

Item #3A:
Village President Underwood
Legislative Updates

David Lothspeich

From: IML Legislation [IMLLegislation@iml.org]
Sent: Thursday, May 30, 2013 2:21 PM
Subject: Illinois Municipal League Statehouse Briefing - May 30, 2013

IML Statehouse Briefing



On the ground news and insider information!

May 30, 2013

LGDF SAFE! *Some CPPRT Diverted*

We have reviewed the Budget Implementation (BIMP) bill and can confirm that, according to the BIMP, **LGDF revenue is safe for another year!** We extend our sincere appreciation to the General Assembly for recognizing the importance that this revenue source holds for the provision of basic and essential community services that are used by Illinoisans every single day.

The BIMP does include an authorization for the state to divert Corporate Personal Property Replacement Tax (CPPRT) revenue each year beginning in FY14. The language is identical to the CPPRT diversion authorization within SB 492 (Leader Currie, D-Chicago). Leader Currie has estimated the FY14 revenue loss to be about \$18 million on a statewide basis. The estimated municipal loss would be \$3.6 million spread across every community that receives CPPRT revenue.

As we have previously reported, if your community receives CPPRT revenue, you can expect a loss of approximately 1.5 percent of what you would have received **had no CPPRT ever been diverted.** Another way to calculate the loss is to assume that you would lose an additional 0.5 percent from **what you received during the current state fiscal year.**

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May 17, 2013

Dear Long Grove Residents,

As the Village shared with you on March 27th, the State of Illinois is facing a financial crisis that they need to resolve by cutting their expenses and balancing the State's budget. I am writing to inform you that Governor Pat Quinn and House Speaker Michael Madigan are publicly working toward balancing the State's budget on the backs of all local governments, including Long Grove. Governor Quinn and Speaker Madigan are suggesting that local governments need to "share the sacrifice" by eliminating Income Tax Revenue to local governments (municipalities (cities and towns).

As we all have felt in our own budgets, the State approved a 67% Income Tax increase last year to increase State's revenues. However, none of these increased revenues were passed along to local governments. Although we all are paying significantly higher income taxes to the State, the State remains in dire financial straits and is now proposing to further impact taxpayers by eliminating all of the Income Tax revenues that are distributed to local governments. This action would violate the commitment made by the State with taxpayers when they "sold" the Illinois Taxpayers on imposing the State Income Tax with "sharing" a percentage (10%) of the State Income Tax with local governments.

While the Village was once again able to balance its' budget by continuing to control expenditures, the State of Illinois is once again attempting to balance their budget on the backs of local governments by increasing their revenues through the elimination of our share of income tax revenues (your tax dollars) while still not resolving their financial crisis. If the State eliminates these revenues to local governments, the Village of Long Grove's budget would become unbalanced due to the immediate loss of \$150,404.10 in revenues (5% of total Village revenues) and the Village would be forced by the State's actions to significantly reduce/eliminate expenses for critical services such as police protection, road maintenance (paving, patching, snow removal), etc.

*Although, the Village Board has been proactively working with the surrounding communities to be informed, present a unified position and inform our State Representatives of the significant impact to Village finances and our strong opposition, Governor Quinn and House Speaker Madigan continue to publicly discuss the reduction of income tax revenues to "share the pain." As a non-home rule municipality that has not levied a local property tax since incorporation in 1956, the Village of Long Grove would be forced by the State's actions to further reducing/eliminating critical services and/or go to our residents requesting approval of a local property tax to offset these revenues. The State efforts to balance their budget fails to address their problems and simply "passes the buck" onto the backs of local governments and the Taxpayers of Illinois. **Due to the severe impact on our finances and ability to provide critical services for our Residents, the Village of Long Grove is asking for your support to immediately contact our local State Representatives opposing the State's reduction of shared revenues to local governments.***

Please visit Village's Home Page (www.longgrove.net) for additional information on this issue. On behalf of the Village Board, thank you in advance for your assistance on this critical matter.

Sincerely,
Angie Underwood
Village President
Village of Long Grove



3110 RFD, ILLINOIS 60047-9613

May 17, 2013

Dear State Senator (Link) (Duffy)/State Representative (Sullivan):

I am writing to urge you to vote “**No**” for any further reductions of the municipalities’ share of the State Income Tax [the Local Government Distributive Fund (LGDF)] being considered by the Illinois legislature.

Municipalities have received 10% of the total income tax for many years and this has its roots in the 1970 Illinois constitution and the income tax instituted by Governor Ogilvie. This 10% share was not continued in the recent 2% increase of the State Income Tax. While that alone was an abrogation of the state/municipal compact of shared revenue, many of us understood the fiscal woes of the State and reluctantly accepted the decision.

As you know, the municipal share of State Income Tax is not a grant. Rather the State is simply the collector of the funds and is obligated under State law dating back to the 1970’s to disburse the funds to Illinois municipalities. These are tax dollars paid by State residents with the expectation that our village will receive the money to pay for local services such as police; emergency management; road maintenance/ snow removal; storm water management, etc.

The Village of Long Grove is a non-home rule community that does not levy a municipal property tax on our 8,025 residents but rather funds operations through user fees, sales taxes and shared revenues. At an estimated annual value of \$150,404.10, these shared revenues make up approximately 5% of the Village’s \$2.86M annual budget. If these funds are eliminated, the Village finances will be devastated and our only option will be to ask our residents to approve a property tax referendum to replace these funds or face further reductions in police protection, road maintenance, snow removal, public works projects and staff. In short, the residents will be asked to pay even more taxes, during what are already very difficult financial times, on top of the recent 67% State Income Tax increase simply to preserve their existing services.

Raiding these essential local revenues is not “sharing the pain”, but rather passing the buck and increasing the taxes on Illinois residents and still not solving the State’s self-created \$13B deficit. You must vote against the State’s taking any of these essential funds away from local governments.

Very truly yours,

Angela Underwood
Village President
Village of Long Grove
847-634-9440



May 7, 2013

Senator Dan Duffy
Senator 26th District
105D Capitol Building
Springfield, IL 62706
(217) 782-0116 FAX

Dear Senator Duffy,

On behalf of the Residents of the Village of Long Grove and other small communities, we write to urge that you oppose HB 924. This legislation would further burden public bodies and taxpayers by increasing the costs of public projects. It would also begin to impose the state's cumbersome procurement rules onto local governments.

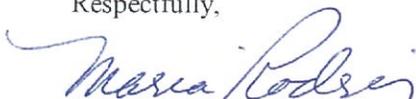
HB 924 would amend the Illinois Prevailing Wage Act to impose certain bidding provisions found within the Illinois Procurement Code. This means that only those contractors that meet these requirements would be permitted to bid on public projects. The most burdensome requirement is that eligible contractors must participate in a United States Department of Labor apprenticeship program. Participation in such a program is costly and creates compliance difficulties for smaller contractors. The result of the bill would be to exclude smaller contractors from bidding on public works projects.

This exclusion favors larger contractors, reduces competition, and drives up project costs for local taxpayers. While the bill would reduce competition among contractors in many municipalities, it is smaller municipalities that would be most impacted. Smaller communities have fewer local contractors from which to accept bids. In some communities served by smaller local contractors, most, if not all, of the local contractors would find themselves ineligible to bid on public projects. Some of these communities would have no choice but to seek out larger contractors from outside of the community. This certainly hinders efforts to promote local businesses.

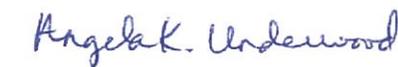
As you may already be aware, the Village of Long Grove is a relatively small community (population 8,043) that does not levy a municipal property tax and therefore has very limited government by design. In order to provide essential local government services, the Village contracts out many services typically provided by in-house employees in many other communities. The services that the Village contracts out include: public works (road paving/maintenance, storm/sanitary sewer maintenance, etc.) building department reviews/inspectional services; engineering; legal, etc. In what have been already very challenging times, any further actions that result in higher costs will only place further financial burdens on the Village of Long Grove, and many other communities, to reduce/eliminate these essential services that our residents rely upon greatly.

Once again, the Village of Long Grove respectfully requests that you vote with your communities and local taxpayers by opposing HB 924.

Respectfully,


Maria Roden
Village President
Village of Long Grove

Respectfully,


Angelak Underwood
Village President Elect
Village of Long Grove

David Lothspeich

From: IML Legislation [IMLLegislation@iml.org]
Sent: Monday, June 03, 2013 12:43 PM
Subject: Illinois Municipal League Statehouse Briefing - June 3, 2013

IML Statehouse Briefing



On the ground news and insider information!

June 3, 2013

Making a Difference Every Day

Legislators completed the spring session during the late evening hours of May 31. Their work for the spring is finished, although they may return in the coming weeks if a pension reform deal is on the table.

We had a good legislative session. This was due in no small measure to you – our members – who partnered with us to look out for the best interest of Illinois communities. Your commitment to the Illinois Municipal League and your communities empowered us to make good progress as your everyday representatives in Springfield.

The IML worked very hard on your behalf over the last few months. We reviewed every introduced bill, and at one point, were tracking in excess of 500 bills. There were many long days that often turned into late nights. There were some triumphs, a few frustrating setbacks, as well as unexpected surprises. We deepened some existing relationships, and made some new friends and allies for the future.

We're very proud of the legislative work that we do at the IML working both with, and on behalf of, our members. To a person, the legislative team believes that our efforts matter, and that they're spent in the pursuit of a larger purpose. Every day we get to come to work knowing that we serve those who in turn serve the public. This inspires our commitment to pursue legislative victories, both large and small. It also prevents us from becoming too discouraged when it seems like we're "tilting at windmills" on really difficult issues.

We look forward to sharing with you what occurred over the last few months in Springfield. **Our complete session recap will be available soon.** And while many challenges remain, we're sure that you'll appreciate the several successes, both large and small, that we enjoyed together.

1. Local income tax share protected

The IML joined with other like-minded organizations to lobby legislators and activate our statewide membership to successfully protect the full municipal income tax share. This means that cities and counties will receive their full six percent share of any natural growth in state income tax receipts during FY14. The IML reacted rapidly after the Governor's Budget Address to alert our membership of the Governor's plan to cap our income tax share at FY12 levels. We were able to assemble and disseminate important data to make a strong case that local governments have already sacrificed when they were cut out of all additional revenues captured by the state following the income tax increase. Protecting LGDF revenue is part of our "Save Our Cities" Agenda.

2. PSEBA transparency - finally

The IML worked closely with Senate Minority Leader Christine Radogno (R-Lemont) to make some progress toward PSEBA reform. While we are yet to achieve a definition of “catastrophic injury,” the IML did help to draft and win House and Senate approval for a PSEBA reporting requirement that will bring about much-needed transparency with respect to the number of beneficiaries, costs, nature of injuries, and available insurance options. Assuming the Governor signs the bill into law, the first report would be published no later than June 1, 2014. This legislation represents the first notable change to the PSEBA statute since its inception. PSEBA reform is also part of our “Save Our Cities” Agenda.

3. Looking out for home rule powers

In 2012, we witnessed a motivated group of community activists attempt to strip the home rule status from one of our member municipalities. These activists drafted and submitted a biased, anti-home ballot question that could have unfairly swayed voters to rescind home rule powers. The IML introduced a bill to create a standard and objective ballot question for referendums where voters are asked to either adopt or revoke home rule status. We then worked with General Assembly staff to incorporate our language into an omnibus election bill. If enacted into law, the legislation will, for the first time, ensure that anti-home rule forces cannot draft a biased and unfair ballot question to dissuade voters from either adopting or retaining home rule powers.

4. LGDF direct deposit

The IML introduced LGDF direct deposit legislation and worked exceedingly hard with our sponsor, Representative Anthony DeLuca, (D-Chicago), to find over 30 co-sponsors and pass the bill out of the House of Representatives with 109 votes. Unfortunately, the bill was not advanced in the Senate, but moving this important legislation out of the House was a significant achievement that we hope to build upon in the future as we continue to look for ways to protect municipal revenues and make sure that communities receive their money in a timely manner.

5. Protected local interests in telecom rewrite

This was the year that the telecom statutes were set to expire, and the statutes were rewritten. The IML worked with the cable and telephone industry and with legislators and their staff to ensure that municipalities retained their control over public rights-of-way, and that local revenues were not diminished in the rewrite of the statutes.

6. Arbitration reform

For years, the IML has introduced legislation to require that arbitrators limit wage and benefit awards to what local communities can actually afford – not based on revenue that the arbitrator believes can be raised by taxing residents more. For the first time, we were able to get this legislation approved by a committee and sent to the House Floor. Although the bill didn’t move any further, moving the bill out of committee represents some real progress in the face of strong union opposition that we hope to build upon in the future.

7. Championed local control over fire service delivery

For the second consecutive year, the IML was instrumental in fighting off legislation introduced by the Associated Fire Fighters of Illinois that would have undermined the future of fire service consolidations through intergovernmental agreement. We created a working group of influential stakeholders and teamed with them to analyze legislation, educate state senators about the threat, and draft an acceptable counterproposal to secure the continued use of intergovernmental cooperation agreement authority for service consolidations. Our combined efforts resulted in no changes to existing law. We were also able to defeat an amendment in the closing weeks of the spring session that would have required referendum approval to close a single fire facility.

8. Defended local taxing authority

A bill was introduced in the House to restrict the ability of non-home rule municipalities to collect inflationary increases through their property tax levies during a period of declining assessed valuations. The IML educated every House member about the dangerous financial ramifications of the

bill, coordinated opposition among local government organizations, and guided a strong coalition that succeeded in defeating this legislation on the House Floor.

9. Held the line on health insurance costs

The IML was able to prevent two bills – one in the House and one in the Senate – from advancing out of committee. Both of these bills would have increased municipal health insurance costs by mandating that firefighters who waive their health insurance continuation rights at retirement be allowed back into the group health program years later if they found themselves in need of insurance. We worked to educate our legislative allies about these bills and defeat the false notion that they were cost neutral.

10. Fought pension benefit expansion

We were successful in lobbying members of the House Personnel and Pensions Committee to stop legislation that would have expanded duty disability benefits for firefighters. The firefighter union sought to expand duty disability benefit coverage to include off-duty training sessions that a firefighter chose to participate in on their own personal time.

11. Protected local bidding authority

The IML was part of a coalition led by business interests that mobilized against a bill to impose the state's "responsible bidder" requirements within the Illinois Prevailing Wage Act. This legislation would have reduced the number of businesses eligible to bid on public works projects, decreased competition, and increased project costs. The broader coalition was almost successful in defeating the bill in the House, and was ultimately successful in keeping the legislation from advancing out of a Senate Committee.

12. Preserved viability of bonding authority

The Chicago Tribune has been on the warpath to restrict municipal bonding authority. When legislation was introduced to undermine the use of alternate bonds, the IML partnered with our municipal government allies in the House to amend the bill with the goal of preserving alternate bonds as a viable method of financing public projects. Our proactive approach allowed the IML to remove the worst of the provisions and guarantee that alternate bonds will remain an important financial option for municipal governments.

13. Deflected additional attorneys' fees

The IML opposed legislation that would have required a municipality to pay the attorneys' fees and costs to the opposing party if the municipality lost an appeal of an administrative action. This would not only have exposed municipal governments and taxpayers to additional liability, but it would also have placed municipalities at a disadvantage in litigation. After the IML testified against the bill in the Senate Judiciary Committee, the legislation was taken out of the record.

14. Pursued additional vehicle impoundment authority

The IML introduced legislation with the intent of authorizing municipalities to impound vehicles that are used to flee police pursuit. It was our intent that this bill would provide law enforcement with an alternative to dangerous vehicle chases on municipal streets. We made progress on the issue and were able to win overwhelming passage for the bill in the Senate, but the legislation was halted in the House when the Speaker's Office put a general hold on legislation involving vehicle impoundment or administrative adjudication.

15. Worked for responsible transparency

The IML continues to believe that transparency is an important and vital component of municipal government. We also believe that, if the General Assembly wants to promote transparency, it should make it as easy as possible to be transparent. Frequently, however, this does not happen. This last year, a number of "transparency" bills were introduced that imposed substantial costs and unnecessary obligations, or blocked the ability of local government to adequately do its job. In each case, the IML either opposed the bills, or was able to negotiate a compromise that enhanced transparency without imposing unnecessary burdens on local governments and their taxpayers.

16. Keeping you informed

The IML published two *Statehouse Briefings* during most session weeks. The first *Briefing* allowed us to communicate with our membership about what IML was working on during a given week. The second provided a summary of what happened on issues of concern to municipal governments. We also expanded upon IML-TV offerings with the launch of our *Statehouse Preview* video series, which provides weekly videos about key issues before the General Assembly. Continuing to grow our social media presence remains an important priority as well. We increased our usage of Facebook and Twitter to communicate legislative information and complement our overall efforts to run successful issue campaigns.

17. Forging local government partnerships

Each session week, the IML was pleased to host a conference call to share legislative information with local government leaders from around the state. This group is comprised of other local government representatives such as counties, townships, schools, and park districts, as well as regional councils of government and the City of Chicago. This kind of local government collaboration is very important to our mutual success.

These were some of the accomplishments from the spring session.

We'd like to thank each and every one of you who helped us advance the ball in Springfield. Thank you for the letters, the e-mails, the phone calls, and the visits that you made to speak with, and in some cases, harangue your legislators.

Please consider getting more involved in the IML legislative program. With your continued commitment, we will expand on our successes and build a strong and prosperous future for Illinois communities.

If you do not wish to receive information from the Illinois Municipal League via e-mail, please reply to this email include the words "Please remove from list" along with your name, municipality and email address included in the message.