

AGENDA
SPECIAL REGULAR MEETING OF THE
BOARD OF TRUSTEES PARK FOREST, IL

Village Hall

8:45 a.m.

April 10, 2010

Roll Call

1. A Resolution Opposing a Reduction of the Local Government Distributive Fund

Adjournment

NOTE: Copies of all agenda items are available in the Manager's Office

VILLAGE OF PARK FOREST

MEMORANDUM

**TO: John A. Ostenburg, Mayor
Board of Trustees**

**FROM: Thomas K. Mick,
Village Manager**

DATE: April 5, 2010

**SUBJECT: A RESOLUTION OPPOSING A REDUCTION OF THE LOCAL
GOVERNMENT DISTRIBUTIVE FUND**

Background/Discussion:

Illinois Governor Pat Quinn recently presented a proposed budget which, among other things, would decrease the local government share of state income tax revenues by as much as 30%. Such an initiative would have dire financial consequences for Park Forest. In calendar year 2009, income tax revenues to Park Forest totaled \$1,982,466. A 30% reduction in this revenue stream would impact Park Forest by \$594,739. This would come at a time when local governments are already struggling with a downturned economy. With 2009 income tax revenues already down \$240,741 from the 2008 level (\$2,223,207), Park Forest has struggled to fill the gap in this revenue stream by implementing such measures as eliminating and/or restructuring staff positions while implementing a staff hiring freeze for the foreseeable future.

Upon being alerted of the Governor's plan, Mayor John Ostenburg and I crafted separate letters (see attached) and sent them to Springfield urging that other measures be considered as the State attempts to address its economic situation, rather than shifting the financial burden to municipalities. The attached resolution has been drafted so as to allow the full Board of Trustees to endorse the Village's position as stated in the attached letters.

Schedule for Consideration:

This item will be on the Consent Agenda of the April 10, 2010 Special Regular Meeting for Board consideration and approval.

Resolution No. _____

**A RESOLUTION OPPOSING A REDUCTION
OF THE LOCAL GOVERNMENT DISTRIBUTIVE FUND**

WHEREAS, Illinois communities have experienced a serious decline in revenue from a variety of sources due to the severe economic downturn; and

WHEREAS, many municipalities have undertaken measures to balance budgets by implementing salary and hiring freezes, layoffs, reduction in programs and services and postponement of capital purchases to name a few measures; and

WHEREAS, it has been a longstanding agreement that the state income tax collected from Illinois residents be distributed 90 percent to the State of Illinois and 10 percent to municipalities; and

WHEREAS, Governor Quinn proposed in his March 10, 2010, budget address to withhold 30 percent of the municipal funds which, if implemented, would result in a decrease of \$23.10 per resident to each community; and

WHEREAS, such a decrease would further negatively impact a municipality's ability to provide basic services to its residents.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Trustees of the Village of Park Forest, Illinois, as follows:

Section 1. The Village of Park Forest, Illinois, strongly opposes any reduction of the Local Government Distributive Fund due municipalities from its current level of 10 percent.

Section 2. The Village of Park Forest, Illinois, requests that the Governor and the members of the Illinois General Assembly reject any diminution of these funds to municipalities.

Section 3. The Village Clerk is hereby directed to send copies of this Resolution to Governor Quinn, to the legislative leaders of the Illinois Senate and the Illinois House of Representatives, and to legislators representing the Village of Park Forest.

ADOPTED THIS _____ DAY OF _____, 2010.

Mayor

Village Clerk



March 10, 2010

www.villageofparkforest.com

Mayor
John A. Ostenburg

Village Trustees
Mae Brandon
Bonita Dillard
Gary Kopycinski
Kenneth W. Kramer
Robert McCray
Georgia O'Neill

Village Clerk
Sheila McGann

Village Manager
Thomas Mick

Village Hall
350 Victory Drive
Park Forest, IL 60466
(708) 748-1112

**DownTown
Management Office**
226 Forest Blvd.
(708) 503-8153

Fire Department
156 Indianwood Blvd.
(708) 748-5605

Freedom Hall
410 Lakewood Blvd.
(708) 747-0580

Health Department
350 Victory Drive
(708) 748-1118

Police Department
200 Lakewood Blvd.
(708) 748-4700

**Recreation and
Parks Department**
350 Victory Drive
(708) 748-2005

Honorable Patrick Quinn
Governor
State of Illinois
207 Statehouse
Springfield, IL 62706

Dear Governor Quinn:

First of all, allow me to extend my congratulations to you on successfully gaining the nomination of the Democratic Party to be a November candidate for retention as Governor. I apologize for my tardiness in doing so, since the primary election was held more than a month ago.

As I am sure has been conveyed to you by a number of other municipal leaders, I am disappointed in your budget proposal to decrease the amount of funding that is to go to local government. As the element of government closest to the citizens, municipalities across Illinois provide vital services that are not duplicated at other levels. In addition, local government depends heavily on local property taxes – which already are at astronomical levels – to fund those services, and now may be forced to increase property taxes even more or to eliminate providing the assistance that our residents need. Doing either would be a disservice to our residents. I respectfully request that you reconsider your proposal.

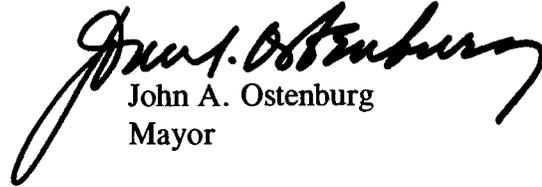
At the same time that I make that request, please let me assure you that I understand fully the complication of spending more funds at the state level when the level of income is not increasing. The fact is, as both you and I have stated numerous times over the last several years, **Illinois needs an income tax increase**. Your efforts to bring about such an increase are fully supported by me and – I'm sure – by a number of other municipal leaders across the state.

In addition, of course, Illinois also needs more economic engines to drive increases in commerce. As you know, I believe the Abraham Lincoln National Airport is such an economic

engine and will provide great benefits for our region and our state if it comes to fruition. I encourage you to give your full support to seeing this dream fulfilled.

Again, congratulations on your recent victory. And also – again – please reconsider your proposal to decrease important funding to our state’s cities, towns, and villages.

Yours most sincerely,



John A. Ostenburg
Mayor

Copy: Manager
Trustees

Park Forest

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Mayor
John A. Ostenburg

March 9, 2010

Village Trustees
Mae Brandon
Bonita Dillard
Gary Kopycinski
Kenneth W. Kramer
Robert McCray
Georgia O'Neill

Honorable Pat Quinn
Governor
State of Illinois
207 Statehouse
Springfield, IL 62706

Village Clerk
Sheila McGann

Dear Governor:

Village Manager
Thomas Mick

The Village of Park Forest is submitting this letter to express its concern regarding the proposed State of Illinois budget for the upcoming fiscal year. It is our understanding that one cost saving measure for the State may be to reduce the local government share of state income tax revenues by as much as 30%. Such an initiative would have dire financial consequences for Park Forest. In calendar year 2009, income tax revenues to Park Forest totaled \$1,982,466. A 30% reduction in this revenue stream would impact Park Forest by \$594,739. This would come at a time when local governments are already struggling with a downturned economy. The 2009 income tax revenues are already down \$240,741 from the 2008 level (\$2,223,207). Park Forest has struggled to fill such a gap in this revenue stream by eliminating and/or restructuring staff positions while implementing a staff hiring freeze for the foreseeable future.

Village Hall
350 Victory Drive
Park Forest, IL 60466
(708) 748-1112

Please know that Park Forest Officials are proud of its approach in being good stewards of local tax dollars. With a decorated history of recognitions for its budget preparation and audit processes (13 years running with the Distinguished Budget Award and the Award of Excellence in Financial Reporting), Park Forest has a track record of sound, conservative financial practices. These sound practices have helped Park Forest weather the financial woes plaguing the local, state and federal economy over the past few years.

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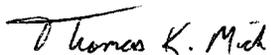
**Recreation and
Parks Department**
350 Victory Drive
(708) 748-2005

With state income taxes already down substantially, and lagging in conveyance to local municipalities by more than 120 days compared to the previous 90-day standard, it is our belief that Park Forest is fast approaching a breaking point in spite of sound financial due diligence. An erosion of the state income tax will only exacerbate the deteriorating financial picture for Park Forest. Other mandates from the State Capitol regarding public safety pensions have necessitated local property tax levy increases excess of \$334,000 from 2007 (public safety pension levy: \$1,344,590) to 2009 (public safety pension levy: \$1,669,018). The

ongoing increases in funding mandates and/or the erosion of revenue streams are pushing the Village toward the brink of severe service cuts to our residents.

On behalf of Park Forest residents I would like to thank you for your attention to this correspondence. While we recognize the tough economic dilemmas facing the State of Illinois, we strongly urge you to please consider other options which do not directly shift the financial burden to municipalities.

Sincerely,



Thomas K. Mick
Village Manager
Village of Park Forest

cc: Mayor John A. Ostenburg
Board of Trustees
State Senator Maggie Crotty
State Senator Toi Hutchinson
State Representative Anthony Deluca
State Representative Lisa Dugan
State Representative Al Riley

AGENDA

SPECIAL RULES MEETING OF THE
BOARD OF TRUSTEES PARK FOREST, ILLINOIS

Village Hall

9:00 a.m.

April 10, 2010

Village Board of Trustees to Meet with Rich Township Officials and Supervisor

Adjournment

AGENDA

**SATURDAY RULES MEETING OF THE BOARD OF TRUSTEES
VILLAGE OF PARK FOREST COOK AND WILL COUNTIES ILLINOIS**

Village Hall

10:00 a.m.

April 10, 2010

Adjournment