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MINUTES

SANGAMON COUNTY BOARD PUBLIC HEARING

OCTOBER 26, 2010

The Sangamon County Board met in reconvened session on October 26, 2010 at the Sangamon County Farm Bureau. Chairman VanMeter called the meeting to order at 6:30 p.m. Mr. Montalbano gave the Invocation and Mr. Snell led the Board in the Pledge of Allegiance.

ROLL CALL

Chairman VanMeter asked the Clerk to call the roll. There were 19 Present – 9 Absent. Ms. Dillman, Mr. Fulgenzi, Mrs. Musgrave, Mr. Preckwinkle, Mr. Schweska, Mr. Stephens, Mr. Stumpf, Mr. Tjelmeland and Mrs. Turner were excused.

MINUTES

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, for approval of the minutes of October 19, 2010. A voice vote was unanimous.

MOTION CARRIED
MINUTES ADOPTED

DISCUSSION ON PROPOSED SALES TAX PROPOSITION

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, to open the floor to the public to make comments, presentations or ask questions. Only those individuals who have signed up will be recognized. The Chairman is instructed to divide the time equally for those who have signed up. Initially the time for discussion shall be limited to no more than five minutes, but can be adjusted at the discretion of the Chairman. The individual presentations are to be followed by questions and comments from the County Board. This format will provide for a well rounded discussion in a timely manner. A voice vote was unanimous.

Dave Root, Superintendent of the Williamsville School District, stated there are a couple of reasons why this initiative has come to play in Illinois. The fundamental structure of school infrastructure needs is flawed. The Legislature has given the counties the chance to decide how they want to fund construction projects by putting this on the ballot. There are six other counties who have taken advantage of this. They would be able to utilize some revenue coming from sources other than property taxes. This comes through a fundamental structural philosophical shift of how schools are funded. If there was a structural need, they would have to go to the voters to approve a property tax increase because there were never any other options. It takes about \$6,500 to educate a student in his district. The local property taxes would generate about 50% of that, and about \$3,500 comes from general State aid. If you have a building project, school districts would be able to utilize the revenue stream, through this law, to pay off existing bonds or to use it to build new projects. In their district they would be fortunate enough to abate all of their property taxes if this sales tax proposal were passed. Other districts could use this revenue source so they would not have to raise people's taxes. This issue will give the voters the chance to decide if they want to continue using property taxes to pay for school infrastructure or to use sales tax.

Mr. Root presented a video clip showing a background of how the sales tax initiative is established.

Mr. Bunch, County Board District #21, stated regardless of what you see on television or hear on the radio, they still have a rough time getting people to vote. People do have the option to just go and vote on this referendum only.

Mr. Good, County Board District #8, stated he represents the Riverton and Spaulding area and is also a private business owner in Springfield. He has lived in the Riverton area for 22 years, raised three kids in the school system, spent eight years on the school board and grew up in School District 186. Education is typically funded by property taxes along with state and federal funding. Municipalities are funded by sales taxes, property taxes and local fees. Money has been flat and slow coming. He has sat on many County Board committees that have discussed laying off deputies, no more recycling, slower snow removal, less dispatchers and a lot more. The County Board has balanced their budget without going to the taxpayers for more taxes. This is good, but it does not come without a price to the citizens of Sangamon County. If our economy does not change, the outlook does not look good. Some of us feel we will have to go to the taxpayers to ask for more revenue. It is very unlikely that voters will support any kind of tax increase in the future. We all need to work together and prioritize everyone's needs, and look for ways to restructure so we can lower costs and provide better and more efficient services. Fifteen years back business began to restructure and reorganize to make sure they were profitable and could succeed. It is now time for local government organizations to do the same.

Karen Schainker, Executive Director of Senior Services of Central Illinois in Springfield, stated they have provided a large variety of non-medical services to senior citizens for over 44 years. She presented a handout which lists some of their services. This organization consists of the people who deliver a hot and nutritious meal to a senior citizen who lives alone and is recovering from surgery or to one who has physically declined enough that just standing at the stove to warm a pot of soup becomes too much of a chore.

They have the not so pleasant job of responding to the report of a grown son who beats his 85 year old mother or of the prostitute who decides her 79 year old neighbor should pay her rent. They are also the people who transport a grandmother to her dialysis and pick up someone and deliver her to the door of the senior center everyday. They organize almost 600 active older adults to bring their skills and knowledge back to the community. She stated they are here asking that senior services be considered for funding support if the County sales tax is approved. Last year senior services supported more than 38,000 senior citizens with 280,000 contacts of service. Seniors do not like to spend money and none of us want to spend money on taxes. Please consider that the senior citizens population in Sangamon County, which is approximately 33,000 voting citizens age 60 and older, is growing larger and larger everyday due to the baby boomers coming of age and the fact that each one of us are living longer. Their service need is growing, and at the same time resources and state and federal funding is shrinking. If the second question on the referendum passes we ask that you consider the future of older adults in this county. She thanked them for considering Sangamon County's support of these very essential services provided to allow everyone the opportunity to age with dignity.

Mr. Moore, asked what their current funding source is. Mrs. Schainker stated it comes from grants, fundraisers and donations. Mr. Moore asked if they receive regular payouts from the State. Mrs. Schainker stated they are way behind.

Chairman VanMeter clarified to Mrs. Schainker that the County Board would not have the authority to allocate any portion of this to any other use except for schools. Funds used for any other purpose would have to come from a separate referendum.

Joe Goulet, Executive Director of the Sangamon County Child Advocacy Center, stated that they may have the same issues as the previous speaker. They were hoping for the possibility of some of these funds to be distributed in other manners. The Child Advocacy Center is a County agency and is housed at 1001 East Monroe Street. They coordinate investigations of child sexual abuse in Sangamon County for an average of over 300 children per year. Over 6,000 children have used their services since they have been in existence. They also administer prevention education programs for schools that have reached over 60,000 since they instituted the program over 15 years ago. With this program, they average six children per year who have reported being abused. Back in 1989 they opened with two employees, and they now have six full time employees. Everyone but himself is direct service staff. He is the only administrative staff member. They need more space so they can continue to grow. They have not been able to do additional programming because they simply do not have space. They need to double the size of the building and add a medical component. The heart of the Child Advocacy Center is the multi-disciplinary team, and their building will not accommodate them. They have really cut down on training and have tried to compensate by bringing in video conference training.

Chairman VanMeter stated that their request for funds is not the purpose of this tax. This request would have to come later on a separate referendum.

Gordon Gates, of Springfield, stated there are three people talking about various other needs of the County. He submitted that those things have to take second place to educating our kids. The people who are going to take care of our seniors are people who are in middle school and high school now. If we don't educate them they will not be able to get decent jobs, pay property taxes and will not stay in Springfield. Those other needs are all important; however, if we don't support the schools those issues are not going to exist. We would not need the fire department because this County would dry up. He realized how many entities do not pay property taxes in this area. The hospitals, colleges, the City, churches, and power plant do not pay property taxes, so all the property tax burdens falls on the homeowners. They have three choices in this town and that is to increase the burden on homeowners with property taxes, increase the sales tax or let the schools die. The first question you may get from someone interested in moving to this town is "what are the schools like?" If you don't answer "they are great" then they are not going to move here. Right now the children are being educated very well, but the facilities are suffering. There are kids in high school who eat their lunch sitting on the ground because there are not enough tables. His wife teaches at Lincoln Magnet School, and her room reaches 93 degrees through much of September. You cannot teach or work in this weather. There is also a lack of gymnasium facilities. They do not have enough facilities to meet the State mandate. If kids don't have P.E., what happens is you get obesity.

Mr. Good asked if he is speaking more towards School District 186. Mr. Gates stated he is. Mr. Good stated they spend about \$11,000 per student to educate them in District 186. In Riverton they spend about \$6,800, and they have added onto their schools to have really nice facilities. Only about 5% of the sales tax would go to Riverton and 53% would go to School District 186. Mr. Gates stated this is a County situation. If this fails, then it will fail for everyone and not just School District 186. He also pointed out that they have a very different population to educate in Springfield. He suggested to Mr. Good he is wrong if the reason for not voting for the sales tax is because the Springfield school board is doing a bad job with their money. He suggested they look at the numbers and look at the population they have to educate. They are doing the best they can do with what they have.

Jerald Jacobs, taxpayer, stated he lives in Springfield and is a civil engineer. He is asking they learn to live within a budget just as he has had to do. He stated he has already voted and had no idea what he was voting on. He does not think many of the people voting will have much of a clue what they are voting on. The first question says "shall", which means they may or may not. The decision would then have to come to the County Board to determine how much tax to levy. The second question states "if the proposition passes the County Board will have to take a look at a bigger picture and see if other items are going to be affected by the tax and if they are, then they would have to make a judgment on how much tax to levy. Somebody needs to educate the public because most people have no idea what they are voting on. He has heard a lot of talk about the property tax rate not being increased for many years, and the schools are in dire straits. He stated his property tax increases every year, and that money goes to the school system. It is a lie that the schools do not get more money every year, because they do. The problem is they do not know how to live within a budget.

Mr. Moore asked if he would be more in favor of this if the sales tax went away sometime in the future. Mr. Jacobs stated the people in Sangamon County are going to pay \$19 million more and get \$3 million back on their property taxes, and they want to sell this by saying “pass this and get property tax relief”. The numbers are not there. Unless there is property tax relief to match the increase in sales tax, he cannot vote for this.

Greg Blankenship, downstate program manager with Americans for Prosperity, thanked the school board members and County Board for allowing him to speak and for all of their public service. Americans for Prosperity is a national grassroots government watchdog organization promoting limited government, fewer taxes, accountability and transparency. They represent 1.6 million citizens nationally and have 45,000 members in Illinois alone, with many of them residing in Sangamon County. On October 19th he spoke on behalf of Americans for Prosperity and questioned the sales tax proposal. He learned a lot at that meeting, and regrettably much of what he learned will harden his opposition to the proposed sales tax increase. While there may be a need for facility upgrades in the area of schools, it has become clear that this sales tax approach is the wrong approach. If the sales tax were approved, approximately half of Sangamon County voters would be subjected to one of the countries highest sales tax rates. In Springfield it would raise the rate to nearly that of Chicago, where some of the highest rates in the country exist. He does not believe Sangamon County voters would want Chicago style politics. This would raise the sales tax rate at a time when businesses and families are still climbing out of a deep painful recession.

Mr. Blankenship stated his questions regarding overall accountability have yet to be addressed. If the referendum was to pass, and the County Board imposed the sales tax, the County Board would have no sense or responsibility for how those dollars are spent or collected. The school districts would be free to spend the money on the facilities, thus the County Board would be different than those spending the money. This maneuver avoids any responsibility and accountability on behalf of the County Board. The revenues from the sales tax would be distributed on a proportional basis. This provides little comfort to those who support the idea that taxation without representation is wrong. Those who believe it is okay to divide ones tax dollars equally, but treat taxpayers separately, are wrong. A taxing district should have oversight over the money it is taking from its constituents and those constituents should have some regress over that board. They do not need a philosophical change in how they support education. Schools are funded by local property tax owners because homeowners tend to have children, and families cluster around good schools. He also has growing concerns about double taxation. School districts claim they will use a portion of the sales tax for property tax relief and they intend to use the rest to pay off debt for projects property owners have already been taxed for. This is not an even trade. It is for these reasons and more that Americans for Prosperity request the County Board seriously consider rejecting this proposal if it is presented for a formal vote after the election.

Mr. Moore asked if he would be in favor of this if there was a proportional reduction in property taxes. Mr. Blankenship stated he would if it were one for one with no net tax increase.

Sandra Walden, from Sherman, stated she is a school board member for Williamsville School District 15, and has a letter from Roger Eddy, Superintendent of Schools.

The letter reads as follows: As I stated in our phone conversation, the intention of this legislation was simply to allow people to have a choice between funding school construction and major capital improvements with a source of revenue that reduced the reliance on property taxes. Capital improvements are costly and we all know the current system of school funding relies heavily on property taxes. In many cases, people would like to explore other options rather than property taxes in order to pay for school facilities. This law allows people, via a front door referendum, to make that choice. In Lawrence County Illinois, people recently voted to impose the 1% sales tax, and two new high schools will be funded in this alternative manner. The people in that County obviously felt it was a better way to fund the projects, rather than to increase property taxes. Actually, in one case in Lawrence County, existing bond payments for a new school built several years ago will be funded through the new sales tax and the levy for the bonds will be abated. Property taxes will actually decrease, and the burden will be shifted away from property tax to sales tax. Once again, this is an option that the people of the county involved get to decide. In my view, that is a fair way to proceed with this choice.

Mrs. Walden stated Mrs. Raftis has a handout to pass out to everyone. Everyone should also have a copy of Roger Eddy's letter, and there is a list showing what the other six counties have generated so far in revenues. Each county is listed at the top with the time, date the referendum was passed, when the tax started to be collected and amounts collected so far in those counties. Williamson County has had this the longest, and their sales tax revenues have increased in every month with the exception of the last two months. She also handed out a document showing Williamsville District 15 bond payments. They are paying off their bond referendums. The money they would get from the sales tax would be pledged to their bond payments. If a property owner pays \$4,900 for property taxes, having the sales tax revenue coming in would reduce that to \$2,000 because it will reduce the amount levied on that property.

Mr. Moore asked if it is true their district does not have to use the money to pay down property taxes. Mrs. Walden stated that they will use the money for that. Mr. Moore asked if their district could say "sorry we cannot give you a property tax reduction because we are going to build a new gymnasium" when there is another bond obligation out there. Mrs. Walden stated that is not true because they have pledged that money for bond abatements. Mr. Moore asked if she could tie the next board to this. Mrs. Walden stated she could not, but she does plan to run for re-election.

Chuck Pell, spokesperson for Citizens for Sangamon County Schools, stated that they need to look at the fundamental shift from property owners to spreading that burden. At best, they are talking about property tax reduction; and at worst, they are talking about property tax relief. There is never a bad time to start making an investment in your community, and that is exactly what this is. One of the first people to come on was the Greater Springfield Chamber of Commerce, and they very much understand the investment being made in the community, the dollars being spent, and how having a better education is going to draw business, which will increase their tax base. He looks forward to moving towards a positive result on the first question.

Ann Noble, with Stifel Nicolaus, stated she is here to follow up with a question asked of her at the last meeting regarding the detailed back up information on the school districts from the six counties who have passed the sales tax. She stated she did provide this to Mr. Venturini, and she has a list of nine districts and all the back-up tax rates from the counties in which they reside. It averages about \$.40 of property tax abatement for those districts.

Mr. Moore asked if it is true there is no guarantee that any of these school districts have to abate property taxes if this referendum passes. Mrs. Noble stated there is no guarantee other than the fact they are all elected officials and have to speak to the voters.

Mrs. Fulgenzi asked if anyone knows what the tax rates are now in those six counties where it was increased. Mrs. Noble stated she just handed out the property tax rates, but would have to get the sales tax rates individually. Mrs. Noble read the rates from a list she just obtained. Williamson County is 8 $\frac{3}{4}$ %, Cass County is 8 $\frac{1}{4}$ %, Jo Davies County is 7 $\frac{3}{4}$ %, Champaign County is 8 $\frac{3}{4}$ %, Schuyler County is 7 $\frac{1}{4}$ %, and Lawrence County is 7 $\frac{1}{4}$ %.

Tom Fitch, of Springfield, stated he owns a small business and feels he is invested in this community. He is also a board member of the Chamber of Commerce. He quoted some statistical quotes he received from a gentleman doing some work in Sangamon County to help the County develop a more proactive economic development. This information had him thinking about this broader view they all need to consider. Why would businesses want to come here when they are competing with other communities who are lining up their economic development strategies and have invested in their schools and infrastructure? How do they want to fund services in the future? Do they just want to add on incremental taxes if the need arises? That is not the right answer for the long term. They need to invest in things that will bring people to their community, and grow their tax base from the ground up. They do need to invest in the infrastructure of their schools so people will have a reason to come here. The Springfield School District has \$40 million worth of projects they want to move forward on. There would be 1,100 jobs created by this. This is a way to turn the money back over and put people back to work locally.

Jessica Pickens, of Springfield, stated she has six children in the Springfield school districts. She absolutely agrees they have major needs in the district. She has had children say they do not have a book to bring home and do not have materials in their classrooms. She owns a home and has rental property and knows her property taxes go up every year. Her issue is that she does not know for sure if her money will go towards things that are a priority. She agrees they need to find another way to fund the schools, but she does not know where her issues fall on the list, or if she will even realize the effects of the improvements done with the sales tax. They will have a problem with people trying to understand where the dollars are going.

Mr. Goleman asked if she has priorities and accountability now. Mrs. Pickens stated she just started getting involved and went to her first school board meeting. She realizes it takes accountability on her part. She is going to research all this, read the materials and then go and make her position known to all the different school board members. She knows what she learned in school and what her kids are coming home knowing at a different level, and it scares her.

Mr. Moss asked how she feels about administrative costs in School District 186 being so much higher than in the other county areas. Do you feel the administrative body is too large? Mrs. Pickens stated she is just now engaging the process and does not even know how they compare, so she will not judge that situation until she finds out more about it. Mr. Moss asked what the administrative cost rates were. Chairman VanMeter stated it was \$11,000 to educate a child in School District 186.

Tina Wilkins, of Springfield, stated she is a small business owner and has a daughter in School District 186. She is here to talk about some of her concerns. She does agree that the schools need to make improvements with technology, but also finds she is concerned with what happens with her child when they go to middle school. She has considered leaving Springfield because of her options. She is a little concerned because she cannot ascertain where the priorities are and if her community is going to be impacted by this. People with children in the school district really want to see the schools doing a good job of training and educating them. She does not support the way the proposal has been put before the public, but would have if she had an understanding of what to expect from her investment.

Judy Johnson stated she is a school board member who is not 100% behind raising the taxes. The County is in bad shape. This will make some difference, but they need to find a way to move their construction projects along faster. It will be 2034 before they get to construction on Lanphier High School. They need people to step up right now and go to the Legislature to find a different way to fund the schools. This money from the sales tax is only for building purposes, and people need to understand this. They have been talking about this for months, and people are saying they do not understand what it is for. They need a different way to fund the schools in the City of Springfield. People are moving to the suburbs and are willing to pay more property taxes to get better facilities. There are a lot of old buildings here, but people like new buildings. This is not a means to attack the Springfield school system.

RECESS

A motion was made by Mr. Montalbano, seconded by Mr. Bunch, to recess the meeting and reconvene on November 9, 2010 at 7:00 p.m. A voice vote was unanimous.

MOTION CARRIED
MEETING RECESSED