

MINUTES OF COUNCIL BUDGET REVIEW WORKSHOP

VILLAGE OF DOWNERS GROVE

DOWNERS GROVE, ILLINOIS

OCTOBER 3, 2009

Mayor Ron Sandack welcomed Council, staff and visitors to the budget review session at 8:00 a.m. in the Village Hall Council Chambers.

Present: Mayor Ron Sandack; Commissioners Marilyn Schnell, William Waldack, Sean P. Durkin, Geoff Neustadt, Bruce Beckman, Bob Barnett

Absent: None

Staff: Village Manager Dave Fieldman; Deputy Village Manager Mike Baker; Village Attorney Enza Petrarca; Director of Human Resources Wes Morgan; Director of Community Development Tom Dabareiner; Director of Communications Doug Kozlowski; Director of Public Works Naneil Newlon; Assistant Director of Public Works Stan Balicki; Acting Fire Chief Jim Jackson; Police Chief Bob Porter; Director of Social and Health Services Andy Matejcak; Director of Financial Services Judy Buttny; Assistant Finance Director Doug Haywood; Budget Officer Steve Sanderson; Director of Information Services Liangfu Wu; Director Community Events Mary Scalzetti; Village Clerk April Holden

The Mayor asked for a show of hands with respect to issues members of the public wished to address. He said this is the budget proposed by staff. Nine budget review sessions have been scheduled. He urged residents to be involved in the budget as a whole. The Mayor then asked Village Manager Dave Fieldman to provide a general overview of the FY10 proposed budget.

Village Manager Dave Fieldman encouraged comments from the public. He said the next two meetings would be on Tuesday, October 6 following the Council meeting and again on Saturday, October 17. A vote on the budget is expected in December. The budget proposal is designed to start discussion.

General Fund

Consistent with the Long Range Financial Plan (LRFP), the FY10 proposed budget calls for changes in the Village's business models. If the Village were to continue operating "business as usual," General Fund FY10 expenses would be approximately \$42.9 million and revenues would be approximately \$38.4 million resulting in a budget gap of \$4.5 million. Income tax revenue is

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declining, property taxes are flat, and there is a growing reliance on utility taxes. In FY07, 08 and 09, many steps were taken to control expenses. Cost cutting measures, totaling \$2.4 million in 2009, were achieved by reducing the number of full-time equivalent positions by 20 through a hiring freeze, attrition, and a voluntary separation program begun in 2008; a voluntary furlough program instituted in 2009; and by revising the fleet services operations. Nonpersonnel expenses have been remarkably flat for the last 18 years. Personnel costs rise due to increasing pension and insurance costs. The FY09 budget also included some one-time cuts.

A long range financial planning process was undertaken this summer over the course of seven meetings. It is a key component of the budget process. These sessions constituted a public review of the Village's financial position. The financial planning process revealed that the Village is faced with declining revenues and increasing operating and capital expenses that create a substantial structural gap and the need for a new business model. Strategies to address the gap were identified. Council participated in exercises to prioritize Village services and to develop strategies to address shortfalls. A three-year plan for recommended strategies includes reducing expenses, increasing the property tax levy, increasing other revenue sources and the use of reserves.

The FY10 proposed budget includes \$39.87 million in revenue, \$40.83 million in expenses, and the use of \$1 million in reserves. Mr. Fieldman described proposed changes to the employee health plan, the elimination of positions, and other cuts. Staff is recommending an increase in the property tax levy of \$500,000 for the General Fund and \$800,000 to fulfill the Village's obligation to fund pensions. For a typical homeowner, this would result in a tax increase of approximately \$50.

The Mayor called for comments from the public. He said comments show public engagement and he is hopeful that a good result will follow. He asked that people be mindful of things other than what they wish to speak to and of the core services that cost the most and are at risk if cuts are not made. He said it is Council's job to promote value and efficiencies. He urged people to also be mindful that cuts have to be made. "Business as usual" is not an option without huge tax increases.

Cathy Zimmerman, 5401 Park, said the elimination of DARE might result in spending more money on the drug enforcement core service.

Bill Wrobel, 7800 Queens Court, referenced an article in Money Magazine addressing the need for families to save 20% of their earnings. He said this is a good guideline. Everyone should participate equally in cuts and the pensions and bargaining units must be addressed.

DARE Program

Mr. Fieldman said there are two options related to police staffing. The first option would require the elimination of the DARE program. The second option would require the elimination of two traffic officers from the four-officer unit. This would result in a reduction of General Fund expenses by \$130,000. The DARE program was identified as a secondary service during the long range financial planning process. Mr. Fieldman said the District 58 Superintendent has indicated the schools would still provide a drug enforcement curriculum. Police staffing changes might result in patrol officers being used as traffic enforcement officers when staffing levels permit.

Public Comments

Cathy Zimmerman, 5401 Park, suggested the DARE program be enhanced by volunteers such as retired police officers and others. She commented that police officers make a difference in the lives of our children.

Norm Frees, 1431 Coral Berry, said he was disappointed to learn of the proposal to eliminate patrol officers. They make for a safe town and they generate revenue. He said safety is essential. He asked as to the cost of community events. He said he moved here for safety, not a bike race.

Tammy Karam, 3949 Venard, recommended cutting community events and keeping the DARE program.

Ken Rode, 4008 Seeley, said he is an 18-year resident of Downers Grove and has two children in the school district. He said their relationship with the DARE police officer is important; otherwise, drug enforcement education is just another class.

Debra Krygeris, 5325 Blodgett, said she teaches at Belle Aire School and has three children in Downers Grove schools. She said the impact of the police officers is tremendous. She noted that the students role play and learn what to say to avoid drugs. In response to Mayor Sandack, Ms. Krygeris said she does not want to be in the Council's position. She is not affected by most of the proposed cuts.

Chad Walz, 1300 Palmer, said the Village has worked hard on traffic issues and he would hate to see these efforts derailed. In a depressed economy, crime usually goes up, not down. He supports keeping the two police officers.

Tom Kelly, 4739 Forest, said he has three children at St. Joseph School. They enjoy the DARE program. He asked as to the actual cost of the program. The Mayor said it is \$130,000 - the cost of two officers.

Mr. Kelly suggested that infrastructure efforts be delayed for a few years and that the funds be put toward people. The Mayor said delays of 10 to 12 years in our infrastructure have resulted in

the current condition of our roads, etc. This has resulted in more extensive work than repaving.

Stephanie Frees, 1431 Coral Berry, discussed the proposed elimination of two police officers. She asked as to training costs. She said crime is on the rise and the Village should not lose members of the police force. She asked that the Council figure out a way to raise funds and suggested that officers raise revenue through ticketing. Traffic and safety enforcement generates revenue and she asked that these programs not be cut back.

The Mayor said the Village has no control over pensions for the police and fire departments.

Danny Novotny said he has been through the DARE program. It is good to learn from a police officer.

Molly Marciniak, 4915 Northcott Avenue, said DARE is good for both older and younger children.

Tom Vitello said the DARE program would not be the same without the DARE officers.

Rita Stasi, 1416 Willard, said she hopes that, instead of cutting police officers, other cost cutting measures will be considered. We have a safe community. As an educator, she said she sees how students work with police officers.

Emma and Erin, 8th graders spoke in support of DARE. They said police officers make a difference.

Colleen Durkin and Maryanne, of St. Joseph School, said the DARE officers are very nice and they listen to them.

Terese Burk, 6010 Carpenter Street, said Downers Grove is a wonderful community. She said as a parent she knows the value of DARE and referenced the experience of her children. As a teacher, she said her students value time with the DARE police officer. She urged Council to think of other options. She said she could pay a little more in taxes.

Ryan Walszak said he feels safer as a result of DARE.

Nicholas Nagel, 6890 Parker, asked when the cuts would take place and suggested a committee to raise money. The Manager responded that the cuts would take place in the next school year.

Cathy Zimmerman, 5401 Park, suggested charging the schools for the DARE program.

Mary Durkin, 7213 Webster, said that, as a parent, she knows the DARE program has made a difference due to police officers talking to the children. She asked that the Council reconsider the elimination of the DARE program.

Paul Lichamer, said he was representing the Police Officers FOP Lodge 73. He referenced correspondence offering cost cutting measures and revenue enhancement. He said the police union is willing to work with Council. The Mayor said the concept of shared sacrifice is appreciated.

The Mayor said his daughter participated in DARE and spoke highly of the program and Officer Jim. He asked people to keep open minds. He said the Council will think through all suggestions and urged people to e-mail ideas to the Council.

Community Grants and DuPage Senior Citizen Grant

Mike Baker, Deputy Village Manager, said the proposed FY10 budget calls for the suspension of the Community Grants program effective 1/1/2010, reducing General Fund expenses by \$72,000. This program supports non-profit organizations.

With respect to the DuPage Senior Citizen Grant, the proposed FY10 budget calls for the elimination of this grant, effective 1/1/2010, which would reduce General Fund expenses by approximately \$39,000. This grant includes the Meals on Wheels delivery program as well as a daily “well-being” check. The total cost of the program is approximately \$3 million. He said the program is funded by municipalities and other sources. The Village has been funding this program since 1998. The request for 2010 is \$91,000 which is representative of the challenges the organization faces. Village funding for this program in 2009 is \$39,000.

Dave Humphreys, 4221 Saratoga, said the Council has his understanding and sympathy in wrestling with the budget. He said he was speaking as a resident and advocate for the arts. This is a quality of life matter. Arts programs attract visitors to the Village. Many organizations have booked their seasons and would have to cancel programs if the Community Grants program is suspended. These groups are already struggling and the suspension of the program may drive them out of business and they may never be able to return to business. The arts programs in Downers Grove are the envy of other communities. He asked that we try not to lose them. He urged the Council to try to find half of the current funding until the economy improves, which it will. He commented that he has received a number of awards, each highlighting the community grants program.

The Mayor asked Mr. Humphreys to come to additional meetings with thoughts of other cuts.

Marylin Krolak, Executive Director, DuPage Senior Citizens Council, said the DuPage Senior Citizens Council plays a critical role in the lives of senior citizens and their families. Senior citizens depend upon the staff and volunteers to appear at their homes daily to deliver nutritious meals to the frail and the homebound. For some, it is the only meal they will eat that day, and for many it is the only human contact they might experience that day. Each visit includes a health and wellness check by the trained staff and volunteers. Ms. Krolak noted that the services

provided are extremely cost-effective to the taxpayers of the Village. She said the persons over 60 now represent 14% of the Village's population. A failure to sustain this program will be immediately harmful to those already in need. She said the total cost of the nutrition program is \$284,000 and they receive \$142,000 from other sources. She said they make about 91,000 well-being checks annually at a cost of \$.54 each. She asked that the Council give full consideration to the senior citizens of Downers Grove, their families, and the importance to the community of this program to fully restore the grant.

Judy Higgins, 241 Shady Lane, said she has been a resident of the Village for 40 years. She has a special perspective on the DuPage Senior Citizens Council as a member of the board of directors, as one who delivers meals two days a week and as a recipient of meals for five weeks. She said the DuPage Senior Citizens Council is important to all seniors in Downers Grove. She asked what would happen to seniors if meals were not delivered. She asked the Council to reconsider eliminating this program.

Marie LaPorte-Weidner, 4533 Prince Street, thanked the Council for their attention to this matter. She said she delivers meals and checks on the well being of seniors. She said her daughters accompany her as she visits people and that they bring a great deal of happiness to the seniors. She said there is a great deal to like about Downers Grove – the character of the community, safety, and a great place to raise a family. She asked that the Council keep this funding in the budget.

Dan D'Andrea, 725 73rd Street, thanked the Council for the Village's past support. He said he is a musician and conductor. Instead of suspension of this program, a 50% reduction would be a tremendous boost to arts groups.

Mim Eichmann, Midwest Ballet Theatre, Inc., 5013 Fairview Avenue, said the theatre brings dance to Downers Grove and is able to do this through grants from the Community Grants program. The elimination of this program will be a significant loss. She said the Ballet receives no federal or state grants. She said "suspension" is a euphemism for "permanently gone." She asked that a small amount of money be kept in the budget. She said the arts make Downers Grove what it is.

Pat Camalliere, Vice President of Development, Downers Grove Chorale Society, said they have already anticipated a difficult year. They expected a reduction in their grant funding from the Village, but it will be a huge blow if the funding is eliminated. They have been performing for 50 years and are celebrating their 50th anniversary with a performance of Handel's "Messiah." She said people from outside the Village attend their performances and spend money in the Village. Arts are only for the elite if they are not affordable to people.

Jim Stahulak, 14 Elizabeth Lane, Downers Grove Arts Council, highlighted artists and audience members coming to performances from the Chicagoland area. They shop and spend money in Downers Grove. He suggested the Council look at what other communities are doing, as we are

not unique in terms of budget shortfalls. The Mayor said staff is doing that and noted that other towns are struggling with larger deficits.

Mr. Stahulak suggested looking at this funding on a return on investment basis.

Commissioner Schnell asked as to the date these cuts would be effective. Mr. Fieldman said this would be for grants awarded for 2010.

Sue Crowther, Downers Grove Choral Society, said she appreciates the Council's struggle. She said the Choral Society is a cultural gem in Downers Grove. People come from surrounding communities to sing here with a professional orchestra. If the grant program is to be cut, she asked that it be halved so they have time to adjust.

Tony Tumea, 4040 Venard, West Towns Chorus, thanked the Manager and Deputy Village Manager for their work. He said he has been with the West Towns Chorus for ten years. He agreed with Mr. Humphreys' comments. He realizes that cuts must be made, but suggested that the grants program be kept. With respect to revenue, he suggested creating a tax on restaurants that are not in the SSA.

Dolores Jacklin, 5932 Dunham, Senior Suburban Orchestra, said she still plays the cello. The arts provide many benefits to the community. The orchestra performs at schools with students and they also give concerts at senior residences. She asked that each program be considered.

Commissioner Waldack urged people to stay for the entire meeting and to listen to all the programs proposed to be cut.

The Mayor referenced the long range financial plan and said he does not see the economy getting better yet.

Bob Scavone, 410 Chicago Avenue, suggested that cuts span all areas so everyone feels the pain.

Taxi Subsidy Program

Mr. Baker said the current subsidy rate is 70% and has been in place since the 1980s. The FY10 budget proposal includes a reduction of the expenses of this program by \$50,000 from its current cost of \$150,000. The proposal is to reduce the program to \$100,000 and to change the subsidy rate to a 50% subsidy. Purchases would be limited to a maximum of 60 coupons per month and coupons would include an expiration date.

In response to Commissioner Schnell, Mr. Baker said information was not mailed out to people about this proposal, but staff has received calls about the elimination of the program.

Community Events

Mr. Baker said the Community Events department staffs and supports several programs. The FY10 proposed budget contemplates changes in the Heritage Festival operations resulting in \$65,000 in cuts and an increase of \$50,000 in revenue. The proposed budget also calls for the elimination of the Ice Sculpture Festival. Staff cuts would amount to \$70,000. The impact of the staff reduction would be the elimination of the car show at Heritage Festival and changes in how events are run. The Christmas Tree lighting ceremony would also be eliminated.

Stephanie Frees, 1431 Coral Berry, asked about the cost of Heritage Festival. She said Downers Grove residents pay relatively low taxes as compared to neighboring communities, and noted that she could pay more in taxes.

The Mayor said the financial goal of Heritage Festival is to break even. The Manager said the 2009 Heritage Festival expenses were \$367,000 and revenue was \$394,000, but he cautioned that not all costs are captured. The proposed cuts to Community Events represent 23% of their budget. The majority of the expenses in Community Events are for Heritage Festival. Mr. Baker said the costs include all direct personnel costs, but some of the indirect planning costs are not captured.

Dave Humphreys said community events are popular in Downers Grove. Heritage Festival draws 100,000 people to the Village. The proposed changes are significant. He suggested working with the Community Events Commission to enact cuts and to increase the use of volunteers, as was done this year. He expressed concern about the increased costs to the not for profit organizations to participate in Heritage Festival. He said the costs have traditionally been low and he hopes the fees will be reduced over time. The Ice Sculpture Festival is popular with businesses and could, perhaps, be redeveloped.

Bob Markert, 4600 Stonewall, said he is a Car Show Committee member for the Heritage Festival. This committee is made up of a large group of volunteers. They bring in both revenue and sponsors. He suggested that the volunteer committee could take over more of the work.

Chad Walz, 1300 Palmer, asked if staff has looked into finding larger, corporate sponsors and into "selling" the beer tent. He suggested that bigger companies may want to sponsor the venue.

Mel Gregory, 4440 Fairview, said he is a volunteer on the Car Show Committee. He said he would like to know the expenses as he was led to believe that there are no or low costs. He would like to know what they can take on and how to proceed.

Commissioner Neustadt said the Car Show Committee is an example of the administrative work that goes into the Heritage Festival.

The Mayor said there will many additional opportunities to provide comments.

Counseling and Social Services

The Manager said the proposed FY10 budget recommends the elimination of the vast majority of the counseling and social services including the Director and staff. The net impact of this proposed service reduction would be \$158,000. The department provides a number of services. The Prentiss Creek Resource Center and its staff would continue to operate. Mr. Fieldman said that 76% of the people that use counseling and social services are residents and 24% are nonresidents.

Tammy Karam, 3949 Venard, said that people who use this service probably do not want it made public. Counseling is a professional service that volunteers cannot provide. It brings in a small amount of revenue. She spoke of her personal experience with the services.

General Fund Proposed Revenue Enhancements

Mr. Fieldman said the proposed budget includes revenue enhancement of approximately \$1.5 million. Specific revenue enhancements are a \$500,000 increase in the real estate tax levy for the General Fund operating expenses and \$.025 increase in the Village's Home Rule Sales Tax. The Fire and Police Pension levies are anticipated to increase \$800,000. Under the proposed revenue enhancements, the real estate tax levy would increase by approximately 12.08% from \$11.1 million to \$12.4 million resulting in an increase of \$50 to an average tax bill.

The Mayor said property tax bills are made up of about 14 taxing bodies. The vast majority of the taxes go to the schools. About 10% is for the Village. The Council has made it their goal to be transparent. He said he feels the Village does an incredible job for the taxes our residents pay.

Commissioner Waldack said the roughly \$50,000 of expenses translates into \$2 on the tax bill. He suggested this be displayed visually.

Commissioner Schnell said she is against a 12% tax increase. She said she believes there is an untapped source of revenue in the red light camera program. This would make streets safer and also increase revenue. She would like to see information as to the proposed revenue from this program. She said there are many communities in DuPage County that have a red light camera program. She would like to have a dialogue about this. With respect to the utility taxes, she said the goal was to spread this over those that work here, but do not necessarily live here. She suggested looking at comparing an increase in property tax to an increase in utility tax.

Commissioner Beckman said he does not agree with this means to enhance revenue. Before creating red light camera districts, he suggested discussions regarding increased utility taxes, a restaurant tax, liquor tax and vehicle stickers. Council needs to discuss these and look at the result of enhancing these taxes.

Commissioner Barnett said that even with the list of cuts, the budget still proposes spending \$1 million in reserves, which is twice the tax increase. He would like to see the long term projections presented in the long range financial plan.

Tim Meaney, 420 Franklin, suggested comparing costs of services in terms of a tax bill. He also asked the cost of retaining services such as the Counseling and Social Services Department, the tax subsidy program, etc. He suggested a menu approach.

Commissioner Schnell asked about the local roads proposed for red light camera enforcement. Mr. Fieldman said he would provide that information next week.

Commissioner Durkin said the revenue from red light camera enforcement is a temporary fix. He suggested looking at how to tie services to the tax bill. He said we need to address the fact that Downers Grove provides many services other communities do not. He does not support cutting capital projects. With respect to a vehicle sticker program, he asked if it could be tied to a specific use.

Commissioner Beckman said he, too, could support looking at a vehicle sticker program.

Home Rule Sales Tax

Mr. Baker said the Village currently has a Home Rule Sales Tax at a rate of .75%. The proposed increase would be to 1.0%, which applies to a limited range of purchases. This is proposed to take effect on 7/1/10 and would general just under \$1 million for six months.

Mark Thoman, 1109 61st Street, said studies show that people will shop in the collar counties rather than Cook County with a sales tax increase, but they do not change shopping areas within the collar counties. He noted that Naperville has a 1.5% restaurant food and beverage tax. The Mayor said Naperville is looking at rolling back the food and beverage tax and adding it to the sales tax.

Mr. Thoman said the schools are looking at a 3% tax increase.

The Mayor said we want our businesses to succeed and we want people to shop in Downers Grove.

Commissioner Beckman clarified that when he suggests re-examining an item that includes looking at barriers.

Commissioner Waldack said he agrees with the suggestion to increase the Home Rule Sales Tax. He further suggested increasing taxes in 2011 to help replenish the Village reserves.

With respect to forecasting sales taxes, the Manager said staff used the same numbers as were
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used this year.

The Mayor said he thinks we have relied upon other people to pay for our core services and we have not been paying our fair share for our core services. It is time to reshape the mix. He does not think non-residents should pay for our core services. We should pay for them because we use them. He said cutting capital projects is not a good solution. He would like to start with a solid foundation. He asked people to weigh in on these ideas.

General Fund Questions

John LeDonne, 1930 55th Place, said he owns two homes in Downers Grove and his tax bill goes up every year. He likes what makes Downers Grove what it is, and he would pay additional taxes to stay here. No one wants to pay more taxes, but people live here because they want the services the Village offers.

Buzz Whowell, 5417 Lee, said he likes the library, but noted that Mayor Daley closed the Chicago library system for one day. He asked in what way the Downers Grove library is sharing in the economic pain. He said they have their own tax levy. Because Downers Grove is a home rule unit, the library is permitted to charge additional levies. He referenced the Village's hiring freeze, but said the library hired more people. He was told that that the Village handles the library's payroll and administrative services at no charge. The Village is considering layoffs, while they hired people and the Village subsidizes the library. He asked if any consideration has been given to charging groups for the Village's work.

The Mayor said there are probably opportunities for sharing and partnering better.

Dave Humphreys said he has lived in Downers Grove all his life. He will not move out of Downers Grove if his tax bill goes up, especially for core services. There are other services that are not core services and perhaps other taxes could be used for those services. Community grants and events have historically been partially tied to hotel taxes. He said hotel revenue and occupancy rates will go back up. He urged the Council to take a longer view and keep in place the infrastructure.

Tom LeCren, 545 Chicago, suggested that the Human Resources department be changed back to Personnel. He asked how a department can have 2.6 personnel and said we should get back to whole people in the budget. Human beings are more important than resources. He said he is against utility taxes because utilities are essential and the taxes hurt seniors.

Bill Wrobel, 7800 Queens Court, referenced TCD3 and neighborhood groups. He said either you pay to have work done or you get neighbors together to do things. He suggested reinstating the Neighborhood Watch Program. It's great to come together with family. He has gone to many meetings where people say they need more police. We can't afford that. We need

neighborhood groups. We need to take some risk ourselves and get involved.

Commissioner Neustadt thanked residents and staff for attending today's meeting and for their comments. He said he has a list of questions for staff. He said there is time to adjust the budget as the vote doesn't come until December.

Commissioner Waldack said he has a list of revenue enhancements. He is glad to hear from residents and appreciates their involvement and participation. He urged the Council to make better use of the Boards and Commissions as well as volunteers and the neighborhood spirit.

There being no further discussion, the meeting was adjourned at 11:38 a.m.

April K. Holden
Village Clerk