

Ottawa Hills Village Update: Election and Infrastructure

Election Day and Issue 2

Our election day is scheduled for November 4 this year, and you should be receiving this update just before the election. Many residents may have already exercised their right to vote through the early voting option. This year, ISSUE 2 appears on the ballot, presenting voters with the decision whether or not to raise our municipal income tax rate from 1.5% to 2%.

It is important to note that income from interest earnings, dividends, capital gains, Social Security, pensions, annuities, IRA distributions, alimony, and income earned by those under 18 years of age are not subject to our municipal income tax.

Understanding the Impact of Issue 2

The proposed increase is significant, and understandably many questions have been raised about Issue 2. It is worth remembering that at the local level, taxpayers have direct control over the taxes they pay. Unlike federal and state taxes, this decision is made collectively by our community, giving us direct influence over our future.

When considering your vote on Issue 2, keep in mind:

- The Village Council is made up of taxpayers just like you. None of us enjoy paying taxes more than necessary.
- Among our elected officials are four small business owners, two certified public accountants (CPAs), and a financial planner.
- The Finance Committee of the Council dedicated much of early 2025 to analyzing financial forecasts and capital improvement needs before the Council unanimously agreed to place this question before voters.
- The income tax rate in Ottawa Hills has not changed since 1971.

Use of Additional Revenue

If Issue 2 is approved, the additional revenue will not be used to grow our governmental bureaucracy. In fact, over the past several years, we have reduced the size of our Village workforce by more than 50%. The savings from these operational efficiencies have allowed us to fund many significant capital improvements for our community.

Infrastructure Needs and Financial Realities

Looking ahead, our existing revenues are sufficient to cover day-to-day operational costs. The necessity for increased revenue comes from the need to repair and replace our aging infrastructure.

There are approximately 25 miles of streets within the Village. With proper maintenance, the expected lifespan of a street is 25 to 30 years. To keep pace, we should be resurfacing or replacing about one mile of street each year. Costs vary by project: resurfacing a mile of street may cost about \$500,000, while reconstruction, such as the recent work in the Hasty Plat area, can be \$3,000,000 per mile.

Despite the cost-saving measures implemented, we continue to fall short of our annual target, resulting in a multi-million dollar backlog of needed repairs.

The Unique Challenge Facing Ottawa Hills

Ottawa Hills is a small community with a limited tax base. We do not have large employers to help shoulder the costs, so the financial responsibility falls on all residents. Like our older homes, our Village requires ongoing investment, and it is up to us to meet these needs.

Conclusion: Shaping the Future Together

As stated in previous communications, the voters of Ottawa Hills will determine the future of our community. I join with my elected colleagues in believing that if we want to maintain the high standards of our Village, we must be willing to increase our investment in our infrastructure.