

McHenry County Council of Governments 2013 Legislative Agenda



MCHENRY COUNTY COUNCIL OF GOVERNMENTS

Promoting Ethical and Responsive Local Government

Lowering the Cost of Providing Essential Public Services
to the Citizens of McHenry County

Empowering Local Elected Officials to Solve Local Problems

The McHenry County Council of Governments 2013 Legislative Agenda

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McHenry County Council of Governments

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2013 Legislative Committee

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Catherine Peterson, Village Administrator, Village of Lakewood
Paula Yensen, McHenry County Board Member
Peter Austin, McHenry County Administrator
Richard Flood, Partner with the law firm of Zukowski, Rogers, Flood and McArdle
Ruth Schlossberg, Attorney with the law firm of Zukowski, Rogers, Flood and McArdle
James Kelly, Attorney with the law firm of Matuszewich, Kelly & McKeever, LLP

The McHenry County Council of Governments and Legislative Tenets

The McHenry County Council of Governments was established in 1976 to provide a venue for a small group of local elected officials to share information and talk about the issues facing their communities. Today, the MCCG still provides a venue for sharing information but now includes 24 municipalities, McHenry County, several townships and other local governments that collectively represent the 308,000 residents of McHenry County. The MCCG is also supported by 25 corporate members, which include municipal law firms, engineering companies and other private entities that provide services to local governments and their communities.

Our mission is to provide a forum and structure for intergovernmental cooperation, uphold and advocate for principles of effective local government, facilitate solutions to regional issues and otherwise lessen the burdens of government. We carry out our mission through the work of our standing committees: Water Policy Task Force, Mayors Caucus, Legislative, Transportation, Finance and Executive Committees, through joint purchasing programs, regular forums, administration of mutual aid networks, involvement with other regional Councils of Government and our state and federal advocacy efforts.

From both a legislative and philosophical standpoint, the MCCG believes that local elected officials, as those closest and most accountable to the residents and communities they serve, must be empowered to make local budgetary, land use, staffing and operational decisions as independently as possible. Therefore, we seek to preserve local government authority and oppose mandates from state or federal government that add costs to local governments and their residents.

When evaluating specific legislation, the MCCG adheres to a set of broad legislative tenets. We encourage our state elected officials to partner with us in supporting legislation that:

- Grants additional permissive authority for counties, townships, and municipalities;
- Empowers local governments to share resources, implement intergovernmental service arrangements and joint purchasing authority in order to preserve and maximize public resources;
- Allows counties, townships and both home rule and non-home rule municipalities to expand non-property tax revenue sources;
- Upholds local and regional land planning and zoning authority.

And generally opposing legislation that:

- Imposes unfunded mandates on local governments by the state or federal government;
- Reduces the existing authority of county, township, or municipal government;
- Erodes or diverts existing county, township, or municipal revenues.

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- **Support Local Government Distributive Fund Monies
Going Directly to LGDF Fund**

The MCCG supports proposals that require the Comptroller to transfer funds from the General Revenue Fund to the Local Government Distributive Fund and distribute those funds to municipalities and counties within seven days after receiving the certification from the IDOR and the Treasurer's Office. A penalty would occur if the funds were not transferred and distributed within 21 days.

Currently, all income tax funds received by the State are deposited into the General Revenue Fund minus the amount that is set aside for refunds. The Illinois Department of Revenue determines the amount of funds to be deposited into the Local Government Distributive Fund. When the transfer is complete, the Comptroller's Office distributes those funds in LGDF to municipalities. The state incurs significant delays (often several months) in distributing these funds to municipalities and counties. This delay places a burden on municipalities in meeting their own daily, weekly and monthly expenses.

- **Keep Local Government Revenues For Local Government Uses**

Local governments pay for police, fire, public works, parks and recreation and all other local services with their share of the income tax, sales tax, corporate property replacement tax and other taxes collected by the state on behalf of local governments. If it were not for these sources of revenue, property taxes would be the sole source of income for many of our municipalities and because most McHenry County municipalities are non-home rule, they are limited in the amount of property tax they can collect to pay for such essential services. Nevertheless, and in spite of the fact that municipalities rely on these sources of income, there have been several proposals over the years to divert these revenues to the State. These proposals threaten the ability of our municipalities and the county to balance their budgets and provide public safety and other essential services to their residents.

For the past several years the MCCG along with the other regional COGs, IML and Metropolitan Mayors Caucus have worked successfully with the General Assembly in preserving the 1/10th share of the income tax in the Local Government Distributive Fund, which had been targeted for diversion to the state either in part or in its entirety on several occasions. However, in January 2013, a proposal to borrow \$9.6 million in sales tax proceeds for cities and counties and transferred to the Illinois Medical Disciplinary Fund was introduced in the General Assembly. Like the 2012 transfer of a portion of the local share of the Corporate Personal Property Replacement Tax that was used to fund Regional Superintendents' salaries, these proposals set a precedent of diverting local revenues to unrelated state programs and threaten the financial viability of local governments. We strongly oppose any diversion of local government revenues to the state.

- **Maintain Local Control Over Local Budget and Revenue Decisions**

Over the past two years there have been legislative proposals that would prohibit municipalities and other non-home rule local governments from raising their property tax levy if property values within their jurisdiction declined or saw no increase over the past year. We believe that this is a fiscally irresponsible proposal that, if approved, would jeopardize the long-term financial health of local governments and make it increasingly difficult for these entities to provide essential services to their residents. Costs to provide services are not linked to local property values and local governments continue to see their health insurance premiums, pension costs, fuel, commodities and other expenses increase. If they are not able to capture such increases in their property tax levy they will be forced to cut services, deplete reserves or borrow.

Furthermore, we see no need for the state to “protect” residents from local decision-making, as has been the argument advanced by those proposing these tax-limiting proposals. Residents have the ability to let their local elected officials know whether they support increases in property taxes or service cuts, if necessary. These decisions need to be left at the local level where local elected officials are directly accountable to their residents and best understand the needs of their communities.

- **Maintain TIF Districts as Effective Tools for Municipalities**

Tax Increment Finance Districts (TIFs) are essential tools for communities in revitalizing neighborhoods, furthering economic development and improving quality of life. The current statutory limitations on TIFs are extremely rigorous and ensure that TIFs are only created where appropriate. The McHenry County Council of Governments opposes any moratoria or greater restrictions upon the use and creation of new TIF Districts and TIF Districts already in place.

- **Clarify Landscaping Activities including Routine Maintenance Tree Trimming and Tree Removal as Exempt from Prevailing Wage Act Requirements**

In order to balance their budgets, many local governments, especially small municipalities, have been forced to lay-off or defer hiring employees who conduct routine maintenance and landscaping work. These local governments are now more reliant upon contractors to perform such routine maintenance and landscaping work. However, new interpretations of the Illinois Prevailing Wage Act regarding minor and routine public maintenance projects, have increased the cost of such work and are placing greater financial burdens on communities as they contend with falling revenues and increased costs to providing services.

Since April 2012, the MCCG along with a broad coalition of stakeholders that included labor, landscape contractors, the City of Chicago, Metropolitan Mayors Caucus and other public body representatives, negotiated language clarifying which landscape activities are exempt under the Prevailing Wage Act. The MCCG urges to the Department of Labor to adopt this language as guidance when advising local governments and contractors on whether or not a landscape project is subject to prevailing wage.

- **Support Public Safety Pension Reform Proposals Outlined by the Illinois Pension Fairness Coalition**

Municipalities have been struggling for years with the structural deficits and unfunded liabilities caused by unsustainable public pension systems, which have been consuming more and more of local budgets every year. The Pension Fairness for Illinois Communities Coalition – made up of Illinois municipalities, businesses and local government organizations – seeks to address the skyrocketing costs and bring down overall costs.

Average funding rates, which represent assets on hand to cover pension obligations, have dropped from nearly 64 percent funded in 2004 to approximately 55 percent in 2010. Meanwhile the amount municipalities have contributed has more than doubled from \$247 million in 2004 to \$511 million in 2010. Currently, employee contributions cover approximately one-third of the cost of the benefits and nothing toward the unfunded liabilities, which have been exacerbated by years of additional benefit enhancements without a funding mechanism or regard for taxpayers' ability to pay.

These staggering structural deficits will eventually put local police and fire retirement benefit systems on the verge of financial insolvency, putting future benefits at risk. This problem will inevitably cost residents across the state in the form of higher local property taxes, cuts in essential services or layoffs of police officers and firefighters. We ask that the General Assembly include public safety pensions when considering state system pension reform this spring.

- **Support Legislation that Equals the Playing Field for Municipalities in Arbitration**

Arbitrators are rendering decisions in police and fire labor disputes that compel local government to offer wage and benefit awards that exceed available revenues. This results in budgetary difficulties and layoffs to other employees. The MCCG supports proposals that would require arbitrators, when making decisions concerning wages and other conditions of employment for police officers and firefighters, to base affordability on existing revenues and not on what a local government might be able to generate with new or increased levels of taxation.

Municipal Members

Village of Algonquin
Village of Barrington Hills
Village of Cary
City of Crystal Lake
Village of Fox River Grove
Village of Greenwood
City of Harvard
Village of Hebron
Village of Huntley
Village of Island Lake
Village of Johnsburg
Village of Lake in the Hills
Village of Lakemoor
Village of Lakewood
City of Marengo
Village of McCullom Lake
City of McHenry
Village of Prairie Grove
Village of Richmond
Village of Ringwood
Village of Spring Grove
Village of Trout Valley
Village of Union
City of Woodstock

Supporting Members

Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C.
Assurance Agency
Baxter and Woodman, Inc. Consulting Engineers
Christopher B. Burke Engineering, Ltd.
ESI Consultants, Ltd.
Hampton, Lenzini & Renwick, Inc.
Lamp, Incorporated
McHenry County Convention & Visitors Bureau
McHenry County Economic Development Corporation
Rempe, Sharpe and Associates, Inc Consulting Engineers
Traffic Control Corporation
Trotter and Associates
Wight and Company
Zukowski, Rogers, Flood and McArdle Law Firm

Local Government Members

McHenry County
Algonquin Township
Grafton Township
McHenry Township
McHenry County College
McHenry County Conservation District
Northern Moraine Water Reclamation District

Aqua Illinois, Inc
AT&T
Call One
Commonwealth Edison
George Roach & Assoc.
HR Green, Inc.
Matuszewich, Kelly
and McKeever, LLP
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