

Meeting Minutes

Village of Downers Grove - Council Meeting

Council Chambers

08/13/2019

7:00 PM

In order to give as many visitors as possible an opportunity to speak and in the interest of adjourning the meeting by 9:00 p.m., please limit your comments to 5 minutes in length, unless further time is granted by Council. Thank you.

1. Call to Order

Mayor Bob Barnett called the regular meeting of the Village Council of the Village of Downers Grove to order at 7:00 p.m. in the Council Chambers of the Downers Grove Village Hall.

Pledge of Allegiance to the Flag

Mayor Barnett led those present in the Pledge of Allegiance to the Flag.

2. Roll Call

Council Attendance (Present): Commissioner Walus, Commissioner Earl, Commissioner Sadowski-Fugitt, Commissioner Kulovany, Commissioner Gray Commissioner Hosé; Mayor Barnett

Absent: None

Non-Voting: Village Manager David Fieldman, Village Attorney Enza Petrarca, Deputy Village Clerk Megan Miles

The Council meeting is broadcast live and a recording of the meeting is made using Village-owned equipment. The recording of the meeting will be used for later rebroadcast of the Council meeting over the Village cable television Channel 6.

The Council will follow the rules of conduct for this meeting as provided in Sec. 2.5 of the Downers Grove Municipal Code. These offer the public the opportunity to comment at several points in the meeting. First, immediately following approval of the minutes of past meetings, an opportunity will be given for public comments and questions of a general nature. If a public hearing is scheduled for this meeting, an opportunity is given for public comments and questions related to the subject of the hearing. Finally, an opportunity is given for public comments and questions on items appearing on the Consent Agenda, the Active Agenda and the First Reading.

The Mayor stated that at the appropriate time the presiding officers will ask if there are any comments from the public. Individuals wishing to speak should raise their hand to be recognized and, after acknowledgment from the presiding officer, approach the microphone and state their name. Remarks should be limited to five minutes, and individuals are asked to refrain from making repetitive statements.

Mayor Barnett said there are agendas located on either side of the Council Chambers, and he invited the audience to pick up an agenda and follow the progress of the Council meeting.

MOT 2019-8286 — A. Motion: Permit Electronic Attendance

Summary: This allows Commissioner Hosé to participate in the Village Council meeting of August 13, 2019, electronically.

Council Minutes

Village of Downers Grove

August 13, 2019

Motion: Commissioner Earl moved to allow Commissioner José to participate in the Village Council meeting of August 13, 2019, electronically. Commissioner Walus seconded the motion.

Mayor Barnett declared the motion carried by voice vote and welcomed Commissioner José to the meeting.

3. Minutes of Council Meetings

MIN 2019-8285 — A. Minutes: Council Meeting – August 6, 2019

Motion: Commissioner Earl moved to approve the minutes as presented. Commissioner Walus seconded the motion.

Mayor Barnett declared the motion carried by voice vote with Commissioner Kulovany abstaining.

4. Public Comments

This is the opportunity for public comments.

There were no comments.

5. Consent Agenda

Village Manager Dave Fieldman said Item D, MOT 2019-8287, a motion authorizing a contract not to exceed \$179,987.00 to McDonough Mechanical Services, Inc., Waukegan, IL, for Police Station/Village Hall boiler replacement has been removed from the Consent Agenda as requested by Commissioner José pursuant to Council rules, for separate consideration.

BIL 2019-8269 — A. Bills Payable: No. 6472, August 13, 2019

RES 2019-8281 — B. Resolution: Authorize the Disposal of Personal Property Owned by the Village of Downers Grove

Summary: This declares certain vehicles and equipment as surplus property and authorizes disposal of such property pursuant to Section 2.35 of the Municipal Code.

**A RESOLUTION AUTHORIZING THE DISPOSAL OF PERSONAL
PROPERTY OWNED BY THE VILLAGE OF DOWNERS GROVE**

RESOLUTION 2019-60

MOT 2019-8270 — C. Motion: Award \$924,799.30 to A Lamp Concrete Contractors, Inc., Schaumburg, IL, for the Indianapolis Avenue/Cross Street/Drendel Road Drainage Sidewalk Improvements

Summary: This awards a contract for the Indianapolis Avenue, Cross Street, Drendel Road drainage/road/sidewalk improvements to A Lamp Concrete Contractors, Inc. of Schaumburg, IL, in the amount of \$924,799.30.

MIN 2019-8283 — E. Minutes: Note Receipt of Minutes of Boards and Commissions

Council Minutes

Village of Downers Grove

August 13, 2019

Summary: Architectural Design Review Board – March 20, 2019; Plan Commission – July 1, 2019

Motion: Commissioner Earl moved to approve the Consent Agenda as amended. Commissioner Walus seconded the motion.

Mayor Barnett declared the motion carried by voice vote.

6. Active Agenda

MOT 2019-8287 — D. Motion: Authorize a Contract Not to Exceed \$179,987.00 to McDonough Mechanical Services, Inc., Waukegan, IL, for Police Station/Village Hall Boiler Replacement

Summary: This authorizes a contract with McDonough Mechanical Services, Inc. of Waukegan, IL, for the replacement of the primary boiler that supplies heat to the Police Station and Village Hall in an amount not to exceed \$179,987.00.

Motion: Commissioner Earl moved to authorize a contract with McDonough Mechanical Services, Inc. of Waukegan, IL, for the replacement of the primary boiler that supplies heat to the Police Station and Village Hall in an amount not to exceed \$179,987.00. Commissioner Walus seconded the motion.

Commissioner José thanked his colleagues for allowing him to remove this item for separate consideration. This is an item we knew might come someday, and unfortunately it has. It highlights the importance of long range planning and facilities sustainability. Those who have run for office in the last few years have all campaigned on the idea of fixing the Village facilities problems. This is another highlight of why we need to reach a solution. He said he is excited to move forward with the long range planning tonight. He will support this item.

Commissioner Earl said it was noted that this equipment can be recycled/reused if Council moves forward on a facilities project.

Mr. Fieldman said they also have value to be resold.

Votes: Yea: Commissioners Earl, Walus, Gray, Kulovany, Sadowski-Fgitt, José; Mayor Barnett

Nay: None

Mayor Barnett declared the motion carried.

7. First Reading

ORD 2019-8277 — A. Ordinance: Amend the Brew Facility Liquor License Classification

Manager Dave Fieldman asked Village Attorney Enza Petrarca to present this item.

Enza Petrarca, Village Attorney, said this is an ordinance proposing to amend the brew facility liquor license classification to remove the 48-ounce limitation. When this license was created in 2014 it contained a restriction that customers be limited to 48 ounces of beer per day in the establishment. That was consistent with surrounding municipalities at the time. Since that time, several communities have removed that restriction from their ordinances. Alter Brewing, the only brew facility license holder, has requested that the Village consider removing the limitation so that we remain competitive with surrounding communities.

Mayor Barnett, Liquor Commissioner, has entertained the request and has asked staff to prepare an ordinance for Council consideration.

Commissioner Earl asked if the Liquor Commission approved this.

Council Minutes

Village of Downers Grove

August 13, 2019

Ms. Petrarca said this did not go through the Liquor Commission.

Commissioner Kulovany asked if anyone from Alter Brewing was in attendance at tonight's meeting.

Mayor Barnett said this was put forward by him. The Mayor reminded everyone that every liquor license holder has a responsibility to prevent over service. Most license holders work hard at that. He does not expect any of our license holders to ignore that.

Commissioner Earl asked for results of control buys before the next Council meeting.

Commissioner Kulovany asked how establishments know if someone has been over served or is inebriated.

Ms. Petrarca said the entire staff has to be Basset certified and goes through that training.

Mayor Barnett asked Ms. Petrarca to circulate Alter's application packet which would show all their training requirements and internal procedures.

ORD 2019-8272 — B. Ordinance: Amend School Zone Provisions

Mr. Fieldman said an ordinance has been prepared amending school zone provisions. District 58 recently changed its dismissal times on Mondays for this upcoming school year. As a result, a number of signs and parking restrictions require adjustment. The revised ordinance will authorize these changes.

MOT 2019-8282 — C. Motion: Award \$1,152,622.19 to Austin-Tyler Construction, Inc., Elwood, IL, for Elm & Earlston Drainage Improvements, 2014 Stormwater Project Analysis #3

Mr. Fieldman asked Public Works Director, Nan Newlon, to present this item.

Nan Newlon, Director, Public Works, said this is to request that a contract in the amount of \$1,152,622.19 be awarded to Austin-Tyler Construction of Elwood, IL. Ms. Newlon showed the area of the project. This project was identified in the Village's 2014 Stormwater Project Analysis Report (SPA Project #3) as lacking the recommended level of service for stormwater. Residential properties on the east side of Elm Street receive overland flow from the west which causes structural flooding and frequent yard flooding on Elm and Earlston. The existing system on Glendenning also is lacking stormwater infrastructure on the west side just north of Ogden Avenue.

The scope of this project includes installation of a new storm sewer system on Elm Street and Earlston Road between 41st Street and Ogden Avenue, and on Glendenning Road just north of Ogden Avenue. The new system will connect to an existing storm sewer system within IDOT right-of-way. The new storm sewer systems on Elm Street, Earlston Road, Glendenning Road and Stanley Avenue will provide the recommended level of service identified in the SPA report. The project also includes resurfacing of Elm Street and Earlston Road from 41st Street to Ogden Avenue and Stanley Avenue from Ogden Avenue to Sherman Street.

A Call for Bids was issued and six bids were received. Staff recommends award of the project to Austin-Taylor Construction, Inc. They have successfully completed other projects in the Village.

Commissioner Earl asked if water mains are tied to this project.

Ms. Newlon said this does not include water improvements as none are needed in this area.

8. Attorney's Report

Pursuant to Section 2.5 of the Downers Grove Municipal Code, the following are presented for Village Council consideration:

Council Minutes

Village of Downers Grove

August 13, 2019

1. An ordinance amending the brew facility liquor license classification
2. An ordinance amending school zone provisions

9. Mayor and Council Member Reports

Commissioner Gray spoke about students and households preparing for the return to school. He discussed the death of the summer job. Students have gone from summer jobs to approximately 34% working year round. This is part of the new competitive academic environment. Commissioner Gray said he received information about the Illinois Mathematics and Science Academy (IMSA) Promise Program which will start taking applications in the near future. The program is geared to helping students learn more about IMSA's innovative practices. Students work with IMSA faculty and staff as well as student tutors to connect with hands-on projects. This falls in line with those households trying to provide academic alternatives for their students. If interested, Commissioner Gray said more information can be found at imsa.edu/promise program.

Commissioner Earl noted that Saturday, August 17, 2019, from 9:00 a.m. to 10:00 a.m. is the next Coffee With The Council at the Main Street Train Station.

10. Manager's Report

Mr. Fieldman said that the cottonwood tree located on the Rogers Street parkway will be pruned on Monday, August 19. Two to three lower branches and some upper branches will be removed. An assessment was done and the Village will prune this tree and monitor its condition. It is uncertain how much longer this tree will stand. The Village will continue to monitor the condition of the tree, and if inspections suggest that the tree poses a safety concern the tree will be removed. The tree has been in the neighborhood for more than 150 years and was a witness to the building of the Tivoli Theater in 1928. Staff would continue to provide updates to the Council.

Mayor Barnett called for a five-minute recess, with the Council reconvening in the Committee Room to begin discussion on the Village's Long Range Plan for 2019-2021.

INF 2019-8271 — A. Information on the 2019-2021 Long Range Plan

Mayor Barnett reconvened the Council meeting in the Committee Room at 7:27 to begin discussion on the Village's Long Range Plan. He asked Mr. Fieldman to begin the presentation.

Mr. Fieldman said the long range plan (LRP) combines strategic planning efforts with financial planning efforts and has a multi-year horizon. By doing both at the same time the Village creates its wish lists, its desired outcomes, and its action plans with the financial realities kept in mind. This has worked for us for the past ten years. The LRP guides the annual budget and daily operations. It helps with the preparation of the budget. The most important thing that it does is proved policy direction from the policy makers in the preparation of the annual budget.

It's often been said that "the budget writes itself," however, the reason it feels as though it writes itself is because so much policy direction is received from the Village Council during the summer long-range sessions that there are very few or no surprises in the annual budget.

This is an opportunity for the Village Council and staff to talk with each other and with the community, as well as through formal and informal channels including phone calls, emails, social media posts, etc. He noted one way to understand the process is through a flight analogy with the long-range plan taking place at 40,000-foot level

where they discuss strategic goals. At 30,000 feet they discuss priority actions. The topics during long-range planning always come up later in the year at lower levels.

Mr. Fieldman said that the long-range plan has four deliverables. The first and foremost are the strategic goals that align the organization and staff work with the Council policy directives. They are critically important to work on a day-to-day basis because it is the way by which the Staff receives Council direction on a variety of issues even though they are not meeting together in a room at that time. The second deliverable is identifying issues that might affect the long-term future of the Village. These are big-picture issues sometimes financial or operating policy issues. The third deliverable is solutions and general strategies that they wish to put in place as a team to address identified issues. Some of these strategies might be specific while at other times they are simply a framework of how an issue or problem will be approached. The fourth deliverable is the Council's prioritized work plan that identifies the action items the Council wants to handle in the next 18 months or so while this Council is seated. They consist of specific action-oriented projects.

Regarding the schedule, the Manager said that the schedule will meet twice in August, three times in September, keeping the last Tuesday in September open in case it is needed. The schedule is simply to help guide discussions and not constrain them. He said that they try to have the long range plan completed in time to finalize the budget, which will be published in late October.

Mr. Fieldman then led the discussion on Strategic Goals, stating he would ask the Council's comments for these goals. The goals are used on a day-to-day basis and should be aligned with Council policy. When the goals are in alignment with the Council policy the staff will continue to be efficient with the agenda items and projects the Council sees coming forward.

The Village has five strategic goals. It is important that the goals align with Council policy directives as this allows staff to be efficient.

- 1) Steward of Financial, Environmental and Neighborhood Sustainability. Financial sustainability relates to being respectful and responsible with taxpayer resources and taxpayer dollars. The Village should always act in ways that align expenses and revenues over the long term so that it can continue to be balanced both in the short and long term. That concept drives the controlling of expenses and drives the idea that revenue sources are put in place keep pace with expenses over time. This goal is referenced frequently and attention is paid so that expenses and revenues align each year and in the long term. Environmental sustainability is interpreted as delivering services that are mindful of the impact on the environment and our natural resources, and those services should be delivered in a way that protects and enhances the environment. That goal has been interpreted to mean that the Village should be green-mindful. Neighborhood sustainability came about in 2015 and represented a chance in focus in the Village. It is based on the idea that the Village should maintain the desired character of neighborhoods, or achieve the desired character of neighborhoods. Things that are the result of this particular goal are the efforts to historic preservation where they have depended heavily on community partners like Friends of the Edwards House and the Historical Society. In addition, this goal depends heavily on concepts that exist in the Village's Comprehensive Plan.
- 2) Exceptional Municipal Services assures the provision of high quality and high value services to the community that exceed expectations, and that the Village communicates the value of those services.
- 3) Top Quality Infrastructure is the notion that the infrastructure system (roads, sidewalks, parkway tree system, stormwater, water) meets or exceeds established performance standards. Each of the infrastructure systems has established standards. Quality is defined in the recommended level of service and the use of resources and people to deliver that service.
- 4) Strong, Diverse Local Economy refers to a resilient economy that provides revenues for the community that are sustainable on the Village side as well as on the taxpayers and residents side. This goal relies heavily on the partners at the Economic Development Corporation.

- 5) Continual Innovation is the Village's response to the Great Recession that required the Village to be nimble and thoughtful and innovative and do things differently to add more value to the community and the constituents. Its description reads that the Village should discover development and implement ideas and practices. Sometimes these are small innovations inspired by individuals who have simply defined a better way for staff to do its job. An example is the Stormwater Utility. The Village was the first community in DuPage County and the second in the State to come up with that concept and implement it.

Mr. Fieldman asked for Council comments, keeping in mind key questions as to whether Council members support these goals, whether they should be changed, and how and why.

Mayor Barnett said this is an important introduction of the Village's goals. It's important that these are reviewed for ideas from each member of the Council. The Mayor said that these are goals that he supports entirely. He noted that there is a lack of metrics and that is intentional. The Plan is designed that way and has evolved over the years. He supports it entirely and thinks it is well done.

Commissioner Gray asked whether the Council has full descriptions of each of the items the Manager reviewed. Mr. Fieldman replied by noting the pages with descriptions on pages 8 and 9 in the Long Range Plan.

Commissioner Gray noted that each of the items is large and holds so much weight that they can be refined by establishing the idea of a mission to support each one.

Commissioner Sadowski-Fugitt commented that even if they don't want specific metrics, they need some way to know what they've achieved. She asked what qualitative method could be used to tell the community what they are doing. She used the idea of continual innovation as an example, asking how they tell the community they are doing that if they don't have a system of measurement. She also said that being a "steward" in continual innovation almost seems at odds for her because it seems as though they're saying that they try to meet standards but also want to be continually innovating. She thinks they need to push past "stewards" and push themselves more in general.

Mr. Fieldman responded that they have a lot of measures already for these items, a lot for financial, some for environmental, etc. Neighborhood sustainability is more challenging, such as how many structures have we designated. Exceptional municipal service may stand out as one that they don't have qualitative or quantitative measures. They certainly commit to these ideas. Performance standards that exist for each of the infrastructure systems are easily measured. The local economy can be tied together when Mr. Cassa of the Economic Development Corporation presents his report and metrics.

Commissioner Earl said that there are measures available on municipal services in terms of response times. Mr. Fieldman added that they will attempt to better connect the dots in the next draft.

Commissioner Kulovany commented editorially watching the last four years they have to get out of recession mode. The Village has become leaner and leaner and resident expectations are more. There have been many headcount reductions, and the question comes up as to how many heads are needed to meet those expectations. In real dollars the Village has been operating with less money each year, except for state-mandated pensions. He thinks it's good to consider expectations, as they will be getting a lot of requests to perform more and more. Setting priorities is very important and determining which items outweigh others. Generally he thinks the strategic goals are spot on.

Mr. Fieldman referenced Commissioner Kulovany's comment regarding getting out of recession mode, and said that the idea of steward of financial sustainability is consistent with controlling and aligning expenses and revenues, but asked whether this accurately reflects the goal.

Commissioner Kulovany replied that he recalls a discussion some months back with the Manager about how the Village represents 9% of the tax bill and the schools represent 72% yet the Village gets blamed for everything because Downers Grove's name is on everything. He said the Manager's reply was that the Village's goal was to get out of the way of the schools financially so they can operate.

Council Minutes

Village of Downers Grove

August 13, 2019

Mr. Fieldman asked for further thoughts on the concept of being in recession mode or should they change or modify the goals to reflect Commissioner Kulovany's comments.

Commissioner Earl commented that the recession mode was quite bit worse than this. There were no pay raises. There were pay freezes. If anything they've become leaner and better and have become more digitally savvy which has allowed them to eliminate some positions and some overlap, but she doesn't remember recession mode being like this. They are now looking at what else they can do and not ripping their hair out to determine what they have to cut. She thinks they are looking at the potential for growth and where does it need to come in. If there is any expansion it will be very strategically planned expansion without necessarily putting in more bodies, but perhaps shifting bodies around, using more technology. Adding more people makes the pension liabilities go up even further.

The Manager said that what he thinks he is hearing is that the goal doesn't necessarily change, but the idea of strategic and planned expansions and alignment can be put in as a subpoint in the explanation so they don't convey that they are just in recession mode.

Commissioner José said that he agrees with Commissioner Kulovany's comment to an extent in that there has been a continued decline in the head count, while 70% of our costs are still personnel related and regardless whether the number goes down the cost per person will go up. Salaries go up to keep up with the cost of inflation, and the cost of pensions goes up as the salaries go up. As a service organization, the Village is people heavy. At the same time they also have to make sure they have the resources available to deliver things like top quality infrastructure and exceptional municipal services. Costs for services increase as well. They have seen staff come through time and again in terms of delivering a budget that is balanced and that is as close to revenue neutral as possible. This streak of eight years will bleed into the next topic in terms of general fund sustainability. The streak of eight years of no property tax increase for Village operations is impressive, improbable and likely over. That kind of streak simply is not sustainable. The Mayor has talked about that for a couple of years, as have others in the community. They have to keep in mind that they have these inflationary pressures and they can't let the idea of no revenue increases crowd out all of the other goals.

Commissioner Walus said that over the past few years staff primarily has not filled retirements. She doesn't think they are still operating under a recession mode, but thinks they are going to have to be considerate of having had a great eight-year streak that may be coming to an end. They must, however, be careful and considerate with how they do this because she's seeing a lot of words on the board that say "control" yet also say "high quality, high value, exceed." So every time they look at a particular topic, they need to come back to the strategic goals because that is why they are there. They have to ask if they are meeting the goals. As for measurability, they do have measures that come out with the Village's annual report showing everything the Village has achieved. The question will be how much are they going to be able to do while they are still considering our tax base and our residents. There are 49,000 or more people they must consider. Police pensions will continue to go up and everything they want to do will cost money. They have to continue to consider the goals and the 49,000 people who live in the Village.

Mayor Barnett commented that there are strategic goals and there are tactical goals. He has always seen this as a mission statement of sorts. Nothing in the goals compels specific direction on the items. Stewardship does not in and of itself mean reducing or limiting or raising anything. It talks about how you handle the decision-making process. He doesn't want to discourage the evolution of this process because from his vantage point this has always been a mission statement that fed the decision-making that still had to come.

Commissioner Sadowski-Fugitt said that if they say they want to preserve this Village, she wants them to be stronger than stewards for the environment. She commented that they have seen an increase in stormwater problems and flooding and much of that has to do with the way that our climate is changing. She would like to see them be more community and human-focused and provide more opportunities to interact with the community. She said she threw out an idea to the Manager about having more conversations with the community about items that would get people on board throughout the process instead of at the end. She has a concern that if they are only looking at local government as a business, it goes back to the 49,000 people who live here. She said their job

Council Minutes

Village of Downers Grove

August 13, 2019

is balancing the financial capital with the human capital and she would like to see that reflected in a bit stronger language. It seems to be really important to people.

Commissioner Earl said she agrees to a point but needs to know how this would overlap with other forms of government. She said maybe all they are looking at is helping people find help to address their needs.

Commissioner Kulovany concurred with that saying that there may be county services and not-for-profits available that people are unaware of.

Commissioner Walus said that she doesn't think that anyone would disagree with doing better in that area, but they have to work with what's in place already.

Commissioner Kulovany said that people don't understand where to find things.

Commissioner Sadowski-Fugitt commented that they should be a facilitator of what various groups or agencies do.

Commissioner Gray said he is still on square one. Going through the description of the goals, he thinks that they are looking to drill down deeply and make sure what each of these goals are and values are communicated. What makes people want to call Downers Grove home. He asked if they know or understand the why, and the who of the residents of Downers Grove. So he still feels like he is at square one and is working through the verbiage.

Commissioner Earl said some of that is laid out in the Comprehensive Plan document, which is an excellent resource for the answer to those questions.

Mayor Barnett said that a good resource to revisit is that document.

Commissioner Kulovany commented that he agreed with Commissioner Gray on differentiating between other suburbs, and competing with other places.

Mr. Fieldman said what he is sensing is that they have done a great job of re-evaluating the goals, and staff would like to take time to repackage this and consider the discussion tonight. He proposed instead of continuing the discussion about strategic goals to instead go through the rest of the schedule and come back to the strategic goals at the end. He thinks they'll learn a lot more about how the goals might be applied when they discuss some issues.

Mr. Fieldman then moved the discussion to General Fund Sustainability, saying this came about when they were discussing the goal of financial sustainability. Issue #1 has been General Fund Sustainability for the last ten years. It is the largest fund in terms of dollars. He used a display to show a graph of expenses in the General Fund between 2014 and 2019. He noted that the Village has been balanced since about 2010. He reviewed expenses, which were \$43.4 million in 2014, and \$48.2 million in 2019. This is a 2.2% annual increase. He noted that expenses are driven almost entirely by personnel expenses. Many expense drivers on the personnel side have to do with State requirements of public safety pensions. He noted that there are challenges to the public safety pensions and negative connotations, but in no way does that minimize the value placed on the Village's public safety team. Downers Grove has the best of the best and has measures and metrics to prove it. The Village does not control the rules established for the pensions by the State of Illinois. He explained that there has been a 20% reduction in headcount since 2008, which has helped with the costs of public safety pensions. He discussed the required contributions for the pensions, saying that by 2040 the State will require complete funding of the pension system at an estimated cost of \$20 million. He explained that the Village has made its required contributions each year to the pensions; however, the pension is funded at only 55% now. It will eventually go up, and it is not an indication of poor handling but is due to amortizations and contributions. They will be close to 100% funding by 2040.

In reviewing revenues, He said that there was a big spike in revenues when the implementation of the food and beverage tax was implemented in 2018. There were some challenges in sales tax revenues for 2019. Most major revenue sources do not keep pace with expenses. He said there was also the eight-year stretch of not raising the property tax levy for operations. The largest revenue source is sales tax and has been incredibly flat and has been going down for years. He said there is some good news on the horizon. The State made a change in State law and

Council Minutes

Village of Downers Grove

August 13, 2019

in July 2020 there should be some show of on-line revenue from internet purchases. They think these increases could be measured in hundreds of thousands and not millions of dollars. Another revenue source that has been doing well is revenue from building permits and construction activity in general. It is, however, cyclical revenue. The remaining revenue sources are very flat. He asked, if the issue is that revenues are flat and declining and expenses continue to grow, what strategies have been implemented to keep the budget balanced. He indicated that what they are laying the groundwork for is the reality that they can no longer continue to provide balanced budgets through headcount reductions. The staff is committed as a team to cost control measures, but doesn't see much opportunity in staff reductions. He noted that the strategy might be to increase taxes that are commensurate with bottom line expenses. He reviewed revenue sources that they will consider.

Mr. Fieldman then presented a 2020 preview. The levy for public safety pensions should go up by \$650,000. They think in order to cover another \$1 million increase in total expenses they may need to increase property taxes by somewhere about \$100,000. The question they have for the Council is whether they are okay with the strategies provided by staff.

Mayor Barnett said he thinks seeing all this is important. The Village has exhausted itself by putting itself in a little box and everybody wants to be the person who "kept taxes down." Tax increases are a real issue to every resident in Downers Grove, but there are some realities. There's a difference between being efficient and being frugal and miserly. They are not the same. There's no reason to believe, in his mind, that over the next ten years they will have another 25% decrease in personnel count. They will be faced with some real challenges if they want to do the very things they are doing right now. They will probably have to add revenue in several places. As to the strategies and solutions presented by staff, he thinks they need to keep on that path. The Council will define the types of services they want to see in the Village and staff will keep in mind ways to try and meet those service levels. He's been through many budget years and can say that there are people who are always looking for ways to do more and ways to make their jobs easier and less expensive. Every person who worked for the Village of Downers Grove has been open to the idea of trying to be lean and reduce costs over that time.

Commissioner Kulovany mentioned the idea of inter-governmental cooperation. He attended a meeting at South High a few years ago very well attended by government, and about four citizens. He thinks they should continue looking for things, and even if it doesn't move the needle a lot it may enough to make a small difference. He thinks the big topic is consolidation by looking at all of the local units of government and making bold suggestions, or at least investigate options.

Mr. Fieldman added Commissioner Kulovany's consolidations to innovations.

Commissioner Earl asked how long it has been since they looked at the Village's borders, and the potential for annexations.

Mr. Fieldman said it was added to the strategy section in 2012 and they can look at that again. He commented that if the Council agrees, the 2020 budget would likely include an increase in the operations levy.

Commissioner Kulovany asked about the facilities cost.

Mr. Fieldman said that the facilities project would be in a different fund, not the General Fund. They will discuss facilities at a future meeting in a couple of weeks.

Mayor Barnett said that the important thing is how does this group feel about staff looking for increases in revenue.

Mr. Fieldman stressed that staff will also focus on cost-control and they know that as a direction not only for this Council but also for the community. We value prudent use of taxpayer dollars and that will continue. He said he has received good direction on how we can go about preparing next year's budget.

Mayor Barnett said if they looked at 2010 and the property tax levy and apply the inflationary adjustment, it's a lot of money.

Council Minutes

Village of Downers Grove

August 13, 2019

Commissioner Sadowski-Fugitt said that the question she had is the concern about raising taxes and that they may be facing struggles in the next 5-10 years such as expenses for Village facilities and other things that may come up. She said they should be cognizant of that. There is a possibility that we may be going into a smaller recession than last time, but there are some indicators that we have to be aware of. She wants to make sure they are not doing the Village and residents a disservice by being afraid to have those small tax increases.

Mr. Fieldman said that from staff's perspective on this, the policymakers over the last decade or so here in the Village have done a great job of being mindful of those things. What they've done is raised revenues or changed revenues strategically when appropriate. The Village has a history of making tough decisions that led to our financial sustainability. The best examples of that in the last ten years have been the stormwater utility, the food and beverage tax, and passed the cost of the pensions onto the property taxes line item. They have also chosen to change other revenue sources except the levy for operations.

Commissioner Kulovany said another option might have to be to re-look at service cuts if the residents say no increase in taxes.

Commissioner Walus said that this is what she meant earlier about having our cake and eating it too. They are going to have to make difficult decisions. There are some big issues hitting the Village at once including the rise in pension funds, a possible facilities project and general operations. They have to continue to be creative, and consider new revenue sources. We might have to consider a slight increase in the food and beverage tax.

Commissioner Earl said that although they have not raised the property tax, they still have raised taxes in some way. They need to balance everything out.

Commissioner José agreed that they have to be creative and look at additional revenue sources. They must be mindful of the property tax levy being our most sustainable revenue source, and it should be small measured increases yearly to assure that they can sustainably plan into the future.

Commissioner Kulovany said there are other sources as well, such as the hotel taxes.

Commissioner Gray asked how in eight years has the Village communicated that benefit to the citizens.

Mr. Fieldman said it has been communicated; however, tax bills are hard to understand with so many taxing bodies. He thinks even though it's been promoted, it is still hard to understand particularly when the bottom line of their tax bill has increased.

Commissioner Earl asked how good are the public safety pension predictions and are they going to meet them.

Mr. Fieldman replied that actuaries do the predictions. Many communities are doing the same but others are not making contributions mainly because of the tax caps. Some communities are making larger contributions that soften the curve. This includes Naperville and Glenview. He asked if any Council members want more information on the strategy of paying more into the pension than the required amounts.

Mayor Barnett thanked those who attended the meeting. He said that they are committed to finding ways to lower costs and also provide services. Not a lot of the expenses are discretionary.

11. Adjournment

There being no further discussion or comments, Mayor Barnett asked for a Motion to adjourn.

Motion: Commissioner Earl moved to adjourn. Commissioner Walus seconded the motion.

Mayor Barnett declared the motion carried by voice vote and the meeting adjourned at 8:54 p.m.

Council Minutes

Village of Downers Grove

August 13, 2019

Respectfully submitted,

Megan Miles

Deputy Village Clerk