

## MINUTES OF COUNCIL BUDGET REVIEW WORKSHOP

### VILLAGE OF DOWNERS GROVE

#### DOWNERS GROVE, ILLINOIS

NOVEMBER 3, 2009

Mayor Ron Sandack welcomed Council, staff and visitors to the budget review session at 8:17 p.m. in the Village Hall Council Chambers following the Regular Council meeting.

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

Absent: Commissioner Marilyn Schnell

**Staff:** Village Manager Dave Fieldman; Deputy Village Manager Mike Baker; Village Attorney Enza Petrarca; Director of Community Development Tom Dabareiner; Director of Communications Doug Kozlowski; Director of Public Works Naneil Newlon; Acting Fire Chief Jim Jackson; Police Chief Bob Porter; Director of Social and Health Services Andy Matejcek; Director of Financial Services Judy Buttny; Director of Information Services Liangfu Wu; Budget Officer Steve Sanderson; Director of Human Resources Wes Morgan; Deputy Police Chief Jim Black; Deputy Fire Chief Bob Tutko; Director of Community Events Mary Scalzetti; Management Analyst Brandon Dieter; Intern Jamie Belongia; Village Clerk April Holden

The Mayor welcomed everyone to this budget review session. He said this is a continuing process relative to the FY10 budget. This process has been very transparent. There have been three meetings during which staff presented information. He said tonight Council members will talk to each other. He will look for consensus among Council members. There will be an opportunity at the end of the meeting for audience comments. He reiterated that there are tough decisions to make. He said the Village's website provides information about the budget and the open issues.

The Mayor called on Commissioner Neustadt for his comments.

**Commissioner Neustadt** said he appreciated all the comments the Council has received from the public and he thanked staff for their work product. He reviewed the open issues:

Reduction in Community Events Activities – Heritage Festival is a Downers Grove event that highlights our community. Over 100,000 people attend this event. He suggested it be reviewed in terms of establishing the right size so that it can fund itself or even make money. He said work on the 2010 Heritage Festival has begun.

Community Grants Program – Commissioner Neustadt said these grants are for worthy causes but noted the need to fund core services before distributing money.

Counseling and Social Services – He asked the budget team for an action plan to determine local providers regarding referrals, etc.

DARE and the elimination of two Police Officers – Commissioner Neustadt said he cannot support the elimination of two officers. The Police Department has been identified as a core service.

Commissioner Neustadt asked the management team to review the vehicle take home policy.

In terms of revenue sources, Commissioner Neustadt said he supports a \$500,000 tax increase and supports the one-time use of \$1 million in reserves. Continue to refine and examine all levels and all departments in terms of service providers, programs and projects in 2010 and beyond to make certain our tax dollars are being used and effectively and efficiently.

With respect to proposed revenues, Commissioner Neustadt said a liquor tax of one percent would generate \$300,000. He said he chose this because the Village already has liquor licenses. He asked staff to look at the timing, difficulty and the possibility of administering this at Village Hall and when the dollars would be realized. This ties to core services in terms of the Police Department as it relates to DUI enforcement and other police activities.

The Mayor asked about DARE.

Commissioner Neustadt said he works for School District 58. DARE is an important program. A police presence in the schools is positive. He said it will continue through the school year. He suggested working with District 58 and other schools to develop a plan to make sure there is some continuation of the program. He said his main emphasis would be to take the sworn officers out of the DARE program as it is more important to have these officers on the road. There are a few civilian positions in the Police Department that may be able to administer the program and a sworn officer could be invited to participate occasionally. He said he has had a conversation with the superintendent of District 58 who said that no matter what happens to the DARE program there will be a state mandated drug and alcohol curriculum that will be taught.

**Commissioner Barnett** asked as to the actual number of police officers employed in the last three to five years.

**Commissioner Beckman** said he understood Commissioner Neustadt to suggest that perhaps the DARE program could be run by staff other than sworn officers. Commissioner Neustadt said there is a public information position staffed by a uniformed civilian. Commissioner Beckman asked how staff would restructure the reduction in force.

**Village Manager Dave Fieldman** said staff will look for a majority consensus and will put together an action plan.

The Mayor called on Commissioner Beckman for his comments.

**Commissioner Beckman** said he appreciates the complete job staff has done and appreciates the resident input. He said he can support most of the proposals including reduction in community event activities, the modification to the taxi subsidy program, and the elimination of the community grants program. He

will support the proposal with respect to the Meals on Wheels program but could be convinced to support a vastly reduced program contribution for one year to serve as a transition for 2011. He said he understands the program is in financial peril.

With respect to the Counseling and Social Services, Commissioner Beckman said the functions of this department are very similar to what is done in other communities by other departments. He said he does not see this as a frill, but very close to the core services. The Counseling and Social Services Department seems to support all segments of the community to the benefit of Downers Grove and in some cases replaces the need for social workers found in police departments of other villages. He believes the way in which our services are organized are more cost effective than if we had a social worker program. He believes we need to continue to support this effort, but we need to reassess the fees charged. While an increase in fees may not completely make up the difference in terms of the cost of the program, he believes we could close that gap in order to shrink the additional funds needed. He suggested taking a close look at out-of-town clients and establishing a reciprocal program with those communities to fund the counseling programs of their citizens who use our services and not offer services to those communities who choose not to participate.

DARE – Commission Beckman said he supports the elimination of the program. He understands the schools will incorporate a program into the curriculum. The high schools have police counselors available to students. DARE is not a core service and elimination of this program frees up staff.

In terms of revenues, Commissioner Beckman said he will support the proposed tax increase and use of \$1 million in reserves for one year. He will leave to staff implementation of other revenue sources.

The Mayor called on Commissioner Waldack for his comments.

**Commissioner Waldack** said this is a tough budget. Staff did what they had to do. The budget document discusses core, primary and secondary services. What is lacking is empathy in this budget. We are opening up the books with an accounting-like look at the situation.

Commissioner Waldack then discussed the issues:

Taxi subsidy program – Commissioner Waldack said he been a vocal supporter of this program. It is listed as a secondary service and has been viewed as a human services program. He suggested that though this is not an absolute core service, this has to do with paratransit services – public transportation – which is a function of local government. He distributed information to the Council. He said this is not human services, but public transportation. It would be too expensive to provide public transportation to everybody, but we can fulfill the need of a certain part of our population. He suggested perhaps charging a \$10.00 fee to register for the program which would generate about \$5,000; creating ID cards; and establishing a reward system for the taxi drivers for people who cannot produce a card or are not eligible for the program. He said he does not understand expiration dates and does not support this as it creates administrative work.

With respect to revenues, Commissioner Waldack said that in terms of the example of a tax bill of a property valued at \$300,000 roughly \$50,000 of expenses translates into \$2.00 on the tax bill over a year. He would be willing to raise the tax bill by \$2.00 in order to save a senior citizen who is making \$600-\$800 per month in order to save them \$40.00 per month in transportation costs. It is a matter of who is

hurting more. The people who are really hurting are the ones having trouble getting food. For the first time Meals on Wheels will have a waiting list. He would like to see that funded at least to the extent that has been done in the past and to do that he would be willing to add \$1.50 to the tax bill. To put this in perspective, a small amount added to the tax bill would allow people to have meals and access to transportation to get to doctor appointments, etc. Commissioner Waldack said there are over 49,000 residents in Downers Grove, 14%, or 7,500 of whom are over 65 and only 500 seniors and people with disabilities are registered for the taxi subsidy program, which is 6% of our population and they don't all use the maximum every month.

Counseling and Social Services – Commissioner Waldack asked, in light of the discussions of the elimination of DARE, where people will go for counseling and for help. Out of a \$4,000 tax bill, over \$3,000 goes to the schools. He referenced block grants and the Salvation Army. When you look at all that the Department offers, this is not the time to cut these services. He does not feel police officers will make good counselors.

One of the top three complaints he gets when he talks to people who do not interact with the Village very often, is that they do not get return calls. The Village call system is not good and people do not get reference numbers when they call the Village. The loss of the Counseling and Social Services department would add burdens on an already decreased staff. He would like to keep the Counseling and Social Services department. Using the property tax example, to keep this department would add \$5.50 to a tax bill.

DARE – Commissioner Waldack said that, although many are very positive about it, education is the role of the schools. He is willing to consider a split.

Community Events Activities – We need to cut back. People go to Heritage Festival for the rides, but by and large, it is a social event. He would like to see us use our boards and commissions in a better manner and reinvent our festivals to allow for more community spirit. He would like to see more emphasis on our boards and commissions to take up this role. He would like to see this applied to parades and the ice sculpture festival as well. He thinks people would understand.

Senior Citizen Grant – Commissioner Waldack said he supports this at the \$39,000 level. He noted there is more pressure on food pantries.

With respect to revenue enhancements, Commissioner Waldack said he is intrigued by the idea of a liquor tax. He would like to see parking rates increased to help some of the transportation needs. We should try to work with Metra to establish our own rates. He suggested this may be the time to establish vehicle stickers. In terms of red light camera enforcement, Commissioner Waldack, said he could support this, but noted that this revenue declines over time as people obey the law.

He noted that his example in terms of amounts added to the property tax is used to illustrate his point, but not necessarily the way to go to fund programs

Community Grants – Commissioner Waldack said he would like the Community Grants Commission to look at this. He believes in community and it makes Downers Grove unique. He would like to save the arts if at all possible. In the scheme of things, he brought it up last because that is where it would rank.

As to the taxi subsidy program, Mr. Fieldman said we operate on a cash basis. Staff is proposing an expiration date. There are two schools of thought with respect to the expiration date: It will reduce the likelihood that all the coupons will be redeemed, or it could cause people to redeem coupons in the short-term.

Commissioner Durkin said he does not support an expiration date.

Mr. Fieldman said staff is proposing to reduce the taxi subsidy from \$150,000 to \$100,000. Specific program changes would be brought forward later.

The Mayor said Commissioner Schnell is on vacation. He asked the Village Manager to read her comments into the record.

**Commissioner Schnell** thanked all the residents who through emails, letters and public statements have made their views known. They have been unprecedented in number and she applauded the public participation at this particular time.

As bad as the proposed service cuts are this year, we will have a similar difficult task next year if the economy does not begin to pick up. Because of this and our present situation she believes that the community wants us to be conservative in revenue enhancements. Services, at a minimum, can be defined as police, fire, and public works. We must be prudent in our budget cuts. Cutting is never easy and we as a Council started this process many months ago. She addressed protecting the core services – police, fire and public works. Even within these services there have been reductions in staffing, vehicles, etc. As we have heard from our residents, this definition of “core services” might be enlarged depending on what types of services we are talking about. For a senior, living on social security with no other or minimum sources of income, Meals on Wheels and the taxi subsidy program become core because they are essential to life as they know it. For residents who are facing conflict within their lives our social service department provides a core service of learning to cope and deal with the stresses of life or other life altering situations. Parents and students alike have spoke of the importance of DARE in their lives and its impact in making them better members of society. During our months of discussions we have also been told that the arts have an important rule in the lives of our residents. All of these programs enhance the quality of life for our residents but unfortunately in this economy either some cuts have to be made or our budget will continue to climb to levels that our residents cannot afford. Too many people have lost their jobs or have had their incomes reduced to make it possible to continue to tax without well thought out fiscal restraint.

Her basic definition of core services is police, fire and public works. They affect everyone in the community and need to be maintained. In all likelihood we will be facing challenges next year. Society also needs to provide services to those who cannot provide them to themselves. In most instances these are not provided by local government.

Meals on Wheels is a program that is funded, in part, by others, but has had levels of support from local government. Some support is still necessary so that this program will continue, although not at the same level as last year.

The taxi subsidy program is used by seniors who don't have transportation for the basics of life such as doctor visits, grocery shopping and picking up medicine. The proposed reduction may be somewhat

severe, but again we cannot continue it at the present level. She would like staff to look at a compromise that allows for the needed rides while putting a limitation on how long the coupons are good.

There appears to be an option for the DARE program that would allow it to continue but at a somewhat reduced level. This type of compromise is acceptable.

The Counseling and Social Services Department is a service that is worthy of continuance if there is a way to enhance some of the revenues that come in through the provided services. She would like to get additional information as to whether these services are available to our residents elsewhere. She would like to know if the Department be pared down so that services that are unique could be continued.

While the arts are an important part of life in Downers Grove, the grants program is one that has to be eliminated at this time. We simply cannot afford it in this economy.

As to revenues, she voiced her concerns with the proposed property tax increases during the long range financial planning sessions. Because of this view, additional cuts would have to be made to keep some, if not all, of the above mentioned services because she cannot in good conscience raise property taxes. She pondered whether the bike race and fire works are as important to the quality of life as are Meals on Wheels or the taxi program. In our economy can we still afford to maintain the Heritage Festival at the present level or could it be done with more volunteers, made smaller or eliminated. These are the types of questions that need to be answered. She would like to look at red light cameras. This is not taxation on anyone except those that break the law. Changing how we do business as a Council may provide needed revenue to keep some of the services mentioned above.

The Mayor asked Commissioner Durkin for his comments.

**Commissioner Durkin** thanked the residents who provided their comments. He said their presence was noted. He said he supports the budget as proposed by staff but does not support use of the reserves without more examination.

Community Events Activities – Commissioner Durkin referenced finding the right size for Heritage Festival and further exploring sponsorships.

DARE and the elimination of two police officers – Commissioner Durkin said he is not in favor of the elimination of two officers in traffic enforcement. He sees this as a revenue stream. He does not want to cut DARE, but, given the circumstances, he would eliminate it and give that responsibility back to the schools.

Commissioner Durkin said that he would like to eliminate the take home vehicles for all but the Police and Fire chiefs. He's been asking about this program since he became a Commissioner. He recommended expediting the Highland Park model for commuter buses and would like to see this in place in 2010. He would like to explore privatizing fleet maintenance as well as some of the engineers in Public Works.

As to revenues, Commissioner Durkin said he supports the property tax increase due to this budget and the desperate needs. He would support vehicle stickers if there is a direct relationship with road maintenance to enhance the current roadway budget.

Commissioner Neustadt noted that a proposed reduction at the 2010 Heritage Festival is the car show. The Car Show Committee is trying to form a volunteer group to run the car show. He said there is a shift toward volunteerism.

The Mayor said that in any vacuum, if a return is expected, something will fill the void.

Commissioner Beckman asked as to the viability of volunteers with respect to community celebrations.

The Manager said staff would have to explore how volunteers would translate into dollar savings.

Commissioner Waldack referenced a Pepsi sponsorship of Heritage Festival one year. There was a lot of pushback on this idea. He suggested keeping the hometown feel without selling out.

Commissioner Durkin said it is necessary to look at revenue streams. Today is a totally different way of doing business from five years ago. New ways of thinking and revenue streams may be what it takes to keep the festival going.

Commissioner Beckman said we must start the process now.

Commissioner Waldack said part of the purpose for Heritage Festival is for non-profits to get their name known or to fund raise. He would not like to see us cut into their opportunities.

The Mayor called on Commissioner Barnett for his comments.

**Commissioner Barnett** said he supports much of what is in the budget but it does not go far enough as the problem is not just 2010. It seems to him that Council is contemplating reducing core services and keeping programs that were identified as secondary services. The problem is a structural problem that has to do with expenses and revenues for future years. He does not want to set ourselves up for the same dialog in 12 months. The bulk of our general expenses are a function of payroll, most of which is contractual. Benefits will go up by a certain amount each year.

Commissioner Barnett said he is in full support of all the proposed cuts. He supports elimination of community events as of now. He would like to commit ourselves to a path to eliminate the taxi subsidy program in two or three years. He would like to see cost-sharing programs for some of the public safety educational-related activities. The concept of need is disruptive to the analysis. Under the current budget, we are not responding to basic human needs, such as PADS or those who cannot eat. The question is of a longer range and bigger than the fringe programs. He does not want to see the fringe elements of what we do define our big problem, which is a scope and payroll for 2012 and beyond. This problem will not be solved with fringe cuts. We have a challenge and he believes we can come out stronger in terms of our core services.

The Commissioner said that staff reported that Heritage Festival cost \$161,000 and \$284,000 to run special events. These programs do not run at a break even cost and volunteers will not solve this. This is representative of a structural problem in our revenue stream and how we spend our money. Our problems will not be solved by deciding whether to give \$39,000 to a \$2.5 million community-wide program. The Village's funding of the DuPage Senior Citizens Council is less than 1.5% of their total funding. They

told us they spend over \$300,000 on well-being checks, meals, etc. in our community. Meals on Wheels will continue at some level regardless of our contribution. He said he is not trying to diminish the value of these programs as they are all valuable, but we cannot possibly address all of the needs our community has and it would be a huge mistake to try to do so. We are obliged to provide core services which do not include funding of the arts, Meals on Wheels and many other services we have today.

Commissioner Barnett said he would like Village departments to start with a blank slate in 2010. Staffing should not be based on what it was last year, but rather to do the things that need to be done. He cannot support a deficit budget. This is not a catastrophe. This is a \$1 million problem in a \$40 million budget that we ought to be able to solve. We can solve this matter.

In terms of revenue, Commissioner Barnett said property taxes are for services to improve property. We are missing the point if we look at this to find a few extra dollars in 2011. He would like continued discussion about these matters.

Commissioner Waldack asked about his position of the individual issues.

Commissioner Barnett reiterated that he supports the 2010 budget, completely eliminate community events, increase property taxes beyond the proposal, and make some commitments on a taxi subsidy long range plan and a shared cost plan for some of the public safety education issues.

**Mayor Sandack** referenced former Commissioner Martin Tully saying we have finite resources and infinite needs. Council has heard some discussion about the needs. The long range planning sessions were designed and purposeful. We cannot be all things to all people. We will not be able to solve the issue of infinite needs and finite resources. Downers Grove has provided other good services beyond what local government typically does, but they are not the only needed services.

Historically we have made contributions to Meals on Wheels. How that choice was made over other choices has not been adequately explained, but we subsidized this program. The funds could have been given to any number of other worthy causes. No one has advocated giving additional funds to other worthy groups because they know we cannot make these types of contributions going forward. It is not in our scope of services and it is not what we do. To stop funding a service is harder than never funding it in the first place because we know that people depend on it.

Structural problems are becoming more pronounced. It costs about \$27 million to pay for core police, fire and public works services. We received about \$9 million in property taxes for these core services. Further, costs will go up unless we dramatically reduce personnel. Our budget is largely people – 75% of the budget goes for paying people and outstrips our revenue sources. To address this staff has proposed to dip into reserves in the amount of \$1 million and has presented a deficit budget for 2010. Council met a number of times to discuss how to prudently continue services residents expect on a macro level. Council collectively determined core services. The Mayor then reviewed the core, primary and secondary services.

Mayor Sandack said there is a structural funding and services problem. Pensions, health care, and personnel expenses are all increasing. We cannot fund everything we would like to fund. We need to prudently make difficult fiscal decisions. Political expedience does not belong in local government in his opinion, but fiscal responsibility does. Political responses don't belong on the dais; rather, neighborly empathy and neighborly and responsible decision making do belong. He said it is necessary to right size



our Village to provide core services which will have profound effects on our population. This is the right time to right the ship.

In terms of expenses, the Mayor said, he supports staff's initiative, although he thinks more can be done.

Community Grants – The Mayor said he loves the arts, but we cannot continue to fund them. Arts organizations will need to partner with the EDC, the Chamber of Commerce and the business community.

Community Events activities – The Mayor said these must be reduced and we must figure out how to find the right size and partner with others. We cannot have events as they once were and we will need to rely on volunteers and ingenuity. If other services are to be reduced, we are hard pressed to continue with some of our events. We cannot subsidize these when we are cutting certain services to certain segments of our population.

Counseling and Social Services – The Mayor said it is with a heavy heart that he supports the elimination of this Department. It is not without victims. He is hopeful that we can make referrals and that private industry will step up to fill the void.

DARE – Council heard very enthusiastic support for this program. The Mayor said this program is a luxury. The Village is funding the school's education requirements mandated by the State. The schools do not want to pay for the officers, although we will ask them to.

Taxi Subsidy reductions – The Mayor said the proposal is not to eliminate this, but to reduce it from a 70% subsidy to a 50% subsidy. It is still a generous program. He challenged the owners of senior residences to partner with the Village.

In terms of the take home vehicles, the Mayor said the concept of shared sacrifice needs to permeate the organization. If there are savings to be had, we need to get them. Emergency personnel, however, need to be responsive to emergencies. There are no sacred cows.

Mayor Sandack said that as dire and difficult this budget is, it is a challenge and opportunity to right size. In the long run our Village will be far more sustainable. He said the processes have been entirely transparent.

As to revenue, the Mayor said he supports the property tax increase. He feels the Village has lived far too long off other people's revenues. We have paid for core services on sales tax revenues, fees, and other items aligned with the economy. We have a responsibility to fund our core services ourselves and it is a good use of our property taxes. He will reluctantly agree to the proposed increase in the Home Rule Sales Tax provided we get necessary cuts. He agrees with dipping into the reserves and he feels it is a good use of reserves. Even with cuts, we need to use the reserves.

Commissioner Neustadt suggested staff look at changing providers with respect to health insurance plans. The Manager said this was looked at this year.

The Mayor then reviewed direction to the staff:

\* Further reductions in Community Events activities

- \* Taxi subsidy program reductions as presented from 70% to 50%. There is support to reduce the program from \$150,000 to \$100,000.
- \* Implement the elimination/suspension of community grants program for 2010
- \* Support for elimination of the DuPage Senior Citizen grant
- \* Direction (4-3) to eliminate the Counseling and Social Services as proposed
- \* Majority support for eliminating two police officer positions and to pursue elimination of the DARE program

Commissioner Barnett said this is a staff volume question. Whether it is DARE or some other activity is not Council's decision. We need to find a way to reduce payroll by two people in the Police Department. The Manager said this is a policy issue as to the number of sworn officers.

Commissioner Beckman said the position he stated with respect to this, was as proposed or whatever internal restructuring meets the reduction of two individuals.

Commissioner Durkin said the amount to be reduced is \$130,000 and asked how many civilians this equals. The Manager said he understands the direction is to pursue and continue with the budget showing the elimination of two sworn officer positions. He said he further heard there is some flexibility to look at ways to enhance efficiencies and provide services that would be left to the Police Chief. He also heard support of the elimination of the DARE program.

- \* Support of the tax increase
- \* Support of the use of \$1 million in reserves
- \* Look at the practice and policy of the use of vehicles for 24-hour response

The Manager said next week staff will discuss the tax levy and setting a ceiling for the most that can be levied.

- \* Two Council members directed staff to look into vehicle stickers
- \* Two Council members directed staff to look into red light camera enforcement

Staff will bring forth a discussion of fees and fees for services to the Council in 2010 to include parking rates.

The Mayor said the idea of a liquor tax or vehicle stickers or red light camera enforcement in 2010 is probably unrealistic.

### **Public Comments**

**Tammy Karam** said her company benefits from Heritage Festival. The Mayor said the Village does not make money on Heritage Festival. Ms. Karam suggested Heritage Festival be kept small to promote community awareness.

**Stephanie Frees**, 1431 Coral Berry, spoke about the Police Department. She said 1/3 of the year the DARE police officers perform core services. Council should not decide the number of police officers. She noted that it costs a considerable amount of money to train police officers. She suggested we look to the future and do not cut quickly.

The Mayor said implementation is the staff's responsibility.

**Frank Falesch** discussed the grant for lights in Prentiss Creek. It is very easy to be distracted by grant money and he cautioned the Council to use restraint.

**Paul Lichamer** said we are talking about two police officers who are sworn officers and armed. He encouraged the Council to look at the fact that this can be dealt with through attrition at the Police Department and to look at comments or concerns involving the contracts. He reminded that Council that the union has always abided by their contracts no matter what. The police union stands firm in keeping armed officers on the street. He said he looks forward to further discussions.

The Mayor said there was no attrition in the Police Department six months ago when there was an opportunity for voluntary separation. He asked how to plan for attrition when it did not happen when it was offered.

Mr. Lichamer said the Chief has probably made it clear to Council where a number of police officers stand in the retirement pay scale.

**Tom LeCren**, 505 Chicago Avenue, said he is concerned that it appears there is a 6 to 1 agreement not to have a balanced budget and to use reserves. He asked when we will have a balanced budget. Commissioner Durkin said this was discussed at the long range financial planning sessions.

There being no further discussion, the meeting was adjourned at 10:07 p.m.

April K. Holden  
Village Clerk