



# MAYOR'S VETO OF ARPA EXPENDITURE

Presented 9 August 2022  
Regular Board Meeting  
Village of Rantoul Board of Trustees



# Contents of Presentation

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What is a Veto

Does the Mayor Have Veto Authority

Reasons for Veto

Next Steps in the Process



# What Is A Veto

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While the Board of Trustees vote on each ordinance, resolution, or motion, it does not become the law of the Village until the Mayor's signature has been attached. The Mayor, under authority of the State of Illinois, has the right to refuse to attach his signature. Refusing to affix his signature results in a VETO, and therefore does not become law.

# Mayor's Statutory Authority to Veto

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During the Village Board meeting on July 12, 2022, the Board voted to approve an ordinance involving the expenditure of ARPA funds. At the conclusion of the vote, the Mayor indicated his intention to VETO the ordinance. The Mayor's authority to veto is outlined in Illinois Compiled State Statutes set forth in 65 ILCS 5/3.1-40-45 and 3.1-40-50.

Section 3.1-40-45 describes that the Mayor may approve or disapprove (veto) ordinances, resolutions and motions. If the Mayor disapproves of an ordinance, the ordinance shall be returned to the Village Board with the Mayor's written objections at the next regular meeting of the Village Board.

# Reasons For Veto

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“There is time to plan and implement an open and thorough process that ensures the funding is being used in a way that provides the best short-term stimulus with long-term positive impacts in each community.”

Planning must be completed in obligating ALL of the funds simultaneously.

- the only option on the table was the Utility Payment
- while this may be a worthy consideration, it should be weighed equally against all proposals with ONE COMPREHENSIVE PLAN approved by the Board for all expenditures rather than one at a time
- Utility Payment will equate to 21.2% of the entire ARPA funding amount, and should not be considered separately
- IF this is the way the Board wants to spend the money, it should be approved ONLY after all other options and projects have been considered and prioritized for final approval of entire allocation amount

# Reasons For Veto

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“ARPA provides a unique opportunity for state and local governments to make **strategic investments in long-lived assets**, rebuild reserves to enhance financial stability, and cover temporary operating shortfalls until economic conditions and operations normalize”

## Using Funds for Utility Payments Prohibits Use for Other Projects

- If \$1.7 million isn't available for infrastructure which **MUST** be done, bonding the same amount will cost more
  - Utility payment at \$300 per residential customer
  - bonding \$1.7 million at today's rate over a 20-year period would total nearly \$2.6 million which divided by the same 5,640 residential customers is \$460
  - an additional expense to the Village residents by bonding of \$902,400
  - short-term windfall (\$300) versus long-term costs (\$460)

(information provided by Bernardi Securities)

# Reasons For Veto

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“These programs provide financial assistance and are funded with both Federal and State funds, and they save ARPA funds for priorities not eligible for other federal and state assistance programs.”

## Potential Loss of Federal, State Funding

- LIHEAP and other funders will provide less money to Rantoul since need will be reduced
- net gain in spending the \$1.7 million for this purpose is reduced because 1800 customers currently receive other funding for Utility payments which will be lost
  - In the past nine months, funding has been provided in the following ways:
    - LIHEAP           \$ 952,031
    - UDAP             \$ 198,500
    - ERA               \$ 81,643
    - ARPA             \$ 47,000
    - Supplemental   \$ 140,000
    - Total To Date   \$1,419,174 (not counting local programs)
- list of current funding opportunities show millions of dollars currently supporting Rantoul residents

# Next Steps

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The VETO Process must follow these steps according to state statute (Section 3.1-40-50):

- in July, the Board of Trustees voted to approve the spending of ARPA funds for Utility Payments of \$300 per residential customer
- in August, the Mayor returns the ordinance to the Board with his written objections which will be provided to you immediately following this presentation
  - there is NO discussion or debate on the VETO or the motion itself at the August meeting, although questions may be asked of the Corporation Counsel or Administrator regarding the process
- In September, the Board of Trustees will motion to reconsider the ordinance; if the motion to reconsider is adopted by a simple majority of a quorum, THEN a motion will be made to adopt the ordinance as originally presented and approved by the Board of Trustees notwithstanding the Mayor's veto. To override the Mayor's Veto it will require 4 votes in the affirmative, and the Mayor will NOT vote on the issue. ALL discussion and debate regarding the veto, override, and the original motion once approved for reconsideration, takes place ONLY at the September Regular Board meeting (13<sup>th</sup>).



# LETTER FROM THE MAYOR TO BOARD OF TRUSTEES