

105th Annual Educational Conference
of the
Township Officials of Illinois
November 11-13, 2012
Prairie Capital Convention Center
Springfield, Illinois

Your Local Government
Attorneys

MONDAY, NOVEMBER 12, 2012

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TOWNSHIP IN CRISIS MODE:
WHAT CAN BE DONE

PORT PCCC — LOWER DECK
ROOM B11D

10:30 A.M.—12:00 P.M.

PRESENTERS:

KERI-LYN J. KRAFTHEFER

ROBERT A. PORTER

**Ancel
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DiCIANNI
& KRAFTHEFER

KERI-LYN J. KRAFTHEFER

KERI-LYN J. KRAFTHEFER is a shareholder and partner with the law firm of Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C., which has offices in Chicago, Naperville, Vernon Hills, Crystal Lake and Bloomington. She received her undergraduate degree in Political Science from the University of Illinois and her juris doctor degree from the John Marshall Law School. Throughout her legal career, Ms. Krafthefer has concentrated her practice in the representation of units of local government and public officials. Ms. Krafthefer has counseled numerous townships regarding the issues that arise daily, including matters related to board practices and procedures, personnel, finance, employment, intergovernmental cooperation, open space, election law and governmental finance, as well as in litigation.

Ms. Krafthefer has been named by Chicago Magazine and Illinois Super Lawyers as one of the top 50 female attorneys in the State of Illinois, as well as one of the top attorneys representing cities and villages. Ms. Krafthefer is the primary author of the Township Officials of Illinois Laws & Duties Handbook. She has authored several chapters of the Township Clerk's Handbook, helped edit The Illinois Township Supervisor's Guide and has spoken at various zone meetings for the Township Officials of Illinois clerks division, providing an overview of township clerks' responsibilities. Ms. Krafthefer also formerly served as a Township Trustee in York Township. She serves as the township attorney or special counsel for many townships. Ms. Krafthefer speaks regularly at training seminars and the annual conferences sponsored by the Township Officials of Illinois, as well as at regional township meetings and township clerks' associations.

ROBERT A. PORTER

ROBERT A. PORTER is the Director of Special Projects for Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C. He was the elected Township Supervisor of Lemont Township from 1985 to 2004. His Lemont Township responsibilities included serving as the Treasurer of the Road and Bridge District. He also served one term as the elected Lemont Township Republican Committeeman. His 32 plus years serving as a public agency administrator for multiple governments has provided him a wealth of experience and hands on knowledge concerning Illinois local governments. He was also the Tax Collector for Lemont Township. He received his Bachelor of Science Degree from Southern Illinois University in Parks and Recreation Administration. He completed specialized training programs in Executive Development, Financial Revenue, and Computer Applications from several universities and training institutes. He has been involved in professional & civic associations. He is the past President of the Cook County Township Supervisor's Association. He served as the State President of the Township Officials of Illinois in 2003 and 2004. He is also highly involved with local civic organizations and the Boy Scouts of America.

He has written several publications for the magazine "Illinois County and Township Official." He has been the guest speaker for township seminars. His topics include budgeting, finance, legislation, management, annexation, and other topics.

TOWNSHIPS IN CRISIS MODE: WHAT CAN BE DONE

Presented by Keri-Lyn J. Krafthefer
and Robert A. Porter
Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C.

Illinois townships are under attack by the General Assembly, taxpayers, other units of local government and even by some township officials. Many of you have heard rumblings and rumors about laws intended to abolish Townships or Road Districts, or to consolidate them and absorb them into other units of local government. This session will explore what laws have been proposed, what laws have passed, and what is on the horizon for Illinois townships. We will also discuss methods to keep township government a strong and relevant form of government in Illinois.

I. Governmental Consolidation

A. The Local Government Consolidation Commission Act of 2011, 20 ILCS 3987/1.

1. 2012 Census of Governments:

89, 004 local governments across the United States
Illinois has 6,968 units of local government
Pennsylvania has 4,905 units of local government
Texas has 4,856 units of local government

85 of Illinois' 102 counties have township governments
Illinois has 1,432 townships

2. Why does Illinois have so many different units of local government?

Illinois' 1870 Constitution limited local governments' debt capacity. Municipalities could not borrow enough to pay for their operational needs without limiting their borrowing power, so they asked the legislature to create special districts with their own taxing power. As a result, when a need for services arose that a municipality could not pay for, (for example, library services), a new taxing body emerged to provide those services.

Illinois has 3,249 special districts (library, park, fire protection, sanitary sewer and mosquito abatement).

3. This Act creates the Local Government Consolidation commission.

17 members – 12 from the General Assembly, 5 from local governments, including 1 representing townships (Bryan Smith)

4. Functions:

- a. Examine all laws regarding local governments' organization, powers, jurisdiction and functions;
- b. Study the interrelationships of local governments to each other and federal and state government;
- c. Make specific recommendations to reduce the multiplicity of local governments, eliminate overlapping and duplication of unnecessary powers; increase efficiency and economy; increase cooperation among levels of government.
- d. Make a final report with findings and recommendations no later than December 31, 2012.

B. The Cox Report: "Local Democracy and the Townships of Illinois: A Report to the People"

In January, 2011, Wendell Cox was commissioned by the Township Officials of Illinois to analyze townships and governmental consolidation in Illinois. His report, which you can find at this link: <http://demographia.com/TOI-Report%20to%20the%20People-20110110.pdf> made several important findings, including the following:

1. Smaller local governments throughout America spend and borrow less per capita than larger governments.
2. Smaller governments in Illinois spend and borrow less.
3. Illinois local governments rely less on state funding and pay for themselves to a greater degree than in 38 other states.
4. Township expenditures have grown at a lower rate than any other level of government in Illinois since 1992.
5. Townships have the lowest labor costs.
6. In a 2001 survey, 88 percent of residents rated the performance of township officials high, compared to 42 percent for state officials and 27 percent for federal officials.
7. Individual citizens have more influence in smaller governments.
8. Local government consolidations that have been implemented do not result in material cost savings and usually result in higher costs.
9. Government consolidation does not improve government efficiency.
10. Consolidation leads to higher personnel costs because it produces larger organized labor contracts, which incorporate the highest compensation rates and least productive work rules.
11. Governmental consolidation detaches people from their local governments.
12. If the bigger-is-better theory of government efficiency is correct, then states with larger populations should have lower per capita state and local taxation, but the data did not support that claim.

II. Attacks by the General Assembly

A. Public Act 97-0857. Amends Section 50-20 of the Illinois Township Code to eliminate tax collector in Cook County. This law devolves the duties of the collector upon the township assessor. Effective July 27, 2012.

B. Public Act 97-0611. Amends the Property Tax Code, and the Illinois Highway Code to provide that voters may abolish a Cook County Road District. The township board would pass a resolution to put the question on the ballot at the next general or consolidated election. If such a referendum passes, the road district is abolished the next January 1st, with the township taking over the road district's duties, powers and funds.

C. Senate Bill 2073 (Did not pass) Proposed to eliminate COLA increase in property taxes if the Township's total EAV declined.

D. Senate Bill 2874 (Did not pass) Proposed to permit a binding referendum for Evanston Township to eliminate the coterminous township if approved by voters. This bill has been held in the Senate Assignments Committee, but there was an advisory referendum on the ballot in Evanston Township in March, 2012. The advisory referendum passed 67% of the vote to 33% in favor of dissolving the township.

E. House Bill 4973 (Did not pass). Proposed to amend the Township Code so Cook County electors could vote to discontinue the office of Highway Commissioner, the office of the Township Assessor, or both. It provided that if the office of Highway Commissioner or Township Assessor is discontinued, the applicable county office shall assume the duties of Highway Commissioner or Township Assessor, and if the office of Township Assessor is discontinued, then the Office of the Township Collector shall also cease. It set forth procedures for distributing the assets of the office of Highway Commissioner if the office is discontinued. This proposed legislation also proposed to amend the Property Tax Code. Provides that if the office of Township Assessor is discontinued, then the Supervisor of Assessments or County Assessor, as applicable, shall assume the duties of the Township Assessor. Amends the Public Health District Act. Provides that if the office of Township Assessor is discontinued, then the county board members shall be the board of health for the public health district. Amends the Highway Code. Provides that if the office of Highway Commissioner is discontinued, then the county superintendent of highways or the county engineer, as applicable, shall assume the duties of Highway Commissioner.

III. Attacks by Taxpayers

- A. Caused by Lack of Understanding About the Functions of Townships
- B. Caused by Frustration over Current Economic Conditions
Example: Township Halls
- C. Better Government Association – Andy Shaw
- D. Openthebooks.com – Transparencymania! Everything is out there.

- E. Illinois State Comptroller website – finances are open
- F. Public has lost trust in government management
- G. It's the economy, stupid!

IV. Attacks by Other Units of Government

- A. Eyes on the Prize – They want your money!
- B. They do not understand the limitations of their power – (City v. Township)

V. Township Officials Attacking One Another

- A. Officials do not understand their duties or responsibilities
- B. Officials do not understand the powers of other elected township officials
- C. Assessor Wars
- D. Highway Commissioner Wars
- E. Disgruntled Employees
- F. Elected Township Officials

VI. Attacks because of Problems of Other Governments

- A. The General Assembly is using local government to shift focus off of State problems
- B. Pension Reform
- C. IMRF Audits
- D. Zero-based budgeting

VII. Survival Options

- A. Educate the Public
- B. Educate the Press
- C. Educate your Public Officials
- D. Work Cooperatively with Other Units of Government
- E. Strive for Peace
- F. Pick Your Battles
- G. Pay Attention to Shifting Public Attitudes (pensions, salary increases, etc.)
- H. Business is Changing – Get Smarter and More Creative
- I. Dig Fox Holes for Long Term Applications