Minutes
Village of Glen Ellyn
Special Village Board Workshop
Monday, April 29, 2024
7:00 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order – 7:00 P.M.

B. Pledge of Allegiance

C. Roll Call

Upon roll call by Clerk Cosby, President Senak and Trustees Christiansen, Fasules, Kalinich, Gould, and Thompson answered "Present." Trustee Simon was not present but arrived at 7:32 p.m.

Also in attendance: Village Manager Franz, Assistant Village Manager/Community Development Director Rodman, Finance Director Brankin, Deputy Police Chief Vavra, and Fire Chief Clark.

D. Audience Participation

There was no off-agenda audience participation.

E. Alternative Revenues Discussion

1) Alternative Revenues Discussion

Village Manager Franz began the conversation with the legislation in the Governor's address to eliminate the grocery tax. He said it had not been approved but would take away about $800,000 in revenue from the Village. This led him to the alternative revenues discussion. He added that alternative revenues were discussed at the Finance Commission meeting the prior week.

Trustee Thompson asked what the rationale was to eliminate the grocery tax. Village Manager Franz replied, adding that it doesn't affect the State's budget so it's easy for the State to do.

Finance Director Brankin elaborated on the current grocery tax and how it is distributed, and that the impact would be felt in Q4 and Q1 of next year if it is eliminated.

Finance Director Brankin then jumped into the alternative revenues options, covering the project scope and background of the process. Finance Director Brankin presented the six options to be discussed. He showed a chart outlining the pros and cons for each of the six options. There were both General Fund and Capital Projects options.

Trustee Thompson asked for clarification of the home rule sales tax and if it included liquor revenue. Finance Director Brankin replied with clarification and that liquor was included.

Trustee Thompson asked for clarification of what the food and beverage tax includes. Finance Director Brankin gave that clarification. Discussion continued about it being an ordinance that could be changed.

Finance Director Brankin then presented the real estate transfer tax option that would require a referendum.

Finance Director Brankin talked about pros and cons of a local Motor Fuel Tax which would be up to the Board's discretion. Finance Director Brankin said it would be restrictive to where it could be used, probably streets and roads.

Finance Director Brankin then reviewed the pros and cons of a hotel tax. The biggest issue was that there is only one hotel in the Village and this would not therefore generate significant revenue.

Finance Director Brankin presented and explained the quantitative analysis results. The Finance Commission recommended a 25-basis point increase if the grocery tax goes away. If the grocery tax is not eliminated, the Finance Commission did not recommend any increase.

Trustee Christiansen reviewed why the Board originally wanted to consider alternate revenue sources. She added that when looking at raising fees, increases should be incremental and not all at once every five years. She was impressed with the analysis from the Finance Commission.

President Senak said that spending could be cut to keep with inflation.

Trustee Kalinich commented about the fuel tax and thought it was an easy opportunity. Trustee Thompson agreed, Trustee Christiansen said she supported at fuel tax but there would be the administration time involved to consider. Discussion ensued.

President Senak pointed out that the Village does not currently have a fuel tax and the surrounding municipalities do not either.

Trustee Gould asked if the fuel tax would generate about $50,000/year how would it work. Finance Director Brankin confirmed the amount and that it would be part of the Capital Projects Fund. He then explained how it would be executed and that it would not have significant administrative costs once the initial set up was completed and revenues were being collected.

Trustee Fasules asked if the Village can issue a liquor tax. Village Manager Franz replied yes. Trustee Thompson liked the liquor tax as well. Finance Director Brankin said that the administrative time to execute this tax would be more since the Village has many places that sell liquor. Discussion continued about vice taxes in general.

Trustee Gould asked for clarification of current taxes on packaged liquor. Finance Director Brankin replied.

Trustee Thompson asked if vape shops could be taxed and asked for research on all vice taxes to see the possibilities.

President Senak asked if an income tax was possible, then read a legal passage that implied perhaps this would be allowed. Discussion continued.

Trustee Christiansen asked how much revenue the vehicle stickers generate. Finance Director Brankin replied $300,000. She thought that maybe vehicle stickers could be dropped and replaced by a fuel tax.

Trustee Gould wanted to know the yield from the last two years from the grocery tax. Finance

Director Brankin replied with the numbers.

The conversation turned to comparing the pros and cons of each option, as well as others. It was suggested that perhaps adjusting the budget could help meet any shortfall. It was agreed that a contingency plan needs to be in place before the grocery tax issue is decided by the State.

Trustee Gould asked for confirmation that the Village could be allowed to tax groceries, as opposed to the State. Village Manager Franz said yes. The possibility of having a lower tax than other municipalities was discussed. Finance Director Brankin interjected that it is hard to know what to do until the grocery tax issue is decided.

Trustee Kalinich thought it would be confusing for people if the Village implemented a grocery tax after being told by the State there was not a grocery tax. Trustee Fasules thought that the focus should not be on the grocery tax and guided the conversation back to the original focus of the alternative revenues inquiry.

Trustee Thompson asked what items are taxed under the home rule sales tax. Finance Director Brankin said that it was easier to explain by exclusions, which he did. Discussion continued on home rule sales tax.

Trustee Simon asked how much revenue the Village receives under each option. Finance Director Brankin replied.

Trustee Kalinich went back to the fuel tax and asked if there could be a two-year pilot of a .05/gallon tax. Trustee Fasules did not approve of a fuel tax because it's non-competitive and doesn't move the needle. He recommended the home rule sales tax and vice taxes to raise the revenues needed. President Senak didn't think that it was a good idea to raise taxes in areas where the residents may not notice it. Trustee Kalinich noted that she did not think that any considered additional revenue considerations did not have to be limited to one option, that it did not have to be an either/or choice. Discussion ensued.

President Senak reiterated that any new revenue source should also include budget cuts to contain spending. Discussion on decreasing the budget continued with perspectives on how to approach this. Village Manager Franz added that he felt that the budget discussions are always important.

Trustee Gould thought the comparison chart was helpful and perhaps a column could be added showing Fire Services funds. She thought it would be helpful to see essential services.

The conversation returned to home rule sales tax and methods to balance the budget through the options presented. Finance Director Brankin said a home rule would have to be approved by October 1st and a decision to proceed with it needs to take place by August.

Trustee Gould asked a follow-up question regarding the history of home rule sales tax. Village Manager Franz replied.

Jeremy Van Ek, Finance Commission Chair, gave his thoughts on the night's discussion, including the current tax situation, and how taxes are collected.

Trustee Gould asked if a streaming tax had been considered. Village Manager Franz said it had. She followed up by asking about a service tax. Village Manager Franz said that it has not been addressed by the State for a few years.

President Senak thought this was a good place to start the discussion and that the additional information about the home rule sales tax, fuel tax, and vice tax, needs to be given to the Board to consider exactly how to proceed. Village Manager Franz sought direction after July 1st, when the State decides about the grocery tax. President Senak also asked for staff to give areas where the budget could be cut.

Norris Eber, resident, appreciated the Finance Commission's work on this subject. He pointed out his concerns about the home rule sales tax and how affordable it will be for older residents to stay in the Village. He gave his thoughts on the use tax. Village Manager Franz replied that he appreciated the comments and gave some context on the chart numbers regarding home rule sales tax. Discussion ensued with Mr. Eber.

F. Fire Service Fee Review

1) Discussion of Fire Services Fee

Trustee Christiansen recused herself from the conversation due to her conflict of interest.

Finance Director Brankin highlighted the background information on this topic, including the current proposed fees. Village Manager Franz gave input as well.

Trustee Thompson asked about coverage for the unincorporated areas of the Village. Village Manager Franz replied. Discussion on this point continued.

Trustee Gould asked if fire protection districts include EMS. Chief Clark replied yes.

Trustee Kalinich asked what the additional revenue annually would be. Finance Director Brankin replied. Trustee Kalinich asked for clarification on the additional amount a month and what that translates for all categories for the year. Finance Director Brankin and Village Manager Franz replied. Trustee Thompson wanted confirmation that this would cover everything for how many years. Finance Director Brankin replied, adding that it would increase every two years so that it didn't go up too quickly.

Trustee Kalinich asked about the revenue currently vs. additionally for single family and multi-family dwellings and the basis point for home rule sales tax. Trustee Fasules added his thoughts. Discussion turned to lowering this fee based on possible increases that were discussed for the previous agenda item. Special Service Areas (SSA) were part of the discussion by Finance Director Brankin.

Trustee Thompson asked if SSA are on the property tax. Finance Director Brankin replied and talked about the dates disbursed. Discussion ensued.

Trustee Thompson felt that the fees being on the water bill was a very transparent way to approach this and if it was worth changing without resident complaints.

Trustee Kalinich said she thought that everyone sharing in the cost of Fire and EMS was a good way to address fees. She appreciated the Finance Department and Commission for revisiting the fees and providing a proposal with a lower increase than previously proposed.

Trustee Fasules gave his thoughts on the fees.

Trustee Gould asked Manager Franz what happened the first time that the Village took the impact from the Local Government Distributive Fund; when it was decreased from 10%? Manager Franz responded that Home Rule Sales Tax was increased from 1% to 1.25%, and for a year or two, the Board kept the property tax levy at zero.

Discussion about the new structure continued with Finance Director Brankin clarifying items when necessary and giving insight as well.

Trustee Simon said she was concerned that when fees come up at Board meetings, that there is discussion which doesn't lead to a direct outcome. She felt this was transparent and residents understand the fee for services.

Trustee Gould pointed out that Glen Ellyn is the only town on the list that does not charge for Fire service and EMS on property bills. Trustee Gould asked for information on work shifts and how they operate. Chief Clark replied about staff who are paid and volunteer personnel. He said it is a unique situation that Glen Ellyn has for its Fire and EMS and explained why. Fire Chief Clark also spoke to why the costs are going up. Village Manager Franz gave additional background information.

President Senak asked about the Ground Emergency Medical Transportation (GEMT) Medicaid reimbursement program. Fire Chief Clark replied by explaining how it works. President Senak asked how much money the Village gets can keep. Finance Director Brankin replied where it was on the chart. Village Manager Franz reminded that EMS was a discussion in a previous workshop and the contract is up soon, so direction is needed soon.

The cost comparison was then looked at again per President Senak's request. Finance Director Brankin gave another explanation of the cost comparison. Details around funding continued amongst the Board, with Finance Director Brankin, and Fire Chief Clark answering specific questions.

Transitioning to a levy was brought up by Trustee Kalinich and she wondered if this needed to be studied. Trustee Fasules thought this was the elephant in the room and then gave his thoughts on this. Trustee Kalinich followed up by asking if people with sprinkler systems would get a benefit. Discussion ensued.

President Senak went over the increase in relation to other municipalities and that the Village is still a good deal in comparison. Trustee Fasules suggested that long-term funding needs to be looked at in addition to the current discussion.

Jeremy Van Ek, Finance Commission Chair, gave his thoughts on the situation, saying that the Consumer Price Index (CPI) should be the bare minimum.

Trustee Kalinich raised concerns about the two-year length of the increase, noting that the plan was to increase annually at the rate of the Consumer Price Index (CPI). Since this rate is not known until the end of each calendar year, she thought it would be helpful to have the Board review the rates with the known CPI to take action annually.

Trustee Gould asked whether the fire fees could be noted in a separate line item on the property tax bills (as Director Brankin did not favor it in the General Fund). Trustee Gould continued that this way it would be a progressive tax and paid for the same manner in which the Police Department is paid (via property tax). In this way it could be taken off of the water billing and placed in property tax bills as the Village does for other essential services.

General consensus was the increased fee was reasonable but Trustee Gould wants it transferred to the property tax bill. Trustee Kalinich didn't necessarily want it on the property tax bill but wanted to know more about the possibility.

Trustee Kalinich wanted to know if residents could be given the comparison.

It was suggested that one of the components should be a CPI increase adjusted annually.

G. Reminders

1) Village Board Meeting Monday, May 13, 2024 at 7 pm

H. Adjourn – 9:21 P.M.

Mover: Trustee Kalinich; Second: Trustee Thompson. Unanimous vote to adjourn.