipality, the Village of Roselle has limited tools to increase funding for infrastructure improvements, which are currently supported by user fees and utility taxes.

More Reliance on CIS to Fund Wastewater Improvements

Without an additional source of revenue to support mandated improvements to both of Roselle's wastewater treatment plants, CIS rates will more than double to meet funding needs, reaching a rate of approximately \$20.00 per 1,000 gallons in 2032.

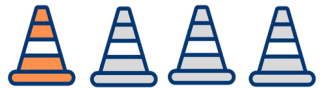
Does This Solution Meet Infrastructure Funding Needs?

Partial Funding for Wastewater



Without additional revenue sources to support the Water/Sewer Capital Projects Fund, the CIS on your utility bill will more than double to raise enough revenue for mandated wastewater improvements.

Less Additional Funding for Streets



Additional annual funding for street and sidewalk improvements could come from increasing Roselle's electric tax to the maximum rate, increasing vehicle sticker costs, or establishing a new 1% municipal utility tax.



Cost Implications for Residents: Home Rule Sales / Local Gas Tax

Under a theoretical 1.5% sales tax, spending \$100 on qualifying purchases would add \$1.50 to the transaction. A theoretical 3 cents per gallon local gasoline tax would add an additional 45 cents to the transaction when filling a 15-gallon tank.



Visitors Contribute Revenue for Infrastructure

When you shop in many neighboring home rule communities, your purchases contribute revenue to their infrastructure improvements. Under home rule, Roselle could raise revenue from visitors like our neighbors already do.



Other Considerations

Home rule status would allow Roselle to pursue a credit upgrade, providing more financing options that could lower the overall cost of major infrastructure updates.

Home rule status would provide Roselle more regulatory tools to respond to local issues. One example of home rule authority is the ability to enact Crime-Free Housing ordinances and create stronger regulations for short-term rentals.



Cost Implications for Residents:

Residents would see an increase in utility taxes and CIS rates paid. Utility taxes and user fees like the CIS would continue to be the only sources of funding for infrastructure improvements.



Only Residents Contribute Revenue for Infrastructure

Communities with home rule status can use revenue from local taxes to fund infrastructure improvements. This lowers the burden on residents because visitors contribute revenue, too. As a non-home rule municipality, Roselle does not have those tools at our disposal.



Other Considerations

Fewer financing solutions are available to non-home rule municipalities. This can increase the overall cost when taking out loans for major infrastructure improvements.

As a non-home rule municipality, the Village is more restricted than home rule municipalities when it comes to addressing local issues with policies and regulations.

Learn more at www.roselle.il.us/Infrastructure.