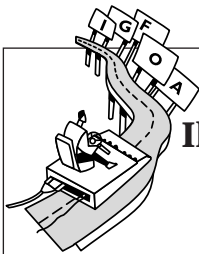




Communiqué



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Legislative Roundup

Legislation passed by the Illinois General Assembly that may be of interest to IGFOA members is summarized here and on pages four and five, gathered from information provided by the Illinois Municipal League. Items marked with ★ were supported in IGFOA's 1997 *Recommended Legislative Policies*.

Tom Kuehne (630-543-4100) and Marty Lyons (630-434-5528) will chair the 1998 Legislative Committee. Please call them with input or ideas.

HB 45 Homestead Improvement Exemption Increase PA 90-0186

Amends the Property Tax Code to increase the maximum homestead improvement exemption to \$45,000 beginning January 1, 1998. Effective immediately.

HB 468 Reduce Rate on Telecommunications Tax PA 90-0357

Allows a municipality that has imposed a telecommunications tax and whose territory includes part of another unit of local government or school district to exempt the unit of local government or school district from the tax, and to reduce

continued on page four

Member News

Susan Hoster-Suggs joined the Bolingbrook Park District as Business Manager. Susan previously served as Finance Director of the Orland Park Fire Protection District.

Larry Rankins has joined PMA Financial Network, Inc. as Vice President. He can be reached at 630-898-0078.

Many thanks to **Sue Griffin** of Lake Bluff, who spoke at a newly-elected officials session held by the Lake County Municipal League.

Larry Maholland is the City of St. Charles' first City Administrator. Larry served St. Charles as Director of Finance and Administration for the past 15 years.

Bonnie Owens was appointed Village of Westmont Finance Director.

Cindy Bowman is the new Finance Manager for the Village of Lyons.

Kathy Thomas is setting up a Chicago office for the financial advisory firm of Evenson Dodge, Inc. and can be reached at 312-214-9114, 70 W. Madison Suite 1400, Chicago, IL 60602.

Leticia Peralta Davis is proud to announce that her company is now doing business as Davis Financial, Inc., providing advice on debt financing. A newly registered investment advisor, DFI is located at 175 West Jackson, Suite A1859, Chicago, Illinois 60604, 312-461-0120.

Best wishes to all in their new ventures!!



Communiqué is the membership publication of the Illinois Government Finance Officers Association. For more information, phone 630-629-1460.

Electronic Federal Tax Payments Update

Employers who deposited more than \$50,000 in employment taxes in 1995 are required to make depository tax payments by electronic funds transfer beginning in 1997. Tax payments to be made electronically include those made with Forms 940, 941, 945 and 1120, among others. Initially employers were required to begin making tax payments electronically January 1, 1997. Those employers who failed to do so would be subject to penalties. Tax legislation changed the mandatory effective date to July 1, 1997. **Now the mandatory effective date has been further postponed to January 1, 1998.**

Please note that the law requiring electronic funds transfer has not been repealed. There has only been a postponement of the date on which the IRS will begin imposing penalties for non-compliance. In the meantime, if you are not already enrolled in the new electronic filing program, you should do so. The enrollment and acceptance process can take up to ten weeks to complete. Take advantage of the grace period to become familiar with EFTPS and to set up your procedures to use the new system. After December 31, 1997, you will be penalized if your payments are not made properly.

To enroll, you must complete Form 9779, EFTPS Business Enrollment Form. If you have not already received a pre-printed form from the IRS, please contact us for a blank form. On the form, you will be required to choose a method for processing your tax deposits. The two choices are "ACH Debit" or "ACH Credit." Under the Debit system, you must authorize the government's financial agent to withdraw funds from your bank system. The authorization may be done via computer modem or through a telephone call. Once you initiate the payment instruction, the agent is responsible for processing the

payment. Under the Credit method, you must contact your own bank and instruct it to route the funds to the U.S. Treasury.

If the payment is not processed properly, you will be held responsible by the IRS. If you are interested in using the Credit method, contact your bank to verify whether it will provide the ACH Credit service and what fee it will charge, if any.

Provided by Irwin Lyons, Miller Cooper & Co., Ltd; 847-205-5000.

IGFOA member mourned

IGFOA sadly reports that Bob Sterkowitz, Finance Director of Westmont for the past 15 years, passed away on Monday, August 18.

Bob was a Past President of the Chicago Metro Chapter and active in the Career Development and Legislative Committees. Our thoughts and prayers go out to Bob's family and friends.



Instituting it: Attendees at the 1997 Illinois Government Finance Officers Institute.

Welcome to IGFOA's New Members

Jay M. Bahr, Associate, *Trkla, Pettigrew, Allen & Payne, Inc.*

John Bibeau, Associate, *Mulchay, Pauritsch, Salvador & Co. Ltd*

Cindy Bowman, Finance Manager, *Village of Lyons*

Patsy Campbell, Business Manager, *Jackson Co. Health Dept.*

James Chambers, *City Clerk/Budget Officer, City of Murphysboro*

Susan Christensen, *Principle Account Clerk, City of McHenry*

Todd Dalaska, *Vice President, Insight Investment Management*

Wendy Gregoria, *Finance Director, Village of Lakewood*

Chris Meier, *Admin. Services Coordinator, Arlington Heights Library*

Mark Morgan, *Vice President, ABN-AMRO Chicago Corporation*

Victor J. Narusis, *Vice President, Firststar Bank*

Ruth Ann Phillips, *Accountant, City of Geneseo*

Joseph Stastny, *Partner, Mulchay, Pauritsch, Salvador & Co. Ltd*

Patty Thiede, *City Treasurer, City of Edwardsville*

Shirley Williams, *Business Manager, Fountaindale Public Library Dist.*

New Illinois Certified Government Finance Officers!

Congratulations to Brian Caputo, Village of Mount Prospect; David Richardson, Village of Streamwood and Peter Stefan, City of Wood Dale, who have joined the Certified Government Finance Officer ranks.



Job Openings

Village of Elk Grove – Accounting Supervisor

Maintain financial records, compile journal entries, close books and prepare reports. Verify expenditures and budgets. Supervise Acctg. Clerks. Knowledge of Governmental Accounting. GAAP preferred. Completion of college level course work in Acctg. or Bus. Admin. One year supervisory experience required. Apply: Village of Elk Grove, 901 Wellington, Elk Grove Village, IL 60007. EOE

Bensenville Park District – Controller

Responsible for all accounting functions, payroll, A/P, A/R, G/L, insurance administration, fixed asset records. Supervision of one full-time and two part-time staff. Reports to Director. Qualifications: B.A./B.S. in Accounting, Business or related field. Computer experience a plus. \$35,000 to \$42,000 DOQ. Closing date October 17, 1997. Contact Bill Grady, Bensenville Park District, 1000 W. Wood Street, Bensenville, IL 60106; 630-766-7015.

City of Albion, Michigan – Deputy Treasurer

Supervises general accounting, accounts payable/receivable and utilities billing. Assists with treasury and budget functions, property tax, income tax, audit preparation and budget performance management. Requires BA/BS in accounting, finance, public administration or related field, and minimum two years experience in financial operations. Experience with MS Excel and Word a plus. Residency required within six months. Salary \$40,000 to \$45,000. Submit resume by September 26, 1997 to: Human Resources Director, 112 W. Cass Street, Albion, MI 49224.

Village of Westmont – Accountant

Under general direction of the Finance Director, independently performs professional accounting work in the recording of village financial transactions; including, but not limited to, the preparation and maintenance of general ledger, expense reports, revenue reports and balances; collects and analyzes financial data to prepare reversing adjusting and closing entries. Starting salary for position is \$33,896, plus excellent fringe benefits. No phone calls please. Applications can be picked up and should be returned no later than Friday, September 19, 1997 to: Personnel Officer, Village of Westmont, 14 S. Lincoln Street, Westmont, IL 60559. EOS M/F/D

Get it?

Did you get your 97-98 Member Directory?

If not, call IGFOA today. And if you did, be sure to check out the Peer Resource Section and new Financial Services Directory!

Evaluating Local Government Financial Health — Booklet is available

Evaluating Local Government Financial Health: Financial Indicators for Cook, DuPage, Kane, Lake, McHenry and Will Counties is now available from The Civic Federation of Chicago.

The first publication of the federation's Financial Indicators Project organizes indicators around six areas: 1) quality of reporting; 2) liquidity; 3) cash solvency; 4) budgetary solvency; 5) financial stability; and 6) risk factors.

Forthcoming volumes will evaluate the financial condition of select municipal governments, school districts and special districts in the Northeastern Illinois region. If you would like a copy of the executive summary, the full edition or both, please contact The Civic Federation at 312-341-9603.

Handouts available

Handouts from 1997 seminars are available from IGFOA for a handling and shipping charge of \$15.

Call IGFOA at 630-629-1460 for Illinois Public Pension Institute, Illinois Public Finance Law, Payroll 101 or Banking Services Seminar materials.

Legislative Roundup

continued from front page

or exempt rate of the tax for persons 65 years of age or older. Effective 1-1-98.

HB 1384 Village Library Tax Extension PA 90-0339★

Amends the Property Tax Extension Limitation Law. Upon written request of the corporate authority of a village, the county clerk shall calculate separate limiting rates for the library funds and for the aggregate of the other village funds in order to reduce the funds as may be required by this Law. Effective immediately.

SB 815 Safe Drinking Water Revolving Loan Fund PA 90-0121

Creates the Public Water Supply Loan Program to be administered by the Environmental Protection Agency to provide financial assistance to local government units in development of public water supplies. Effective immediately.

HB 748 Wheel Tax for Interstate Trucks PA 90-0433

Amends provisions of the Vehicle Code prohibiting a municipality for county from imposing a tax or license fee upon vehicle owners of interstate trucks. It declares ordinances enacted by counties and municipalities that are inconsistent with the prohibition to be null and void. It also provides that no county, city, village, incorporated town, or other municipal corporation, including a home rule unit, may impose a tax or license fee upon any commercial vehicle that is registered under the provisions of the Vehicle Code concerning proportional registration. Will result in a loss of revenue to certain home

rule municipalities and counties currently imposing this tax or license fee. Effective immediately.

SB 225 Volunteers Issuing Parking Tickets PA 90-0181

Amends the Vehicle Code to provide that a chief of police of a municipality and a sheriff of a county may appoint volunteers or contract with public or private entities to issue citations to individuals who violate statutory provisions or ordinances dealing with parking privileges for disabled persons. All funds collected as a result of the payment of the parking violations are paid to the municipality or county where the notice is issued. Under this bill, the volunteer or entity assumes all liability for willful and wanton misconduct, and

Legislative Measures Vetoed:

HB 585	Single-Factor Sales Formula
HB 601	State Auto Leasing and Use Tax
HB 623	Homestead Improvement/Catastrophic Event
HB 1337	New Employees Reporting Requirement
HB 1347	Surviving Spouse Health Insurance
SB 194	Police/Firefighter Worker's Compensation Benefit
SB 374	Convert Tax on Leased Equipment from Sales to Lease Tax
SB 843	Restrictions on Tort Immunity on Public Property

the property owner and his agents and employees are harmless from any and all claims of action resulting from the work of the volunteer or entity.

SB 454 Municipal Violation for Expired State License Plate PA 90-513

Amends the Vehicle Code to provide that the provisions of the code shall not be deemed to prevent local authorities from enforcing provisions concerning displaying expired registration plates and stickers or a similar local ordinance. Allows local fines up to \$25. Revenues derived from the issuance of citations for these violations shall be deposited into the municipality's general fund. Effective 8-22-97.

HB 1174 Hazardous Materials Response Reimbursement PA 90-0467

In order to receive reimbursement under the Hazardous Material Emergency Response Reimbursement Act, the applicable cost of supplies must exceed 2% (instead of 5%) of the emergency response agency's annual budget. Effective immediately.

HB 307 Equipment and Wheel Tax Violations/License Suspension/Traffic Control Agreements PA 90-0145

Allows municipalities to report unsatisfied municipal wheel tax payments and equipment violations to the Secretary of State, along with existing parking tickets reported so that an accumulated ten violations could result in the loss of a driver's license.

SB 574 Home Rule Administrative Adjudication for Non-Moving Violations PA 90-516 ★

Provides that a home rule municipality may provide for a system of administrative adjudication of violations of certain municipal ordinances. Sets powers and qualifications of hearing officers. Provides for notice and opportunity for hearing at administrative proceedings. Provides that rules of evidence do not apply in an adjudicatory hearing. For judicial review of administrative decisions, allows the municipality to enforce judgments of hearing officers, and provides that existing systems of administrative adjudication shall not be affected. Effective 1-1-98.

SB 594 Public Officers Conflict of Interest PA 90-0364

Amends the Public Officer Prohibited Activities Act and the Illinois Municipal Code to provide: 1) If a member of a governing body may have a 1% ownership interest in an equity providing materials or services to the governing body if the member publicly discloses the interest before or during deliberations of the contract; 2) that a municipal officer is not deemed interested in a company if the officer is an employee of or owns or holds and interest of 1% or less, or both, in the officer's individual name in a company that is involved in the transaction of business with the municipality and that company's stock is traded on a nationally recognized securities market; 3) that a municipal officer is not deemed interested in a company if the officer owns or holds an interest of 1% or less, not the officer's individual name but through a mutual fund, in a company, that company is involved in the transaction of business with the municipality, and that the com-

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pany's stock is traded on a nationally recognized securities market; and 4) that any person serving on a municipal advisory panel or commission or non-governing board or commission is not prohibited (now is prohibited) from having an interest in the transaction business with the municipality unless duties include evaluating, recommending, approving, or voting to recommend or approve the business.

SB 682 Counties Code Audit Requirements PA 90-0350

Requires the county board, beginning in fiscal years ending in 1999 and all fiscal years thereafter, to cause an audit of the office of the circuit clerk to be made annually at the close of the county's fiscal year by a licensed public accountant, and provides that a listing of applicable legal requirements shall be complied by the Administrative Office of the Illinois Courts and made available to auditors for their compliance testing.

HB 322 Local Government Road Improvements Impact Fee Provisions PA 90-0356

Defines "land use" assumptions for road improvement impact fees that affect the level of traffic within the service area over a 20 (instead of ten) year period.

HB 524 Enterprise Zone and TIF Overlap Territory PA 90-0258

Provides that if property is located in a redevelopment project area and an enterprise zone, then the enterprise zone abatement of taxes shall not be available on the property located in the redevelopment project area, except that no business enterprise, expansion, or individual that has constructed a new improvement or renovated or rehabilitated an existing improvement and has received a property tax abatement on the property shall be denied any benefit previously extended.

HB 1048 Special Service Area PA 90-0299

Provides that if at least 30% of the roads in a municipality are not owned or controlled by the municipality and those roads provide access to emergency vehicles, then the municipality may propose a special service area for their repair, maintenance, and reconstruction.

SB 103 Single Special Assessment PA 90-0480

Creates the Special Assessment Supplemental Bond and Procedure Act to provide supplemental authority regarding the procedures for the making and payment of local improvements by special assessment and the issuance and sale of obligations payable from the special as-

sessments. Provides that multiple local improvements may be combined under one special assessment project. Combining improvements under one special assessment project shall not be a ground for objection to the special assessment proceeding, and any combination of improvements in a local contiguous area may be placed in one special assessment project. Defines a local contiguous area as an area where all of the lots will be benefited by at least one of the proposed improvements. Effective immediately.

SB 371 Liens in Special Service Area PA 90-0218

No lien shall be established against any real property in a special service area nor shall a special service area create a valid tax prior to recordation of the ordinance establishing or changing the boundaries of the area. Ordinance must be recorded no later than 60 days after the date the ordinance was adopted (now 60 days after the effective date of the ordinance). Effective immediately.

SB 680 Local Government Credit Card Acceptance PA 90-518

Creates the Local Government Acceptance of Credit Cards Act. Authorizes units of local government and community college districts to accept payment by credit card. Limits the amount of fees that may be imposed. Effective immediately.

HB 23 Police/Firefighter Pension Fund Investments PA 90-507★

Adopts provisions relating to fiduciaries and investment advisers. Expands the investment authority of downstate police and fire pension funds. Creates an annual compliance fee of 0.7 basis points. Requires the municipality to provide for annual verification of the fund's assets.

HB 313 IMRF Early Retirement PA 90-0032

Makes the early retirement program available to employees of municipalities. Language contains the IML management rights clause and removes the five-year limitation on when the program can be offered again. The unfunded liability must be paid off before using this option another time.

HB 593 Police Pension Fund Portability PA 90-0460

Amends the Illinois Pension Code to allow active members to transfer credits between downstate police pension funds. Requires payment of any resulting additional cost to the fund by the police officer. Allows chiefs who have elected to participate in IMRF to rescind that election until January 1, 1999 and trans-

fer certain credits back to the police pension fund. Effective immediately.

SB 665 IMRF Military Service Credit PA 90-0448

Allows IMRF members to receive up to 24 months of credit for military service not preceded by employment upon payment of the corresponding employee and employer contributions plus interest; requires employer approval. Authorizes IMRF to offer members deferred compensation and tax-deferred annuity programs.

SB 476 Child Labor Law/Hours Worked PA 90-0410

Provides that the Child Labor Law does not apply to the work of a 14 or 15 year old minor in a program organized and supervised by a park district with a population of less than 500,000. Adds provisions regarding the permitted working hours of minors over 14 who are employed by park districts or municipal parks and recreation departments.

HB 652 Abolishment of Nonpartisan Elections in November PA 90-0358

Abolishes the nonpartisan election held on the first Tuesday after the first Monday in November of odd-numbered years. Immediate effective date.

HB 1147 Telecommunications Municipal Infrastructure Maintenance Fee PA 90-0154

Allows the governing body of a municipality to impose an infrastructure maintenance fee on telecommunications retailers by ordinance or resolution in an amount not to exceed (1) in a municipality with a population of more than 500,000, 2% of all gross charges to service addresses in a municipality and (2) in a municipality with a population of 500,000 or less, 1% of all gross charges to service addresses in the municipality. Preempts home rule. May impose a municipal infrastructure maintenance fee if the municipality (1) waives its right to receive all fees, charges, and other compensation under all existing franchise agreements or the like with telecommunications retailers during the time that the municipality imposes a municipal infrastructure maintenance fee and (2) imposed by ordinance (or other proper means) a municipal infrastructure maintenance fee that becomes effective no sooner than 90 days after the municipality has provided written notice by certified mail to each telecommunications retailer with whom the municipality has an existing franchise agreement, that the municipality waives all compensation under such existing franchise agreement.



Illinois GFOA
P.O. Box 1088
Lombard, IL 60148

Inside:
Legislation that Affects You



Fall Calendar of Events

South Metro/Career Development – Internal Controls

Friday, October 3 • 9:00 am to 1:00 pm – Orland Park Village Hall
Call IGFOA at 630-629-1460 for details and registration

Women's Network

Friday, October 10 • Noon • Location to be announced
Call IGFOA at 630-629-1460 to receive the meeting announcement

Chicago Metro Breakfast Meeting – Mentoring

Friday, October 17 • 7:30 am – Radisson, 75 W. Algonquin Road, Arlington Heights
Call Pat Hector at 630-719-4717 for reservations

Career Development Seminar – Governmental Accounting

Friday, November 14 • Time and location to be announced

Chicago Metro – Rating Agency Expectations

Friday, November 21 • Noon

South Metro Holiday Luncheon

Friday, December 5 • Noon • Location to be announced

Chicago Metro Holiday Luncheon

Friday, December 19 • Noon • Location to be announced

Job ads for the November issue are due October 14.
Fax to 630-629-1526.

Communiqué

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