

**Plainfield Public Library District  
One Question vs. Two Questions  
Summary of Discussion with  
Bond Counsel Kelly Kost  
September 10, 2015**

Ultimately, the decision on whether to have one ballot question or two ballot questions belongs to the Library Board of Trustees. The Library Board of Trustees has identified the need both for a building and for the operating funds to sustain service. In other libraries like the Sugar Grove Public Library and New Lenox Public Library, a voted bond issue allowed a building to be built but were unable to gain support for operating funds. Each is open approximately 30% less and offer limited collections, databases and programs compared to their peer libraries. These examples demonstrate the kinds of deep cuts in services and hours of operation that are a direct result of a substantial increase in building size without the operating funds to support its operation. The deadline for the Library Board of Trustees to place a question or questions on the ballot is in late December.

In a single question scenario, alternate revenue source (ARS) bonds are secured by an increase in the operating tax levy that can accommodate both debt service and operating funds. Alternate revenue source bonds require one additional step prior to a bond sale. A back door referendum petition must be made available, requiring 10% of voters to sign the petition in order to force placing the bond sale on the ballot. However, following a successful referendum, a back door referendum petition effort is unlikely. This additional step can be done at any time.

For a single question scenario, the Property Tax Extension and Limitation Law (PTELL, aka "the tax cap") provides two different options for increasing the levy. The first is a ballot question to override the Consumer Price Index (CPI) limit for a set amount of time. The percentage over CPI language doesn't present well on the ballot. The second option is a limiting rate increase, which shows the current rate, plus the additional and must contain the levy year in which it will take effect. The dollar amount shows only in the supplemental language that appears beneath the ballot question. This supplemental information includes the cost per \$100,000 of home valuation.

Bond counsel Kelly Kost advises not to list the 2015 levy year payable in 2016 if a limiting rate question is used, due to the tight time frame between the election and deadline for finalizing the levy amount. Any situation that may delay the official canvass of the election results, such as a recount, could cause the deadline to pass before the results are final. The proposed property tax freeze for levy years 2015 and 2016 (payable in 2016 and 2017) would not affect the levy year listed in the question, if it passes. However, it would affect a subsequent year, making an even stronger case to select levy year 2016 (payable in 2017) for the proposed ballot question.

The Equalized Assessed Valuation (EAV) predictions for the library district for 2015 and 2016 must be considered in the decision-making process. The worst-case scenario for a single ballot question is that, if the EAV falls, a successful ballot measure may fail to generate sufficient funds for the building and operating of the project proposed. In levy year 2014 (payable in 2015), the library district EAV remained level for the first time since levy year 2009.

In a two question scenario, the limiting rate question is a much smaller amount because it is only the operating funds portion of the total project. All of the one question scenario pros and cons apply, but only to the operating funds side. A separate question is placed on the ballot for the sale of general obligation (GO) bonds. This type of question includes some language about the capital improvements in the project plan. The question lists the dollar amount of the bonds, without supplemental language on the cost impact. Because general obligation bonds are a separate levy calculated outside of the tax cap, it is not reduced by property tax freezes or fluctuations in EAV. Any limiting rate question is calculated outside the tax cap only in the levy year listed in the question. Thereafter, property tax freeze and fluctuations in the EAV can reduce the amount of funds generated under the new rate.

In a two question scenario, there is a real possibility of passing only one question. In bond counsel's experience, the chance of failing the operating funds is significantly greater than that of failing only on the bond question. People vote for a building because they understand bricks and mortar. The operating funds don't make as much sense to voters, even when it's the lower number. Education of the public is key for any ballot measure but especially in a two question scenario.

PROPOSITION TO AUTHORIZE BUILDING BONDS

Ballot Form from the Public Library District Act of 1991

Shall the bonds of the Plainfield Public Library District, Will County, Illinois, in the amount of \$_____,000 be issued for the purpose of expanding and improving the existing Plainfield Public Library Building, improving the site thereof, furnishing necessary equipment therefor and acquiring electronic data storage and retrieval facilities in connection therewith?	YES	
	NO	

Ballot Form from Local Government Debt Reform Act

Shall the Plainfield Public Library District, Will County, Illinois, expand and improve the existing Plainfield Public Library Building, improve the site thereof, furnish necessary equipment therefor and acquire electronic data storage and retrieval facilities in connection therewith and issue its bonds to the amount of \$_____,000 for the purpose of paying the costs thereof?	YES	
	NO	

PROPOSITION TO INCREASE THE LIMITING RATE

Shall the limiting rate under the Property Tax Extension Limitation Law for the Plainfield Public Library District, Will and Kendall Counties, Illinois, be increased by an additional amount equal to ____% above the limiting rate for library purposes of said Library District for levy year 2014 and be equal to ____% of the equalized assessed value of the taxable property therein for levy year 2016?	YES	
	NO	

- (1) The approximate amount of taxes extendable at the most recently extended limiting rate is \$\_\_\_\_\_, and the approximate amount of taxes extendable if the proposition is approved is \$\_\_\_\_\_.
  
- (2) For the 2016 levy year the approximate amount of the additional tax extendable against property containing a single family residence and having a fair market value at the time of the referendum of \$100,000 is estimated to be \$\_\_\_\_\_.
  
- (3) If the proposition is approved, the aggregate extension for 2016 will be determined by the limiting rate set forth in the proposition, rather than the otherwise applicable limiting rate calculated under the provisions of the Property Tax Extension Limitation Law (commonly known as the Property Tax Cap Law).