

the dispatch

members' update from the Illinois Government Finance Officers Association



It's Membership Renewal Time

Be sure to renew your membership before March 31st to continue receiving IGFOA news and member benefits!

Renew at www.igfoa.org.

Membership grew this past year

As sales taxes picked up, and local governments reaffirmed that finance professionals should be trained and involved, IGFOA membership grew in 2013.

At the same time, restructuring of member dues to a flat rate most likely made it easier for governments to have several members.

At the end of December, IGFOA membership was 840.

Introducing the new Partner Program

Recognizing that Associate Members are truly Partners

To increase opportunities for relationships and engagement between public and private sectors, IGFOA offers Companies new opportunities to Partner with the Association.

IGFOA members from the private sector do so much more that "associate," explained IGFOA President Scott Bordui. "Private sector members are true partners in everything the association does – working with events, serving as speakers, writing articles, volunteering and more – and this new program recognizes their involvement and contributions."

Learning Connecting Progressing

www.igfoa.org

"Governmental members have told us that they want more worthwhile interactions with private sector members," adds Jason Perry, who chairs the Partners Forum that trail blazed the formation of the new program for approval of the IGFOA Executive Board last August and presentation to the private sector members at the Annual Conference last September.

"At the same time, public sector members have wanted to step beyond sales pitches and vendor booths and make more significant contributions to the organization. This new program provides the foundation for the more meaningful engagement and dialog that everyone has been asking for." Jason and fellow 2012-13 committee members Laura Allen of Illinois Metropolitan Investment Fund (IMET), Brad Townsend of Ehlers,

Lorraine Tyson of Pugh, Jones, & Johnson Law, and Heidi Voorhees of Voorhees Associates worked through a number of options in designing the program. What they arrived at not only

provides enhanced communications, but will help Companies plan and consolidate payment for their participation in IGFOA throughout the year.

More details next page

New IGFOA Partner benefits

To recognize members who commit dollars and time to the organization at a level that befits partnership status, there are several valuable benefits to becoming an IGFOA Partner.

- 1. Increased opportunities to engage** with public sector members including:
 - a. IGFOA Conference with a booth presence, logo or name recognition in program and at sessions, events, programs, meals, etc.
 - b. Luncheon and breakfast networking events
 - c. Professional educational programs
 - d. Chapter events
- 2. Recognition and listing as go-to resource** for IGFOA members seeking speakers (new Speakers Bureau Directory) or services (existing Services Directory)
- 3. Volunteer participation** opportunities
- 4. Active engagement** with IGFOA Volunteer Leaders
- 5. Online branding and recognition**
- 6. Presentation of content** for IGFOA publications

Fiscal year 2013 wrapup

Revenues were up, expenses were down

The IGFOA had budgeted a \$40,730 draw down to finish the fiscal year ending June 30, 2013. **Instead, it had a net income of \$20,897 for an annual positive variance of \$61,627.**

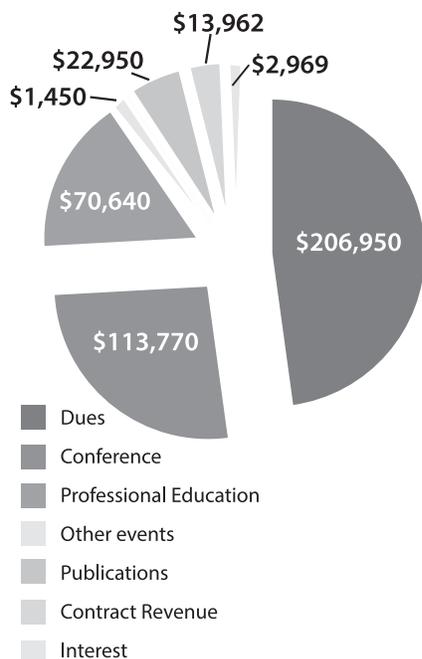
Overall revenues were \$29,775 higher than budgeted. Expenses were \$31,852 lower.

On the revenue side, dues made up a \$4,200 increase. Professional education produced a \$20,675 increase offset partially by \$7,605 expense, which still left a \$13,670 net income increase.

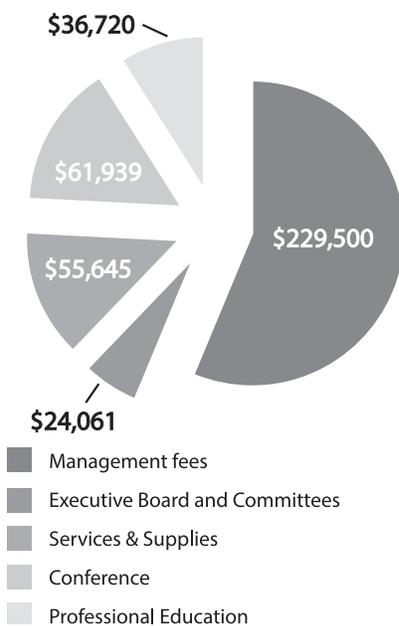
One other revenue stream that was much higher than budgeted was Publications. The \$7,465 additional income was more than 48% higher than budgeted. Publications produced this increase with only \$261 in over budget expense.

Another area of notable variance was the net \$10,700 saving in Conference expense. While Conference revenue was down \$4,310, a \$14,911 decrease in expenses more than made up for this.

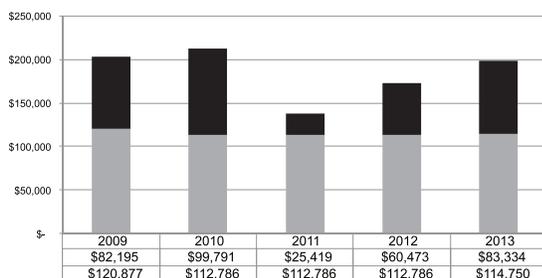
IGFOA FY13 Revenue Sources



IGFOA FY13 Expenses



IGFOA Equity



IGFOA Special Reserve policy is to reserve the equivalent of 50% of the annual management fee (staff and overhead costs) for the association.

New Partner Program

continued from front

New IGFOA Partner fee structure

Each partnership level has the following corresponding fee structure, which will replace both the current dues structure and Annual Conference booth exhibit fee. Participation in events is no longer à la carte, freeing Partners from solicitations. IGFOA Partner membership levels are:

- **Sustaining Partner**
\$4,800/year (includes 2 individuals, Conference and booth, and Chapter sponsorships)
- **Associate Partner**
\$2,500/year (includes 1 individuals, Conference and booth, with Chapter sponsorships for an additional fee)
- **Exhibit Booth Fee (Non-Partner)**
\$1,650/booth/annual conference

In addition to creating the Partner Program, the IGFOA Executive Board chose to retain an individual associate membership category with simple listing in directory for dues of \$550. Businesses/organizations electing not to become an IGFOA Partner will continue to be able to participate in activities at the IGFOA non-member rate and exhibit at the IGFOA Conference at the non-partner booth rate.

Chapter benefits

A portion of the IGFOA Partner membership fee will go to the Chapters. This means they will receive funds to allocate to events and Partners will be recognized at each Chapter event – without the hassle of soliciting sponsorships every year.

IGFOA will continue to ensure that the ethical standards to which we are all committed to under the Code of Conduct are followed. Partner sponsors of events will be recognized, but will not deliver advertorials about their companies or services.

Find full information on the Partner programs and benefits at http://www.igfoa.org/m_as-socmem.html

Or email IGFOA Executive Director Marianne Shank at mshank@igfoa.org or phone the IGFOA office at 630-942-6587.

All about IGFOA webinars

IGFOA is licensed by NASBA to deliver both Group Live (in-person) and Internet Based (on-line) Continuing Professional Education credit. IGFOA webinars are broadcast over a secure web site and audio conferencing service to your desk. To participate in an IGFOA webinar, you will need a computer or device with a Web browser to view the presentation and a phone to hear the presentation. A few days before each webinar, registrants will receive e-mailed instructions with the secure log-in and conference call number, along with course materials.

To receive CPE credit, individuals must attend the webinar in its entirety and complete at least 80% of the participation monitoring tools during the webinar. Participation monitoring tools may include, but are not limited to:

- ◆ Response to audio role call
- ◆ Response to an on-line role call
- ◆ Response to on-line poll
- ◆ Chat response to specific verbal question or instruction during the webinar
- ◆ Answer to a specific question via email when requested during the webinar
- ◆ Provide a passcode during the webinar

IGFOA First Thursday Webinars

Delivered to your desk!

IGFOA offers webinars the first Thursday of each month (except January and July) on hot topics and best practices in Illinois government finance.

Upcoming 2014 Webinars:

March 6, 2014:

Municipal Bankruptcy – Can it Happen in Illinois? and Recent SEC Enforcement Actions

April 3, 2014:

Hot Topic in Illinois Local Government Revenue

May 1, 2014:

Hot Topic in Illinois Local Government Budgeting

June 5, 2014:

Illinois Public Pensions Hot Topics

August 7, 2014:

Hot Topics in Illinois Government Finance

September 4, 2014:

Productivity Tips for using Microsoft Office in the Finance Department

October 2, 2014:

Best Online Practices to Prevent External Fraud

November 6, 2014:

Records Retention and FOIA

December 4, 2014:

Hot Topics in Illinois Government Finance

Fees

IGFOA Member Choice Access: \$250.00

save \$25 off individual webinars

Register for 5 Webinars of your choosing (register by July 31, 2014)

Individual Webinar Fees:

\$55 for IGFOA members

\$70 for each non-member from an IGFOA member government (public sector)

\$100 for each non-member

Earn CPE from your desk – sign up today at www.igfoa.org!

Learning Connecting Progressing

Thanks to the Conference Program Team for 2013 led by Laura Allen, IMET and Mary McGuire, Arlington Heights Park District

Conference recap

by Laura Allen, Executive Director, IMET

A warm thank you to everyone who attended the 2013 IGFOA Conference at the Bloomington Normal Marriott.

We are happy to report that survey responses say the conference was a huge success. Attendees' comments were overwhelmingly in favor of the venue and educational sessions. The quality of the GASB and hot topics sessions received high marks, and the legislative breakfast was informative and received positive comments for both format and speaker. Vendor showcase services exhibited, times available and relevance of information were highly ranked as well.

Getting to know you:

Q & A with Rita Trainor, Finance Director, Wheaton Park District

In this issue, we're focusing on Rita Trainor, a past president of IGFOA and currently Chair of the Professional Education Committee. Here are her answers to our **Getting to Know You Pop Quiz**.

1. **What motivated you to join IGFOA?**

I'd come to local government from a Fortune 500 corporation and didn't know anything about local government. I wanted to develop a professional network in the field and get access to high quality training.

2. **What value do you receive from the association?**

I got both the professional network and great training for a good price. They have been invaluable to me professionally.

3. **How has your involvement in IGFOA benefitted your government?**

The ability to know who to call when an issue arises has been huge.

4. **What is the oddest job you ever had?**

Car hop. And no, I didn't do it on roller skates, but I do know how to roller skate.

5. **What is one IGFOA service or member benefit you would like to see introduced or strengthened during your tenure?**

From my perspective, a continuation of what they have been doing and being certain to continue to reach out to younger members as well as people new to local government, even if they aren't "younger."

6. **The Twitter Challenge: In 140 characters or less motivate a new professional to join IGFOA or attend a seminar.**

If you are looking for the one resource that will provide you with professional networking opportunities, quality training and affiliation with a respected organization, IGFOA is the place for local government finance professionals to go.

About Rita Trainor: Rita is the Finance Director for the Wheaton Park District, serving as the district's chief financial officer responsible for budget, tax levy, internal and external financial reporting, all accounting responsibilities, cash management, investments, and risk management.

She has held this position since 2007, when she was recruited to overhaul the district's financial operations, reevaluate processes and systems, and implement changes. She led the conversion of the financial and related management information systems, which involved determining the district's needs, identifying and selecting vendors, negotiating contracts and planning and supervising the conversion. Prior to serving in Wheaton, she spent three years as Finance Director for the Village of Downers Grove, and ten years as Finance Director for the Elmhurst Park District.

Before launching the government finance portion of her career, Rita served in several different capacities for Centel Corporation over a nine-year period, including serving as Manager of Staff Accounting in the areas of telephone operations and financial reports, and Assistant Manager and Senior Accountant and Assistant Manager in corporate accounting. Before that, she worked as Staff Accountant for Coopers & Lybrand and A.B. Dick Company.

Rita holds an M.S. in Accounting and a B.S. in Accounting and Business Administration, both from Illinois State University. She earned her CPA designation in 1981 and her Certified Management Accountant designation in 1982, and earned the title of Certified Government Finance Officers in 1997. As an IGFOA member, she served on the Executive Board from member at large through Board President. She has been active in the Technical Accounting Review Committee, its longest continuously serving active member and a former chairman of same.

IGFOA's 2013-14 Board

President

Scott Bordui
Finance Director, Village of Flossmoor

Vice President

Scott Anderson
Director of Finance, Village of Buffalo Grove

Immediate Past President

Kim Auchstetter
Finance Director/Treasurer, Village of New Lenox

Secretary

Stephanie Rodas
Assistant Finance Director, Village of Park Forest

Treasurer

Rita Kruse
Director of Finance, Batavia Park District

Member at large

Chris Minick
Finance Director, City of St. Charles

Member at large

Brian Caputo
Chief Financial Officer/City Treasurer, City of Aurora

Member at large

Linda Dalton
Assistant Finance Director, Village of Woodridge

Downstate Chapter Representative

Gloria Osborn
Director of Finance & IS, City of Galesburg

South Metropolitan Chapter Representative

Barbara Maziarek
Finance Director, Village of Palos Park

Chicago Metropolitan Chapter Representative

Tim Sloth
Director of Finance, Village of Bensenville

GFOA State Representative

Mary Dankowski
Deputy Village Manager/Finance, Village of Park Forest

Associate Member Representative

Jason Perry
President, Azavar Audit Solutions, Inc.

Introducing IGFOA's President for 2013-14

Meet Scott Bordui

Scott Bordui, Finance Director for the Village of Flossmoor, was elected IGFOA President at the Conference. Looking forward to the year ahead, he lists his priorities as including:

- Raising awareness of IGFOA
- Increasing volunteerism
- Increasing membership
- Finalizing the new website
- Launching the new Partners Program

"I want to motivate and inspire people to get involved," he said. "There are plenty of micro-volunteer opportunities – you don't have to chair a committee to get involved and make a difference."

In his address to attendees at the Conference, he recalled his first Conference, when he knew only one member. Past presidents and active members came up to him and talked with him, making him feel welcome and leading to his involvement. He told the group, "I can guarantee that someone in this room today is at their first IGFOA Conference – and someday that person will be president of this organization. I hope my remarks will stir something in you the way that all these great IGFOA volunteers stirred something in me."

He told members that without their help, the important work doesn't get done. And he reminded them of these rewards that come from IGFOA membership:

- IGFOA can be an oasis in tough times: a professional home that's there through ups and downs
- IGFOA is brimming with knowledgeable resources: "The most brilliant minds on government finance"
- IGFOA provides a way to give back to the profession – we all have unique gifts to share
- IGFOA gives opportunities to challenge yourself for the benefit of your entity and yourself.
- IGFOA is filled with opportunities for teaching and learning
- IGFOA is a powerful resume/career builder
- IGFOA introduces all of us to friends and fellow finance professionals with whom we can take this journey.

Scott has been Finance Director for Flossmoor since 1996. Prior experience in both public and private sectors includes positions as Assistant Finance Director for the Village of Oak Park, Comptroller for a bank, and Field Examiner (auditor) with the Indiana State Board of Accounts. He has also taught accounting at the college level. He has a B.S. in Accounting from Indiana University, is a Certified Public Accountant (CPA) and is a Chartered Global Management Accountant (CGMA). Professional memberships include GFOA, the American Institute of Certified Public Accountants (AICPA) and the Illinois CPA Society.

Scott served as Chair of the Board of Trustees for the Illinois Metropolitan Investment Fund for five years and has a total of 13 years of service on the IMET Board. He has eight years of service on the IGFOA Board, and has served on several committees including in the Chair role.. He is Past President of the South Metro Chapter of IGFOA and is on the Board of the Intergovernmental Risk Management Agency. *See Scott's "Start Small" tips for volunteering in box at right.*

Save the dates: September 7–9, 2014 in Normal, IL

IGFOA is pleased to announce that Jim Glassman, Managing Director & Head Economist, JPMorgan Chase Bank, will be the keynote speaker during the 2014 IGFOA Conference, September 7th through 9th at the Marriott in Normal, IL. Save the dates!

Mr. James E. Glassman is a Managing Director with JPMorgan Chase & Co. and Head Economist for the Commercial Bank where he serves the company's bankers and the Commercial Bank's clients. He also works closely with the firm's chief investment officer, investment banking, and government relations groups.

He publishes independent research on the principal forces shaping the economy and financial markets and is a long-standing participant in the widely-followed Federal Reserve Bank of Philadelphia Survey of Professional Forecasters and the National Association of Business Economists panel of macroeconomic forecasters.

Mr. Glassman earned a bachelors degree from the University of Illinois, Champaign-Urbana, Illinois. Subsequently, he was awarded a Ph.D. in economics from Northwestern University.

Micro-volunteering: Scott Bordui's "Start Small" tips for volunteers

Here are ways to start small:

- ◆ Join a Chapter
- ◆ Get on a committee
- ◆ Join the Assistants' Network
- ◆ Help at the Conference, perhaps as a CPE Monitor
- ◆ Join the Partners Forum
- ◆ Sit in on a focus group
- ◆ Join a task force
- ◆ Teach
- ◆ Help put on a seminar or a social event
- ◆ Write an article or help with research

Home rule in Illinois: A modern controversy reignites an old debate

by Lawrence E. White, Partner, Chapman and Cutler LLP



Chapman and Cutler LLC is an IGFOA Sustaining Partner for 2014. The opportunity to present this educational article is a benefit of the IGFOA Partner Program.

For information on the IGFOA Partners Program, see the front of this newsletter or contact mshank@igfoa.org

A pitched battle over the rights of citizens to carry guns dominated much of the Illinois legislative session this past Spring. The debate was foisted on the legislature after a federal appeals court struck down Illinois' (the country's only) statewide ban on possessing a firearm in public. Despite the court ruling, some Illinois municipalities continued to limit conceal-and-carry rights. Citing Chicago's authority to regulate firearms under Illinois' home rule doctrine, Mayor Rahm Emanuel argued that the Illinois legislature should not abrogate Chicago's more stringent gun-control laws. The Mayor's position was supported by recent Illinois Supreme Court and Appellate Court decisions. These decisions state that under the Illinois home rule doctrine certain problems in which a city has a significant interest should be open to local solution, free from veto by voters from other parts of the state who might disagree with the approach advanced by the city or might fail to appreciate the local perception of the problem. Illinois Governor Pat Quinn echoed the holdings of these decisions with an amendatory veto to the conceal-and-carry legislation; the amendatory veto, among other things, would have preserved the rights of home rule units to enact future restrictions on assault weapons.

In the end, the state legislature bypassed home rule concerns by overriding the Governor's amendatory veto and adopted legislation that standardizes conceal-and-carry laws across the state. The new legislation, which relaxes gun-control standards in Illinois, does contain a minor concession to cities and villages; it allows them to modify the "assault weapons" provisions of the new law to suit local needs as long as such provisions are enacted within 10 days from the time the law takes effect. However, home rule, the great compromise between state and local governments contained in the 1970 Illinois Constitution, was pre-empted by the new law and cities such as Chicago are now left to apply a standard for conceal-and-carry of weapons that may not reflect the will of their residents and elected officials.

I. Dillon's Rule v. Cooley Doctrine

The tension between municipal and state governments has a long and storied history. Evidence of conflict concerning the rights and privileges of municipal government dates back to the mid-19th century. While state and local officials debated this topic in all regions of the country, the tension was exemplified through the treatises and opinions of two Midwestern state supreme court justices.

In 1850, John F. Dillon, a medical doctor at the age of 20, left his hometown of Davenport, Iowa, to practice his profession. However, a painful medical condition of his own left him unable to ride horseback—a requirement of being a country doctor at the time—and he changed his career path and became a lawyer. He taught himself the law while he was running a family drugstore in Davenport. By 1862 he was serving on the Iowa Supreme Court. In 1872, based on his unprecedented research on the topic, Dillon published his first edition of *Commentaries on the Law of Municipal Corporations*, a treatise that would lay the groundwork for settling the debates of the future as to the powers of local government relative to the state.

Dillon's findings, as set forth in the seminal case on the topic, *City of Clinton v. Cedar Rapids & Mo. River R.R.*, decided by the Iowa Supreme Court in 1868, are known to this day as "Dillon's Rule." Dillon's Rule stands for the premise that cities and villages owe their origin to, and derive their powers wholly from, their state legislatures. The holding in *Cedar Rapids* states that the legislature creates the powers of local government, and consequently it may rescind them. The court further noted that while the chance is quite remote, a state legislature could, by a single piece of legislation, sweep from existence all of the cities and villages in its state.

In 1868, the same year as Dillon's eloquent opinion on the matter, Thomas M. Cooley, a former professor of law at the University of Michigan and Michigan Supreme Court Justice, published his own treatise concerning the powers of municipalities. The book, *Constitutional Limitations Which Rest upon the Legislative Power of the States of the American Union*, went through six editions by 1890 and has been referenced as the best-known legal treatise in the late 19th century. Cooley's treatise argued that local government (in the form of towns and counties) should have and does have greater autonomy than other state-created municipal corporations because such municipalities represent a collective of people who are united by location and community ties, a bond not found in state-created municipal corporations.

In 1871, soon after the first edition of his treatise was published, Cooley and the Michigan Supreme Court staked out a different and opposite position from Dillon and the Iowa Supreme Court with respect to local government rights. In *Leroy v. Hurlbut*, the Michigan court found that each city operated under the protection of certain fundamental principles

which no power in the state could override or disregard. The court added that local government is a matter of absolute right and the state cannot take such rights away. Further, the court stated that it would be “the boldest mockery” to say a system of government meets the requirements of constitutional freedom where it is equally permitted to give people full control of their local affairs, or no control at all.

By the mid-1800s, most state courts had heard cases concerning the extent to which state legislatures could control municipal government, with differing results. Some state courts outside of Michigan adopted Cooley’s idea of inherent right to self-government, while others adhered to some form of Dillon’s Rule. The uncertainty regarding local government powers as they related to those of the state was firmly settled by the U.S. Supreme Court in favor of Dillon’s position. In 1891, the Court in *Merrill v. Monticello* reversed an Indiana decision on the subject of powers of local government. The Supreme Court, quoting Dillon, stated:

It is a general and undisputed proposition of law that a municipal corporation possesses and can exercise the following powers and no others: First, those granted in express words; second, those necessarily or fairly implied in or incident to the powers expressly granted; third, those essential to the declared objects and purposes of the corporation—not simply convenient but indispensable. Any fair, reasonable doubt concerning the existence of power is resolved by the courts against the corporation, and the power is denied.

The Court’s opinion and the temporary resolution of the state-city conflict had a chilling effect on local authorities. As a result, state governments were able to provide a substantial, although not always successful, check on local governments.

II. The rights of cities and villages in Illinois

In the mid-19th century many political leaders in Illinois, like many of their counterparts in other states, believed that local municipalities had too much decision-making power. Some unfortunate cities and towns entered into risky, ill-fated public works projects, such as subsidies for private railroads, that left taxpayers and local officials struggling to pay debts. Leading into the 1870 Illinois Constitution Convention, Dillon’s Rule was popular among local Illinois politicians—many of whom served as constitutional delegates—as a way to provide oversight to local communities who on several notable occasions had abused the privilege of unbridled local government spending. As a result, Dillon’s Rule was firmly embedded in the 1870 Illinois Constitution.

Over the next 100 years, however, the views of many local officials in Illinois shifted towards a strong preference for more local control. In the very early part of the 20th century, notwithstanding the *Merrill* decision by the U.S. Supreme Court, Illinois, and many other states, began to limit legislative authority to enact local laws. The intent of these restrictions was to limit the legislature’s ability to unduly interfere in a municipalities’ local affairs. Problematically, the state did not make corresponding amendments to its constitution that would grant stronger powers to local governments to address matters of local concern. Consequently, local governments lacked the authority to create laws applicable to their own affairs. By the 1940s, the rigid restrictions of the 1870 Illinois Constitution had resulted in an almost complete inability of large municipalities to police their populations. Chicago, for example, could not create licensing fees, allocate tax revenue, or enforce city criminal ordinances without fear of judicial invalidation at the appellate level.

Perhaps recognizing the need to grant stronger powers to certain local governments, including the City of Chicago, but faced with the rigid restrictions of Dillon’s Rule, the Illinois Constitutional Convention delegates in 1970 added a home rule provision to the new state constitution. The new provision granted significant authority to certain types of cities and villages through the creation of home rule units. Once a municipality became a home rule unit, the state constitution gave local governments a large degree of control over its “local government and affairs,” including the powers to tax, to license, and to incur debt. Under the 1970 Constitution, local government units in Illinois can gain home rule status in two ways. First, any Illinois county with an elected chief executive officer (currently, this is only Cook County), or any Illinois municipality with a population over 25,000 automatically becomes a home rule unit. Second, any other municipality or county can elect to become a home rule unit by referendum.

Once a unit of local government gains home rule status, it is in many ways autonomous from state government. According to the Illinois Constitution, “[p]owers and functions of home rule units shall be construed liberally.” However, home rule units are nonetheless subject to limitations found in both the Illinois Constitution and statutes passed by the General Assembly that specifically indicate that they apply to home rule units. Therefore, whereas non-home rule units may only take actions specifically granted by the Illinois Constitution or the General Assembly, home rule units may take any action pertaining to their local government and affairs unless such action is specifically limited by the Illinois Constitution or the General Assembly.

About the author

Lawrence E. White is a partner in the public finance department of the Chicago Office of the law firm of Chapman and Cutler LLP.

He serves as bond counsel or disclosure counsel for many Illinois municipalities and is a frequent speaker on Illinois public finance law. He is a graduate of the University of Pennsylvania School of Law and has an undergraduate accounting degree from the University of Texas.

He resides with his family in the Hyde Park neighborhood of Chicago.

The author wishes to thank Chapman and Cutler LLP summer associate Kelly Pendergast for her research and assistance with this article. Ms. Pendergast is a 2014 J.D. Candidate at Loyola University Chicago School of Law.

continued next page

Home rule in Illinois: continued

from previous page

III. Modern permeations of home rule issues

The concept of home rule is now fully integrated into the politics and policies of Illinois. There are approximately 205 home rule cities and villages in Illinois. Of those, roughly 66 became home rule due to population and 139 have affirmatively voted to become home rule. Judge Dillon's doctrine remains intact, but Illinois, like many other states, has come to embrace Judge Cooley's beliefs in the fundamental importance of local government's authority over matters pertaining to their governance and affairs.

The debate between Dillon and Cooley and the resulting home rule provisions in the 1970 Illinois Constitution continue to shape current debates in Springfield regarding the powers of cities and villages. The controversy surrounding the conceal-and-carry law is a powerful current reminder of the ongoing debate between the state and its cities with respect to how much local decision-making should be involved in crafting laws with significant local implications, but each legislative session brings forth other interesting examples. Issues such as casinos and other forms of gaming, environmental regulation, sports stadiums, and various taxes, fees and other revenue-related items are frequently debated in Springfield under the back drop of home rule.

Many members of the legislature understandably may not fully appreciate the robust history of the state-city conflict when debating legislation influenced by such conflict, but with respect to conceal-and-carry of guns the legislature did seem to fully appreciate the two very different opinions on the matter in front of it. The final result, in the face of the unusual combination of a court-imposed deadline for establishing a constitutional conceal-and-carry law, the influence of a very powerful pro-gun lobby, and perhaps the need to have a uniform State-wide law regarding conceal-and-carry, produced legislation that bypassed home rule considerations. Consequently, Chicago and other communities were left with diminished authority to govern such matters. The result will likely meet both federal and state constitutional muster but also is in direct conflict with the expressed will of the Chicago's mayor and perhaps a majority of its residents.

The evolution of the state-city conflict in Illinois dates back more than 100 years and has been influenced by many factors, including the wisdom of prominent judges from other states and the decisions of the U.S. Supreme Court. A population shift in Illinois from an agrarian society to a large urban and suburban society also played a role leading into the Illinois Constitutional

Convention of 1970. The results of that convention, the advent of home rule powers contained in the 1970 Constitution, strike a great compromise between the state and its cities and villages. That compromise allows many municipalities great control over their local government and affairs, while at the same time recognizing that ultimately the state has final decision-making authority should it choose to exercise it. More than 40 years after the constitutional compromise, most would agree that the home rule provisions of the 1970 Constitution have been a great success.

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For information on the IGFOA Partners Program, see the front of this newsletter or contact mshank@igfoa.org

Volunteer Focus: Kathy Carr

Q & A with the Past President of Downstate Illinois IGFOA

Kathy Carr, past President of the Downstate IGFOA, takes a look back at the changes she's seen during her two terms.

What notable changes have you seen in the Chapter and the statewide organization?

With the downturn in the economy and resulting strain on budgets, IGFOA recognized the need for more regional and on-line training opportunities. Their focus and efforts in this area have been very successful – from the on-line webinars to the teleconferences held at various locations throughout the state.

How has the Chapter changed?

Adding regional coordinators has greatly enhanced Downstate Chapter member interaction and improved training opportunities which can be a challenge due to the large geographical area to be covered. In addition, monthly board meetings are conducted via a telephone conference call so that members in all areas of the state are able to participate and contribute. I believe the ease of attendance has increased the interest of members to serve as active board members.

What do you like best about being a volunteer?

Volunteering connects me with others – in my community, my children's school, with my colleagues in government finance – and helps me develop a solid support system and strengthen ties to the areas in my life that are important to me.

For what reasons have you been so generous with your time and efforts?

Giving back to the community and organizations that support me boosts my self-confidence, self-esteem and self-satisfaction. It provides a natural sense of accomplishment along with a sense of pride and positive view of life.

Has your membership and/or volunteerism helped you in your career?

Volunteering gives me the opportunity to practice important skills used in the workplace, such as teamwork, communication, problem solving, project planning, task management, and organization. It has also been a tremendous way to gain experience in the field – as it provides networking with others with common interests. The resources provided by IGFOA have been invaluable!

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2014 Illinois Public Pension Institute

Presented by the IGFOA Professional Education Committee

A full day seminar addressing advanced and current issues in local government pension management

March 20, 2014
9 a.m. to 4 p.m.
Eaglewood Resort,
1401 Nordic Rd., Itasca, IL 60143

8:30 – 9:00 a.m. Registration & Continental Breakfast

9:00 - 9:05 a.m. Welcome and Overview

9:05 -10:45 a.m.

TARC's GASB Statements 67 and 68 Discussion

Speakers: Frederick G. Lantz, CPA, Partner-in-Charge, Government Services, Sikich LLP and Brian W. Caputo, CPA, Chief Financial Officer/City Treasurer, City of Aurora

This session will focus on implementation of the requirements of GASB Statement number 67. The session will include an overview of the GASB Statements 67 & 68, review the implementation guide developed by the Technical Accounting and Review Committee (TARC), and will include an example of financial statements and related required disclosures based on a real life example so that members can fully understand the impacts of the statement on the disclosures.

Learning Objectives:

Participants completing this session will be able to:

1. Obtain a basic understanding of the requirements of GASB statement numbers 67 and 68.
2. Utilize the implementation guide developed by TARC to assist in preparing the required financial statement and note disclosures required by GASB statement number 67.

10:45-11:00 a.m. Morning Break

11:00 a.m.-12:15 p.m.

Investment Strategies: Institutional Trends in Risk Management

Speaker: Jon Willhite, Senior Vice President - Investments, Willhite Institutional Consulting Group

This session will examine a practical approach to defining and allocating a risk budget for institutional investors. Historically, pension funds have focused on return targets, forcing plans to assume high degrees of risk (volatility). This has put many plans in danger of large losses (tail-risk). Institutional investors are increasingly adopting a strategy of defining an acceptable risk level and developing an optimal portfolio to

maximize return potential for that risk. Understanding asset class correlations and allocating across multiple sources of risk can reduce tail-risk exposure and help trustees maintain a long-term time horizon.

Learning Objectives:

Participants completing this session will be able to:

1. Define risk as volatility in the return stream of a portfolio; develop policy guidelines to manage the risk.
2. Understand the value of non-correlating assets in portfolio risk management.
3. Evaluate tail-risk in a portfolio.
4. Know how to access different asset class investments and stay compliant with Illinois statute.

12:15-1:15 p.m. Lunch

1:15-2:15 p.m.

IMRF Review, Reserves, and Supplemental Contributions

Speaker: Mark Nannini, Chief Financial Officer, Illinois Municipal Retirement Fund

This session discusses “what’s new” at IMRF. It will review the services that IMRF provides to its members and discuss questions that members have posed recently. Primarily, the session will focus on municipal members’ funding and reserve accounts, focusing on the practical impacts of making supplemental contributions. The session will also focus on how GASB 67/68 impacts IMRF and the information that IMRF will provide to members to help them address the GASB pronouncements.

Learning Objectives:

Participants completing this session will be able to:

1. Have a better understanding of IMRF and services that are provided.
2. Understand the funding requirements for the members’ standpoint and be able to identify the impacts of supplemental contributions to that funding level.
3. Describe how IMRF is addressing the GASB 67/68 issue.

2:15-2:30 p.m. Afternoon Break

continued next page

2:30-3:45 p.m.

The Significance and Impact of Actuarial Assumptions and Methods for Retirement Plans

Speaker: Kathleen Manning, Consulting Actuary, MWM Consulting Group

The session will discuss the standard actuarial assumptions and methods which are employed in pension plan and retiree health / OPEB valuation disclosures and funding reports. Topics to be addressed:

- What are they and what do they represent
- How are they typically selected
- Which are the most economically significant for pension and retiree health programs,
- What magnitude of sensitivity do they have upon a program
- How are sensitivities affected by demographics
- How should program experience be reflected
- When and how often should assumptions be reviewed / changed
- How do actuarial assumptions differ between the private and public sector?
- What role should the finance officer, employer, officials and other fiduciaries take in the management of the actuarial process?

Learning Objectives:

Participants completing this session will be able to:

1. Obtain a more comprehensive understanding of actuarial assumptions and their importance for pension funds, including identification of:
 - a. What they are, what they represent, how they are typically selected
 - b. Sensitivity of impacts on funding levels and contributions
2. Identify factors indicating that an evaluation of the adequacy of current assumptions is necessary.
3. Obtain an understanding of the role that pension fund fiduciaries take in managing the actuarial process.

3:45 – 4:00 PM

Wrap-up Discussion

Register Now at www.igfoa.org

Illinois Government Finance Officers Association is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints



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Register by March 7th for lowest rates

2014 Illinois Public Pension Institute

	Advanced Regis. through March 7	Standard Regis. March 8-20
IGFOA Member*	\$175	\$210
IGFOA Government non-member*	\$215	\$260
Non-Member	\$270	\$310

* IGFOA Members are those Public Sector and Associate individuals specifically listed in the IGFOA Membership Application or Renewal. IGFOA Government non-member rate applies to staff, appointed officials, and elected officials of a government with a current IGFOA membership.

Register at www.igfoa.org

*Many thanks to
Chris Minick,
Finance Director,
City of St.
Charles and
Public Pension
Team Leader
for the IGFOA
Professional
Education
Committee for
planning and
coordinating
the 2014 IPP
Institute!*

Find out why over 98% of participants recommend the IGFOA Illinois Public Pension Institute to colleagues – consistently for the past ten years!

Cancellation Policy:

- Registrations are accepted on a first-in, first registered basis,
- Payment should be mailed in advance or made at the door,
- IGFOA reserves the right to apply non-member fee to any individual that has not paid dues for the current year.
- If you are unable to attend, please contact IGFOA at 630-942-6587 or info@igfoa.org as soon as possible,
- A \$20 cancellation fee will be charged for cancellations up to March 10, 2014. Cancellations after March 10, 2014 and no-shows are responsible for the full tuition. Registrants that cancel or fail to attend without paying the required fee will be invoiced and collection pursued in accord with the Executive Board policy on accounts receivable,
- IGFOA reserves the right to modify the agenda and/or speakers, cancel the training due to low enrollment, or to close registration if full, and
- Should IGFOA cancel an event, cancellation notice will be sent to the email address provided by each registrant and prominently posted at the IGFOA website page announcing the event.

If you have any questions regarding this seminar, cancellations, complaints, or refunds, please contact the IGFOA at 630-942-6587 or info@igfoa.org.

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800 Roosevelt Road
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There's still time...

to participate in sessions of the IGFOA Advanced Governmental Accounting and Financial Reporting Course

presented by the IGFOA Professional Education Committee

About this course: An eight-session course focused on advanced topics in governmental accounting and financial reporting for local governments. Participants may sign-up for individual sessions. The course continues twice monthly until June 2014 and is delivered to your desktop through a series of interactive webinars offered from 1:30 to 3:30 p.m.

Topics includes:

- ▶ Accounting and reporting for cash and investments
- ▶ Accounting for Capital Assets, impairments and intangible assets
- ▶ Accounting and Reporting for debt issues
- ▶ Economic Condition Reporting, the Statistical Section
- ▶ Preparing a Statement of Cash Flows
- ▶ Sales and Pledges of Receivables and Future Revenues, Accounting and Reporting for Service Concession Arrangements, Defining the Financial Reporting Entity
- ▶ Preparing a Letter of Transmittal and the Management Discussion and Analysis
- ▶ Accounting and Reporting for Pension Plans and Employer Accounting for Pensions

IGFOA Professional Education Instructors:

Frederick G. Lantz, CPA, Partner-in-Charge, Government Services, Sikich LLP
Brian W. Caputo, CPA, Chief Financial Officer/City Treasurer, City of Aurora

Intended Audience: Government finance officers, accountants, auditors and others that have completed the IGFOA Intermediate Governmental Accounting seminar or comparable course or have at least three years' experience in governmental accounting or auditing.

Register for this event on line at www.igfoa.org

Individual sessions per session fee:

IGFOA Member \$70
IGFOA Government non-member \$95
Non-Member \$120

See all the course details, CPE information and register at www.igfoa.org

Coming up

March 19:

Adv. Governmental Accounting and Financial Reporting – Accounting and Reporting for Debt issues

March 20:

Illinois Public Pension Institute
see inside

April 2:

Adv. Governmental Accounting and Financial Reporting – Economic Condition Reporting, the Statistical Section

April 3:

First Thursday Webinar Hot Topic in Illinois Local Government Revenue

April 16:

Adv. Governmental Accounting and Financial Reporting – Preparing a Statement of Cash Flows

April 24:

Internal Control & Fraud Prevention Seminar

May 1:

First Thursday Webinar Hot Topic in Illinois Local Government Budgeting

May 2:

IGFOA Executive Board Meeting and Partner Appreciation Luncheon

May 7 & 8:

Illinois Government Finance Professionals' Academy