Minutes
Village of Glen Ellyn
Special Workshop Meeting
Monday, November 6, 2017
7:00 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

President McGinley called the meeting to order at 7:00 p.m.

Attendee Name	Title	Status	Arrived
Diane McGinley	Village President	Present	
Bill Enright	Village Trustee	Present	
Gary Fasules	Village Trustee	Present	
John Kenwood	Village Trustee	Present	7:53 PM
Pete Ladesic	Village Trustee	Present	
Craig R. Pryde	Village Trustee	Present	
Mark Senak	Village Trustee	Present	
John Chereskin	Village Clerk	Present	
Mark Franz	Village Manager	Present	
Greg Mathews	Attorney	Present	
Christina Coyle	Finance Director	Present	
William Holmer	Deputy Chief	Present	

A motion was made by Trustee Pryde, seconded by Trustee Enright to allow Trustee Kenwood to call in. Ayes - Trustees Enright, Fasules, Ladesic, Pryde, and Senak. Nays - None. Motion carried. Trustee Kenwood joined remotely at 7:10 and later arrived at 7:53.

B. Pledge of Allegiance

President McGinley asked Trustee Fasules to lead the Pledge of Allegiance.

C. Roll Call

Students Tristan Setterdahl and Kenny Phillips introduced themselves and stated they are at the meeting so they can analyze the meeting for a class. Two other students entered the meeting later.

D. Audience Participation

None

1. Open:

Members of the public are welcome to speak to any item *not* specifically listed on tonight's agenda for up to three minutes. For those items which are on tonight's agenda, the public will have the opportunity to comment at the time the item is discussed. In either case, please complete the Audience Participation form and turn it in to the Village Clerk. It is requested that, if possible, one spokesman for a group be appointed to present the views of the entire group. Speakers who are recognized are requested to step to a microphone and state their name, address and the group they are representing prior to addressing the Village Board.

E. 2018 Budget Workshop Discussion (Finance Director Coyle) (Discussion Only)

1. Finance Director Christina Coyle will present the current status of the 2018 budget and solicit Village Board feedback on pertinent decision points.

President McGinley referred the Village Board to the packet and stated there are seven questions that the staff needs feedback on in regards to the CY2018 budget

President McGinley asked if the Village Board supports funding the draft budget as presented with the modifications to date which are shown in Section A of the packet, which would put the General Fund at a deficit of $845, 268.

Trustee Fasules asked about the Police Pension contribution percent. Finance Director Coyle stated this is a correction of an error, and they are not changing the assumption, but maintaining the 6.5% pension assumption. Trustee Fasules started he does not feel they can keep the Consumer Price Index (CPI) at zero as he feels they are creating bigger holes for the Village in the future. Trustee Pryde agreed with this. Trustee Ladesic stated the Village has found a way to hold CPI at zero for the past three years, and they need to continue to do this.

Trustee Kenwood entered the meeting via phone at 7:10 p.m.

Trustee Fasules asked about the Cash Reserves policies as the Board asked to see all the policies, and not just the one for the General Fund. Village Manager Franz stated all the Cash Reserve policies are not going to affect the General Fund. Finance Director Coyle stated she did send the Village Board specifics on the cash reserve policies for the General Fund.

Trustee Ladesic stated he does not support the budget as drafted. Trustee Senak agreed with this and stated they do need to find a way to balance the budget. Trustee Senak stated he does not want to see CPI increased, but he would support an increase in Home Rule Sales Tax (HRST). Trustee Senak stated he is fine with an CPI increase for new growth.

Trustee Enright stated he does support the budget as drafted as well as support an increase in CPI.

Trustee Kenwood stated he would prefer that CPI is not increased.

Trustee Senak stated it is hard to suggest specific budget cuts as the Board does not know the departments as the department heads do. Trustee Senak stated he would like to see if the departments can find cuts in their budgets proportionate to each department's share of the revenue in the General Fund.

President McGinley stated the departments have cut as much as they can so any more cuts would mean the departments are cutting services. Trustee Pryde stated he does not see any program or service in the draft budget that is a surplus and can be cut. Trustee Pryde stated the Board needs to create an environment that increases sales tax revenue, and he supports an increase in HRST.

Finance Director Coyle reviewed the funds that have Cash Reserve Policies and stated these policies are vetted by the Finance Commission and then voted on by the Village

Board. Finance Director Coyle stated the Water Fund's cash reserve policy is set at $2,000,000 and CPI. Finance Director Coyle stated the Solid Waste Fund, the Parking Fund and the Village Links/Reserve 22 Funds have cash reserve policies as well as a few other funds. Finance Director Coyle stated she does feel they may need to review the cash reserve policy for the Water and Sewer Fund. Finance Director Coyle stated some of the other funds have restricted purposes such as the Motor Fuel Tax Fund, the TIF Fund, the Capital Projects Fund and the Facilities Reserve Fund.

Trustee McGinley asked about transfers from the General Fund to other funds to which Finance Director Coyle directed the Board to the Transfers page in the draft budget Appendix.

Trustee Senak stated they do need to be protective of the cash reserves due to the AAA bond rating. Finance Director Coyle stated if the Village's bond rating goes down to AA instead of AAA, the percent would go down 10 basis points.

Trustee Kenwood entered the meeting in-person at 7:53 p.m.

Finance Director Coyle stated the current Cash Reserve policies are set at 35%, and there is about $2,000,000 to $3,000,000 at any given point in the year.

Trustee Pryde asked what the Board would cut out of the draft budget to get it balanced. Trustee Senak stated the Village gives the Downtown Alliance a budget, and most of that budget goes to the director of the Downtown Alliance. Trustee Senak stated the Downtown Alliance performs a valuable function, and the Downtown Alliance and the Chamber of Commerce need to come together more. Trustee Fasules stated he agrees with Trustee Senak about the Downtown Alliance's budget.

Trustee Senak stated he does support the increase of HRST, and in the future, they do need to address if the Village is properly funded going forward and what revenue sources they will have going forward.

Trustee Fasules stated they do need to figure out how to deal with the gap. Trustee Fasules stated they could use HRST, a Food and Beverage Tax or CPI for this.

Trustee Ladesic asked about any dollars allocated to the Civic Center remodeling that would be in the draft budget. Finance Director Coyle directed the Board to Section 6-13 and stated there are three line-items in the Facilities Reserve Fund. Finance Director Coyle stated they were recommending to fund this with the FY2016 surplus and increasing the Facilities Maintenance reserve contribution from the General Fund to the Facilities Maintenance Reserve Fund by $50,000 going forward.

Trustee Kenwood stated there seem to have been budget surpluses at the end of the last several years so he is fine to approve the draft budget with a deficit because they will probably have a surplus again. Trustee Kenwood stated the AAA bond rating is not extremely important to him. Trustee Kenwood stated he is a big proponent of using reserves when there is a deficit or when it is needed. Trustee Kenwood stated he is against deferred maintenance.

President McGinley stated there is a possibility that a property tax freeze will come to the state floor this week. President McGinley stated the decrease of known revenue from the state will continue.

The students left the meeting at 8:45 p.m.

Trustee Kenwood stated the less money from the state is a structural deficit and will need to be discussed by the Board.

Finance Director Coyle stated a full year of HRST at 0.5% will bring in approximately $1.000.000. Finance Director Coyle stated they could start the HRST increase as of July 1, 2018. Finance Director Coyle stated a full year of a Food and Beverage Tax at 1.0% would bring in approximately $500,000. The Board was split on the support of an HRST increase.

Village Manager Franz stated the Board should hold off on a Food and Beverage tax for now. Trustee Fasules suggested doing HRST increase as of July 1, 2018, and then a Food and Beverage tax as of January 1, 2019. Trustee Senak asked if there was data on how an increased HRST or a Food and Beverage tax would affect an area.

President McGinley asked about the consensus on a 0.5% increase in HRST to which the Board was split.

Trustee Senak stated there needs to be a harder look at the budget, and there should be reductions by departments by the percentages.

President McGinley reviewed the other six questions that the staff asked for feedback on including a possible CPI increase in the General Fund, a possible CPI increase for Capital Projects only, a 0.5% increase in HRST, the current Cash Reserve policy for the General Fund, the Police Pension funding for 2018 and the FY2016 surplus.

Finance Director Coyle stated the current Cash Reserve policy for the General Fund is 35%, and the Finance Commission recommends the cash reserves at 31% to 40%. Trustee Senak stated the cash reserves should not go below 30%, and he is fine with the reserves at 30% to 35%. Trustee Senak stated the AAA bond rating is important to him. Trustee Pryde stated he is good with the cash reserves at 30% to 35%, and Trustee Enright agreed with this. Finance Director Coyle stated the cash reserves will not be less than 30%, and if the reserves reach 35%, this will be a trigger to the Village Board to either figure out what to do with a cash-reserve surplus and or the reserve policy. Finance Director Coyle stated this would happen at the low point of the cash flow.

There was a discussion regarding the 2018 Police Pension funding and beyond. The consensus of the Trustees is to go with the 6.5%, and in the future, go for 100% funding.

President McGinley started they cannot discuss the FY2016 surplus until the draft budget is done.

Trustee Kenwood stated approximately $300,000 of the $800,000 CY2018 draft budget deficit is structural and could be fixed with a 0.25% increase in HRST or a 0.5% Food and Beverage Tax. Trustee Kenwood stated the other $500,000 deficit budget could be approved.

Trustee Ladesic stated there is a consensus from the Board to decrease the cash reserve, and he does not think there is a need to raise HRST or do a Food and Beverage Tax. Trustee Fasules suggested a 1.5% increase on HRST. Finance Director Coyle stated the state collects HRST and enforces this, but a Food and Beverage Tax would be a new tax for the Village, and the Village would need to collect this tax and enforce it.

President McGinley stated she would not want to do a Food and Beverage Tax until it would be connected to a development which would benefit the downtown, such as a parking garage, etc.

Trustee Ladesic pulled an article that showed that the Village is owed money from the state. Finance Director Coyle will look into this.

There was another discussion on HRST, and the consensus was to do a 0.25% increase in HRST which would start on July 1, 2018. There was a discussion on CPI for the General Fund, and the consensus was to do no increase on this. There was a discussion on CPI for the Capital Projects Fund property tax levy, and the consensus was to do an increase on CPI for this.

President McGinley asked Trustee Senak to email his list of possible budget cuts from the draft budget.

President McGinley referred to the bullet pointed list in the packet of modifications, and the consensus is to keep all modifications in the draft budget. President McGinley stated they will keep the $200,000 addition of the Central Business District TIF Fund for a pedestrian walkway in the budget as a safeguard, but this does not mean the Board needs to spend this.

Finance Director Coyle asked if the Civic Center renovation should be kept in the budget to which President McGinley stated this should be left in, but will definitely come back to the Board for a decision down the road.

RESULT:	**DISCUSSION ONLY**

F. Other Items

None.

G. Motion to adjourn to Executive Session for discussion concerning salary schedules for one or more classes of employees without returning to open session thereafter.

1. Motion to adjourn to Executive Session for discussion concerning salary schedules for one or more classes of employees without returning to open session thereafter.

At 10:26 p.m., a motion was made by Trustee Kenwood and seconded by Trustee Pryde to adjourn to Executive Session for discussion concerning salary schedules for one or more classes of employees without returning to open session thereafter.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	John Kenwood, Village Trustee
SECONDER:	Craig R. Pryde, Village Trustee
AYES:	McGinley, Enright, Fasules, Kenwood, Ladesic, Pryde, Senak

Respectfully submitted, Debbie Solomon, Recording Secretary. Reviewed and approved, John A. Chereskin, Village Clerk