



Upcoming Dates:



December 2-5:
IAA® Annual Meeting

January 10-12:
IL Specialty Crops,
Agritourism, & Organic
Conference

January 18-19:
IL Assn. of Drainage Dis-
tricts Conference

January 25:
SWAT Meeting

March 14-15:
Governmental Affairs
Leadership Conference
(GALC)

March 20:
General Primary Election



Did You Know...?

There are about 50,000 municipalities issuing bonds in the United States.



November/December 2017

Volume 8 Issue 6

Municipal Bonds:

Long-term financing for government

by Brenda Matherly

Many units of local government rely on the use of bonds as a revenue source. At the same time, it's fair to say that many taxpayers are not overly familiar with bonds—and for good reason... The types of bonds and their applications are numerous.

The purpose of this article is to provide a basic information source on the use of bonds. To help manage the amount of information shared, the article will focus on the two primary types of municipal bonds.

Municipal Bonds are not just used by municipalities, in fact, they are commonly issued by units of government including states, counties, cities and special-purpose districts. These bonds are often used to finance projects such as roads, schools, airports,

and upkeep on and improvements to infrastructure.

A bond is very basically a loan agreement made between parties.

Municipal Bond revenue is generated by borrowing against the purchase of a bond. When in need of revenue, a local unit of government can issue a bond. The unit of government sells that bond to an investor. At that time, the unit of government becomes the issuer or borrower, and the purchaser of the bond becomes the bondholder.

Throughout the life of the bond, the issuer agrees to pay the bondholder interest on a regular basis. When the bond matures, the issuer pays off the principal on the loan.

(See **Bonds** on page 5)

Census of Governments in Illinois

Keeping track of local government

by Brenda Matherly

Keeping track of the numerous units of local government across the state would be a daunting task. Just keeping up with the with those units serving your local area would be a challenge. However, having that information at your fingertips could help identify those units serving your community, account for your tax dollars and improve your confidence in gov-

ernment transparency and accountability. So, how might you track down this information?

A great place to start is the *Census of Governments*. As a part of the U.S. Census, the *Census of Governments* captures data specific to all state and local governments in the U.S. Included in the local government counts are counties, cities, town-

(See **Census** on page 4)

Harvest Season Emergency

Local responses are as varied as the personnel

For the first time ever, the Governor has declared a Harvest Season Emergency (HSE) allowing farmers to legally overload their rigs by 10%...if the road jurisdiction will agree to allow it. That has tested both the local units' system of permit issuance and—in some cases—farmers' patience.

Most counties have always been pretty good about operating a permit system; but road districts, not so much. That difference is being experienced statewide.

Permits typically require an authorized official to offer the trucker permission—in writing—to traverse a specific route during a specified time period with a vehicle that is over-sized or overweight.

At the road district level (both township and non-township), it's sometimes difficult for a trucker to even find the highway commissioner (HC), much less convince him (or her) to issue a permit. In rural districts, the HC is often the only full-time employee, and even some of them are part-time. When they're out maintaining the roads or working at another job, that leaves no one in the office to deal with permit requests. As a result, getting a permit at the road district level can be a hassle. On the other hand, some HC's do a great job of accommodating permit requests.

Local jurisdictions are not required to issue a permit under the HSE declaration. It's optional, and it can come with condi-

tions. State statute and the Governor's declaration only lay out the maximums allowed. Those can become progressively more restrictive with each layer of approval.

Local jurisdictions also have the authority to post weight limits on their roads. Where reduced weight limits are posted—on roads or bridges—that reduced weight posting takes precedence over any trucking permit.

Between now and December 19—the last date the HSE is applicable—farmers can check with their local road officials about the availability of permits in their jurisdiction.

[LINK](#)

Intergovernmental Cooperation

A handy tool for government, a boon for efficiency

by Kirby Wagner

In today's rapidly changing world, governments are strained by increasing demand and shrinking budgets. They are forced to find alternative solutions to meet the needs of their citizens more efficiently.

Intergovernmental agreements are one option a governmental unit can explore. It offers a solution to the problems of overstraining demand, overlapping jurisdictions, inadequate services, resources, and facilities. An intergovernmental agreement

is just what it sounds like. It occurs when two or more units of government agree on a course of action that is mutually beneficial.

The 1970 Illinois Constitution authorizes—even encourages—intergovernmental cooperation. Section 10 of ARTICLE VII states: "The State shall encourage intergovernmental cooperation and use its technical and financial resources to assist intergovernmental activities".

Illinois' statutes embody that Constitutional admonition by

stating that "any power or powers, privileges, functions, or other authority exercised, or which may be exercised by a public agency of this State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State or of the United States" except where specifically and expressly prohibited by law.

Existing governments can make agreements and in the process, provide an appropriate response to the needs of their citizens.

(See *Cooperation* on page 3)

Cooperation

(Continued from page 2)

More importantly, expensive services can be provided more efficiently. Services like police and fire protection, data processing, recreation, planning, and transportation can be handled more effectively.

Local governments can take advantage of intergovernmental cooperation to overcome issues like the need for expensive technology, equipment, and services that alone they could not provide effectively or efficiently.

These cooperative agreements are an option when consolidation or the creation of a new governmental unit is not. Consolidation is often thought of as a solution of fragmented local governments. Rather than raise a tax, it is often the case that a new taxing body is created to generate income for a service.

New units and consolidation are not always the answer. A new unit may not have the manpower to operate successfully. Citizens may not want to give up complete power in a consolidation.

Each unit should look at intergovernmental agreements and

how they might use them to provide services to its citizens. Cooperative agreements can operate differently across the state. Each agreement can be unique to the needs of the participants.

An intergovernmental agreement needs to be mutually beneficial. Each party must clearly define the need for cooperation. They need to understand potential issues in negotiating an agreement. Each party must develop a budget that clearly defines financial responsibility. If both sides can find common ground, an intergovernmental agreement can be a successful venture.

Intergovernmental cooperation can take several forms. One unit can perform a service or provide a facility for another. Two or more units can jointly perform a function or operate a facility or, units can mutually assist one another in emergency situations.

The keys are perceived benefits by the participants and maintaining local control. Each participant must find the agreement to suit their needs. Through an arrangement, responsibility can also stay with local leaders. The decision-making process remains

Limits to Power Transfer

Illinois' Intergovernmental Cooperation law provides protections against over-extension of these shared powers. For example, a county might enter an agreement with a municipality that would have the city enforce the county's zoning ordinance within the unincorporated areas of the county. Perfectly fine. But the law limits the municipality's authority to only that which is statutorily provided to the county—the city may not apply its municipal zoning powers in the unincorporated areas of the county.



close to those whose lives are directly affected by them.

The Illinois Constitution not only authorizes intergovernmental cooperation, it encourages it. With a growing demand for local services, units of government can look to the constitution for guidance on how best to serve their citizens. As units of local government examine themselves and their functions, they may find intergovernmental cooperation a successful answer to many problems they face.

LINK

Illinois Farm Bureau Policy

108. INTERGOVERNMENTAL COOPERATION

We support:

1. Expanded use of the Intergovernmental Cooperation Act by units of local government.
2. The shared use of buildings, equipment, personnel, and programs by units of local government to reduce the cost to each unit.

County Farm Bureaus are encouraged to work with local government officials and other interested parties to increase the level of cooperation among existing local governmental units.

Census

(Continued from page 1)
ships, special districts, and school districts.

The purpose for having a *Census of Governments* is to help provide statistical information about governments and governmental activities. Data commonly found in a census, such as, location, type, and number of units is identified. In addition, the information collected also captures government economic activity related to employment data and financial resources. This information includes revenue, expenditure, debt, assets, employees, payroll, and benefits.

While the *Census of Governments* is a component of the United States Census, the information for this census is taken every five years as a part of the Census Bureau's periodic Economic Surveys. The first *Census of Governments* was done in 1957 and again in 1962 and then again in years ending in "2" and "7". The last census was done as recently as this year - 2017. The data from the most recent census will be released over the next two years:

2018
Government Units
State government tax collection
State government finances

2019
Gov't. employment & payroll
Gov't. finance—public pensions
State & local gov't. finances

To help data users sort through this wealth of information, the Census Bureau makes the following data searches available:

- Level of government (state, local, or state and local combined)
- Type of government (state, county, city, township, special district, school district)
- Category of governmental activity

Visit the U.S. Census Bureau website at <https://www.census.gov/govs/cog/> to find more information on the units of government serving you.

LINK

Did You Know?

Illinois has 6,963 local governments, the highest number of governmental units of any state in the nation, followed by Texas with 5,147 governmental units.

Source: U.S. Census Bureau, 2012 Census of Governments: Organization Component

General Obligation Bond Options for Schools

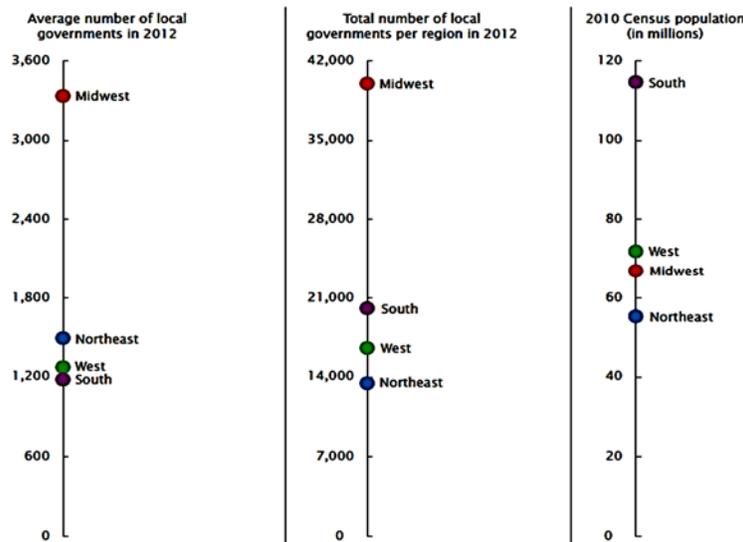
By: Brenda Matherly

Like other units of government, school districts have the authority to issue several types of bonds to meet financial needs. A number of those bond options fall under the category of a General Obligation (GO) Bond. Below is a list and description of common GO bonds a school district might issue:

Building Bonds - Issued to cover costs associated with acquiring school sites, purchasing buildings and equipment, repairing or remodeling school facilities. The bond is backed by the taxable value of property within the district boundaries. Must receive voter approval.

(Continued on page 5)

Figure 1. Regional Characteristics of Local Governments



Source: U.S. Census Bureau, 2012 Census of Governments: Organization Component and 2010 Census.

Life Safety Bonds - Issued to cover costs associated with alterations, reconstruction and repairs to school buildings and fixed equipment and/or the purchase and installation of new equipment. These investments must be declared necessary by the State Board of Education to resolve an issue identified from a "safety survey report". The bond is backed by the taxable value of property with the district boundaries. Voter approval is not required.

Funding Bonds - Issued to pay teachers' orders or claims including lease obligations that the district cannot meet from current revenues. The bond is backed by the taxable value of property with the district boundaries. School must follow procedures similar to the backdoor referendum process in order to issue the bond. The bond will be issued unless a required number of voters sign a petition and present it to the board secretary with 30 days of publication of the notice to issue.

[LINK](#)



Bonds

(Continued from page 1)

The two types of municipal bonds commonly used by units of government are:

- General Obligation Bonds
- Revenue Bonds

The primary difference in these is the source of revenue collected to pay off the long-term debt.

General Obligation Bonds can be issued by the State and by local units of government. This type of bond is primarily backed by that unit of government's ability to tax residents in order to pay the bondholder. At the local government level, most General Obligation Bonds are secured by that unit of government's ability to levy a property tax to cover the debt. Since General Obligation Bonds are backed by property owners, a taxing district will (in most cases) first need to get voter approval.

Revenue Bonds are backed by an identified revenue source other than property tax dollars. These bonds are used to finance income-producing projects. The income generated from these projects is used to pay the bondholder. Unlike General Obligation Bonds, only that revenue

generated from the project can be used to repay the debt. In the case of a Revenue Bond, a defined revenue source can include user fees, motor-fuel taxes and impact fees. Since a Revenue Bond is backed by a project-generated revenue source, it does not require voter approval.

Typically, the projects funded by revenue bonds serve only those in the community who pay for the service. Examples of these projects could include: housing projects; hospitals; sewer systems; and, public transportation.

On the flip side, General Obligation Bonds are used to finance projects that do not produce income and typically provide services to the community as a whole. Examples of these projects include: improvements to roads; creation and upkeep of parks; purchasing equipment; and, improving infrastructure.

Whether issuing a General Obligation or a Revenue Bond, Municipal Bonds are commonly used by state and local governments to pay for large, expensive, and long-lived capital projects.

[LINK](#)

GENERAL vs REVENUE BONDS

General Obligation (GO) Bonds generally have a lower interest rate. This is because they are backed by the the unit of government's ability to make interest and principal payments using any source of revenue available to them, including tax revenues and fees. Therefore, GOs are seen as being relatively safe, and defaults are rare.

Revenue Bonds are considered a higher risk to the bondholder. As a result, they often warrant higher interest rates. This is because if the project that a revenue bond is issued to fund cannot afford to pay the bondholder, then the issuer is not on the hook for paying the debt.

General Primary Election

We'll be choosing our parties' local candidates again soon, including county officers

—March 20, 2018

By Kevin Rund

It's that time again. Yes, we're already into the calendar of dates tied to the March primary election. That's when we'll be electing candidates to run for our county officials' seats—along with a slew of state officers and legislators.

The local government impact of this election cannot be overstated. Candidates for virtually all county officers and many county board members/commissioners will be selected, the outcome giving sway to how our counties are managed for the next four years.

And as with each election, questions of public policy can be on the ballot. They might be simply advisory in nature, but they can just as easily impact tax rates or even establish new units of government.

As early as it seems, it's time for both candidates and voters to pay attention.

Following you'll find the list of candidates to be nominated in this primary—to run for election in November.

TO BE NOMINATED

- Governor/Lieutenant Governor
- Attorney General
- Secretary of State
- Comptroller
- Treasurer
- Representatives in Congress - All 18 Districts

- State Senators (for four-year terms): Districts: 2, 3, 5, 6, 8, 9, 11, 12, 14, 15, 17, 18, 20, 21, 23, 24, 26, 27, 29, 30, 32, 33, 35, 36, 38, 39, 41, 42, 44, 45, 47, 48, 50, 51, 53, 54, 56, 57, 59
- Representatives in the General Assembly - All 118 Districts
- Sanitary District Commissioners/Trustees (Prairie DuPont Levee & Sanitary District Candidates file with SBE)
- County Clerks
- County Treasurers
- County Sheriffs
- County Assessors
- Members of Board of Review (in counties with elected boards of review, including Cook County)
- Regional Superintendent of Schools
- County Commissioners (Counties not under township organization)
- County Board Members (Counties under township organization)
- Judges (Additional Judgeships if required)
 - ◊ Supreme Court Judges, Vacancies will be filled
 - ◊ Appellate Court Judges, Vacancies will be filled
 - ◊ Circuit Court Judges, Vacancies will be filled
 - ◊ Resident Circuit Court Judges, Vacancies will be filled
 - ◊ Subcircuit Judges, Vacancies will be filled

For information and deadlines on local elections, visit with your county clerk.

[LINK](#)



Important dates governing general primary election

County candidates and questions of public policy will be on the line come March 20, 2018

The dates below represent only some of the important deadlines that must be met by candidates, governing boards and voters in the run up to next year's general primary. Keep watch on your local candidates, and on questions of public policy affecting your local units of government.

For more complete election information, visit the [State Board of Elections](http://www.elections.illinois.gov/) website or download the PDF version of Illinois' *General Primary Election Calendar* at <http://www.elections.illinois.gov/Downloads/ElectionInformation/PDF/2018ElectionCalendar.pdf>

DATE	FILING/PUBLICATION
Monday Nov. 20, 2017	Last day notice of intention to file a petition to create a political subdivision, whose officers are to be elected rather than appointed, may be published in a newspaper within the proposed political subdivision, or if none, in a newspaper of general circulation within the proposed territory. (Begins October 19.) [10 ILCS 5/28-2(g)]
Monday Nov. 20, 2017	Last day to file petitions (must contain original sheets signed by voters and circulators) to create a political subdivision. [10 ILCS 5/28-2(b)]
Monday Dec. 4, 2017	Last day candidates of established political parties may file original nomination papers (must contain original sheets signed by voters and circulators). Includes candidates for county offices. (Begins November 27.)
Monday Dec. 18, 2017	Last day for filing petitions (must contain original sheets signed by voters and circulators) for referenda for the submission of questions of public policy (local). Objections to petitions for local referenda are filed with the same officer in which the original petitions were filed. (10 ILCS 5/28-2(a), 28-6, 28-7)EXCEPTION: Proposition to create a political subdivision,
Tuesday Dec. 26, 2017	Last day to file objections to petitions for the submission of questions of public policy (local). Objections to petitions for local referenda are filed with the same office that has the original petitions. (10 ILCS 5/10-8, 28-4)
Tuesday Jan. 2, 2018	Last day for local governing boards to adopt a resolution or ordinance to allow binding public questions to appear on the ballot. [10 ILCS 5/28-2(c)] Last day for County, Municipal, School, Township and Park Boards to place advisory referenda on the ballot by resolution. (55 ILCS 5/5-1005.5; 60 ILCS 1/80-80; 65 ILCS 5/3.1-40-60; 70 ILCS 1205/8-30; 105 ILCS 5/9-1.5; 10 ILCS 5/28-2 (c); 55 ILCS 5/2-3002; 60 ILCS 1/30-205)
Wednesday Jan. 17, 2018	Last day for candidates of established political parties to file withdrawal of nomination papers in the office of the county clerk. (10 ILCS 5/7-12(9), 7-14)
Monday Mar. 12, 2018	Last day for the election authority to publish a notice of any question of public policy to be voted upon within the jurisdiction.
Tuesday Mar. 20, 2018	GENERAL PRIMARY ELECTION Polls open 6:00 a.m. - 7:00 p.m.

Water Supply Districts

An overview provided by the U.S. Census Bureau

Illinois general laws authorize the following types of water supply districts:

- Public water districts
- Water authorities
- Water service districts

Public water districts provide water supply and sewerage services.

These districts may be created in contiguous areas of not more than 500,000 in population. The districts are created by the circuit court upon voter petition and after a hearing and referendum.

A seven-member board of trustees is appointed by county, municipal, or township officials depending on the area within the

district. If the district includes area in two or more counties, board members are selected by each county in proportion to population.

The voters may petition for a referendum to convert to an elected board.

These districts may fix water rates and rentals, issue revenue bonds, and with voter approval, levy a property tax.

Water authorities to provide water supply services serve any contiguous area. The authorities operate under provisions similar to those for public water districts except that voter approval is not required to levy property taxes.

Water service districts to provide

water supply may be created outside the corporate boundaries of any municipality. The districts are created upon voter petition to the circuit court judge and after hearing and referendum.

A three-member district board of trustees is appointed by the presiding officer of the county governing body.

If the district includes area in two or more counties, board members are selected by each county in proportion to population.

The district board may levy property taxes, impose charges for water service, and with voter approval, issue bonds.

LINK

2018 Specialty Growers Annual Conference:

Specialty Crops, Agritourism and Organic

The annual Illinois Specialty Crops, Agritourism, and Organic Conference will be held at the Crowne Plaza in Springfield, Illinois on January 10-12, 2018.

The conference is geared toward farmers and agribusiness professionals of fruits, vegetables, herbs, those who have agritourism businesses, and those who grow conventionally as well as organically.

On Wednesday, January 10, the conference will open with five pre-conference, all-day workshops on (1) High Tunnels; (2) Growing and Marketing Pumpkins;

(3) Food Safety Training; (4) Social Media and Marketing; and (5) Legal and Labor Issues for Specialty Crop Growers.

In addition, there will be special sessions on Specialty Crop Issues and the New Farm Bill, Weather Data Available for Illinois Specialty Crop Producers, and Farmers Market Association Vendor Boot Camp.

There will be 60+ vendors showcasing products from vegetable

seed, containers and packaging, jams and jellies, bakery items, crop protection products, and much more. This annual event attracts an average of 650 attendees and is the premier conference in the state for the specialty crop industry. An agenda and online registration can be found on the ISGA web site, <http://www.specialtygrowers.org/iscaoc-conference.html>. Any questions can be directed toward Jim Fraley, jfraley@ilfb.org.

LINK

