

**McLEAN COUNTY  
BOARD CHAIR**



# McLean County

ILLINOIS

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August 27, 2025

Chris Koos, Mayor  
Town of Normal, IL  
11 Uptown Circle  
Normal, IL 61761

**RE: Intergovernmental Revenue Sharing Agreement**

Dear Mayor Koos,

In 2013, the U.S. Dept. of Justice found that our “current local community mental health delivery system is ineffective in significantly reducing suffering of our citizens or in reducing mentally ill involvement in the criminal justice system.” In response, the City and Town chose to increase sales taxes in 2015, devoting 0.25% (10% of sales tax revenue) to assist the County in addressing these problems. The municipalities do not have the infrastructure to fully address the ongoing mental health crisis, yet they are directly affected when those issues go unaddressed. Accordingly, the Revenue Sharing IGA was adopted in 2016. The City and Town made a 20-year commitment to provide the County with pledged revenues in recognition of the County’s operation of several core institutions at the center of ongoing mental health and public safety challenges—issues that continue today and are unlikely to diminish in the near future.

In recent months, most notably in your letters from August 22<sup>nd</sup> and June 5<sup>th</sup>, the Town has engaged in an aggressive and disappointing effort to substantially erode its commitment and the strong communal partnership which gave rise to the IGA. With the hope of mending the divide, and in reply to your correspondence, I would like to provide some clarification on a number of issues where there appears to be misunderstanding and disagreement.

Per the IGA, there are actually four (4) express purposes for which the County is permitted and expected to use the Pledged Revenues: (i) for debt service relating to the expansion and renovation of the McLean County Law and Justice Center Detention Facilities; (ii) for County criminal justice services related to expanded and renovated detention facility operations for behavioral health services; (iii) for community behavioral health initiatives, services and programs consistent with the County’s Behavioral Health Action plan, including (iv) provisions for an electronic integrated case-management system to be used by the Town and City public-safety agencies.



It is correct that on June 5<sup>th</sup> the County received written notice of the Town's belief of a material decrease in the County's need for future shared sales tax revenues; and per Section 2-3 of the IGA, when a material decrease in the County's need exists, the parties are obligated to negotiate in good faith to amend the IGA accordingly. The Town's belief in changed circumstances appears primarily based on the current balance of the Mental Health and Public Safety Fund, which the Town classifies as a surplus. This viewpoint fails to fully consider the nuanced reality. The current accumulation of funds is, in part, due to the County committing \$6M of ARPA funds and the collateral obligation to prioritize spending those federal dollars before drawing on local revenues. These ARPA funds were provided with the condition that they must be used by the end of 2026. This funding was received during a time of unprecedented global crisis and economic uncertainty, and it does not materially negate the County's future need for the Pledged Revenues given the continued prevalence of mental health issues and public safety concerns within our shared community.

While the Fund does currently have a balance of approximately \$20 million, a significant portion of those funds have already been obligated—examples include debt service for the jail and the new multimillion dollar electronic integrated case-management system, a project which is still underway and has proven to be more complex and costly than anticipated. Regarding the RMS project, it is best practice that all law enforcement agencies should remain on the same RMS system to continue sharing information, which has been done for decades and has made McLean County a safer community. If the City and Town choose to abandon the County's ongoing project to implement a new county-wide RMS system and pursue a separate system of their own, it would significantly increase the financial obligations for the County and other participating parties, unnecessarily compounding taxpayer costs.

It is also correct that the County has received more revenue than was anticipated at the time the IGA was adopted. However, it is equally true that the Town has collected and retained a significantly greater amount of its Retailer Occupation and Service Occupation tax revenues than was anticipated. The Town dedicated 10% of these tax revenues to the County, not a flat sum. Proportionally, the County receives the same amount of shared tax revenue as it did in 2016, as intended under the IGA. Should either the City or the Town determine that the County is receiving an excessive amount under the IGA, that municipality may reduce its levy accordingly to mitigate the financial burden on its taxpayers.

Your August 22nd letter references an alleged agreement to allow a two-year "pause" of the Town's obligation to remit the Pledged Revenues—that was the initial pitch by the City and Town for amending the IGA. At the conclusion of the February 27<sup>th</sup> meeting between the parties, we were led to believe that this "pause" of revenue sharing was the only proposed change to the IGA with all other terms remaining the same—including the obligation of the City and Town to remit the Pledged Revenues on a monthly basis for a total of 240 months. Subsequently in mid-March, we learned that the intent was not to "pause" the sharing of revenue as it was described, but instead to change a 20-year commitment to an 18-year commitment. This was the first instance of the County's perspective and assertions being disregarded, and we objected to this aspect of the proposal. The parties then exchanged several draft amendments over the following months where we made counterproposals for a pause—not a reduction of years.



At a later meeting, on June 6<sup>th</sup>, the County continued to object to removing years from the IGA. The Town now stated that maintaining the 240-month commitment was a "deal breaker". At the conclusion of the June 6<sup>th</sup> meeting, we were presented with a pre-written letter from yourself, in which you demanded a complete overhaul of the agreement, insisting on alterations which went far beyond the scope of the past several months' negotiations. For example, the Town now demanded an independent audit of the Mental Health and Public Safety Fund. This amendment had never been discussed previously. At the July 8<sup>th</sup> meeting, we discussed the impact of a cessation of the revenue sharing, and the County asserted that even a 12-month abandonment would likely be unfeasible if a new RNS was added to our contractual obligations. However, the parties finally settled on language that each could tolerate presenting to their respective governing bodies.

On July 9<sup>th</sup>, the City, Town, and County received the results of the impact study regarding the RMS and potential future options. In reaching its conclusions, the study consulted law enforcement stakeholders and highlighted the benefits experienced since the original implementation of EJS. The study ultimately determined that the most practical and preferred course of action is to complete the Caliber RMS contract while beginning preparations for the adoption of a new RMS in the future. Any additional costs cannot be determined until these discussions occur and an agreement is reached. The County raised these concerns with the parties, but the County's perspective was again dismissed with the municipalities persisting with the demands for halting the IGA.

The County Board ultimately approved the amendment to allow for an audit of the Mental Health and Public Safety Fund, but the proposed amendment to halt revenue sharing failed to garner sufficient support for approval. In a showing of good faith, the audit was approved despite concerns that it does not represent the most effective use of public funds—as it appears intended to remedy the Town's own ignorance relating to the expenditures of the Pledged Revenues despite the Town having representatives on both the BHCC and FAC.

Your allegation that the County, via its Board Chair and Administrator, broke promises relating to the amendment of the IGA, is false. There was no "agreed-upon pause" of the IGA, only discussions relating to a potential future agreement. As you know, any amendment to the IGA must be approved by the full County Board, which is comprised of 20 members. Neither the County Board Chair nor the County Administrator have ever held unilateral authority to enter into agreements, and no such authority has ever been implied or suggested—a fact that, given your long tenure, you are undoubtedly aware of. All that was agreed to was that the proposed amendments would be brought before the County Board for consideration—and that occurred.

On a related topic, you and others with the Town have stated that the State's Attorney's Office drafted the amendment. Such remarks are misleading, as they suggest—incorrectly—that the proposal to amend the IGA originated with the County. That notion is obviously false. The final documents presented to our respective governing bodies were the product of the collaborative efforts of all parties.

Throughout your August 22<sup>nd</sup> letter, the County is repeatedly accused of failing to negotiate in good faith in response to the Town's perceived change in circumstances. However, the collective obligation to negotiate in good faith does not require that the County concede to the Town's demands. A negotiation must involve some degree of give and take—it involves compromise with consideration given to the interests of all



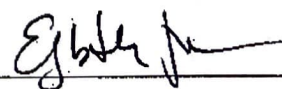
parties. The Town has made aggressive, unwavering demands upon the County which are now being accompanied by unfounded accusations of wrongdoing. This manner of communication more closely resembles coercion and intimidation, not good faith negotiations. Negotiation cannot occur when one party simply issues non-negotiable demands. Moreover, attempts to influence this matter through public pressure, instead of negotiating directly with the County, do not align with the principles of good faith negotiation.

The County has consistently negotiated in good faith with the City and Town in response to the demands to amend the IGA. The County participated in the numerous meetings and discussions over the past several months. The County made reasonable counterproposals demonstrating a willingness to compromise. At the insistence of the municipalities, the County Board approved an amendment to the IGA allowing for an independent audit of the Fund. Despite this cooperation, the Town seems to take the position that anything less than the County's full compliance with the Town's demands constitutes bad faith.

Lastly, in the August 22nd letter the Town now asserts that the County has allocated Pledged Revenues to ineligible expenses. This allegation is concerning and surprising since it was never raised in the many discussions of past months. Pursuant to Section 4-3 of the IGA, any party asserting a default against another party shall deliver written notice to that party of the nature of the alleged default and shall demand performance. Before resorting to any remedies available at law or in equity, the party asserting default must allow the other party at least 45 days to cure the default in accordance with the demand set forth in the notice and the terms of the IGA. This latest accusation is made frivolously, as it contains no specificity. Thus, there is no opportunity to cure any alleged default.

At this time, the County has no intention of reintroducing an amendment to suspend the remittance of Pledged Revenues. The municipalities insisted on an audit of the Fund, the County approved it, and efforts are being made to get that underway. This audit offers the parties an opportunity to develop a clearer, shared understanding of the Fund's condition, which should then help determine the County's need for future Pledged Revenues. Ongoing uncertainties surrounding the RMS replacement project also create a likelihood of increased financial needs. Demands to materially alter the IGA prior to gaining this information are unreasonable.

The County greatly values its partnership with both the Town and the City and recognizes that continued cooperation is essential to addressing current and future challenges within our shared community. The County remains committed to working alongside our partners to ensure that resources are used effectively for the benefit of our shared citizens. Notwithstanding differences in opinion, we should prioritize maintaining the spirit of cooperation that has long served our communities well.



Elizabeth Johnston, Board Chair