

Approved 9/3/02

**Village of Downers Grove  
Finance & Administration Committee Meeting  
Village Hall – Ante Room  
August 20, 2002**

Commissioner Zabloudil called the meeting to order at approximately 5:30 p.m.

**Present:** Commissioner McConnell, Commissioner Zabloudil, Mayor Krajewski, Village Manager Ginex, Dave Van Vooren, Marty Lyons, Mike Baker

**Absent:** None

**Others**

**Present:** Christine Fregeau, 1918 Elmore

The Committee decided to review the minutes of the August 6, 2002 meeting at the next Finance and Administration Committee meeting.

Commissioner Zabloudil said this meeting would adjourn at approximately 6:10 p.m. at which time they would go into Executive Session.

Items Discussed:

1. Budget Update
2. TIF Budget
3. Management Reports: Format and Progress
4. Business Licensing Update

Budget Update

Mr. Lyons distributed a draft of the document, which will be attached to the actual budget ordinance. He said there would be a cover page, showing the budget amendment totals, followed by a worksheet broken down by Program and Fund, with additional text to clarify the amendments that are being made.

Briefly discussing the revised budget, Mr. Lyons pointed out that the proposed adjustment for the General Fund is a decrease of approximately \$1.4 million, most of which is due to the elimination of the Equipment Replacement Fund funding for the year. He explained that because of the budget's multiple fund format, the overall budget will be decreased by approximately \$2.8 million. Mr. Lyons said the budget amendments that have been discussed will be presented to the Council in September in ordinance form.

Commissioner McConnell asked if department personnel had enough time to respond to the proposed changes in tuition reimbursement. Mr. Lyons explained that the plan is to “eliminate tuition reimbursement that was budgeted, but not normally incurred.” He said that although the Police Department had budgeted \$60,000 for tuition reimbursement, on average they only spend between \$30,000 to \$40,000. Thus, Mr. Lyons said the Police Department’s tuition reimbursement budget has been reduced to \$40,000. Commissioner McConnell said she wanted to be sure that due process was followed as budget cuts were being made.

Mr. Lyons said he feels it is imperative that the Village move ahead with the budget amendment in September. In addition, he said he informed department directors that they are expected to come in at approximately 98% of their new budgeted amount.

Commissioner McConnell asked if the position of “Redevelopment Specialist” has been entirely eliminated. Mr. Van Vooren replied no. He explained that only one-third of the following positions were eliminated: Attorney, Assistant Public Works Director, and Redevelopment Specialist.

Commissioner McConnell asked if there is enough money in the budget to do sidewalk construction on Lee. Mr. Van Vooren replied that \$180,000 of the remaining balances has been allocated for sidewalks on Lee Avenue. He said the bids were opened this morning.

Ms. Fregeau asked if contingency funds are available because the engineer’s estimates were higher than the \$180,000 budgeted. Mr. Lyons said no. Commissioners Zabloudil and McConnell agreed that matching funds should be found.

Ms. Fregeau suggested revising the language in the draft budget amendment to state “Eliminate new sidewalk projects, except *the next sidewalk on the matrix...*” to avoid a negative backlash.

Mr. Lyons informed the Commission that the June sales tax, collected in August, was up.

Mr. Van Vooren said they followed up with the DuPage Mayors and Managers Conference and with IML regarding State processing of the telecommunication tax. He said it appears that Downers Grove is the only community that has contacted them regarding the delay in the telecommunications tax. When contacted, Mr. Van Vooren said those organizations stated that is the process by which the State monitors and collects their revenues. Mr. Van Vooren explained that the State gives the “payer” the entire month following the close of business to make their payment. He said the payments are generally distributed in the first quarter of the following month, i.e. January’s payment will come the approximately April 10<sup>th</sup>. Mr. Lyons added that the State Department of Revenue has a month to evaluate and the Controller’s Office has another month to disperse the payments.

Commissioner Zabloudil noted that last night, Wheaton raised their utility tax from 4% to 6%.

### TIF Budget Update

Mr. Lyons said the staff met with the public regarding the amendment process. He said the Village closed on bonds yesterday and received a balance of \$5.85 million, which will help take care of property issues that need to be handled quickly.

Mr. Lyons said Mr. Baker has prepared a PowerPoint presentation, which will be used when Village officials meet with the Chamber of Commerce and District 58 PTA representatives to discuss the TIF budget expansion process. Mr. Baker said PTA executive board members have been invited to attend a meeting at the Public Works Facility on Thursday, August 22, 2002. Mr. Lyons added that staff is in the process of preparing responses to several inquiries, which Mayor Krajewski received, concerning detail expenses for specific vendors and/or projects.

Ms. Fregeau said she participated in the last Ogden TIF discussions as a PTA officer and at that time there was a big discrepancy between the actual numbers concerning the impact of the Ogden TIF with the Lakota Plan and the information that PTA had received from other sources. She explained that Superintendent Martin will supply much of the information that the PTA members receive and from a public relations standpoint, the clearer and more understandable the Village can make the information they present, the better it will be. She added that it would be better if everyone had the same information. Ms. Fregeau said she feels everyone will be less upset when they see that the impact is actually small in comparison to what has been anticipated.

Mr. Lyons explained that the numbers in the various presentations are projections and as such are colored by opinion. He said the Village cannot control numbers supplied by another agency. The Village can only present the projections that they feel will take place. Mr. Lyons said he would rather not use the term "impact" concerning the School Districts and the TIF. He explained that the School Districts will receive the same tax dollars with or without the TIF expansion, although it may come from different sources.

Commissioner Zabloudil asked Ms. Fregeau if two different sets of numbers were presented at the TIF meetings she attended. Ms. Fregeau said the discrepancy was in the interpretation of the numbers and in discussion of the projections. She reiterated that any clarification from the Village will be helpful.

Mayor Krajewski said the Village has invited school board members and PTA officials to attend a closed meeting on August 22, 2002 at 7:30 p.m. at the Public Works Facility to discuss the TIF. However, at this time only three people have responded. Mayor Krajewski invited Ms. Fregeau to attend. She said she would.

Mayor Krajewski explained that there will be virtually no impact on the School Districts at this time. However, at the end of 17 years there will be a huge impact, in that there will be a lot more money going to the schools if we do not do anything else downtown.

Ms. Fregeau said that the Village is in a better position to assemble and distribute factual information. She suggested that they give PTA representatives tangible information that they can take home. Mr. Lyons said they have prepared a two-page fact sheet to be distributed at the meeting, in addition to a PowerPoint presentation. Commissioner McConnell said if the people have a fact sheet from the Village in hand, they will be able to dispute other interpretations of the TIF. Mayor Krajewski said the Village is taking steps to counteract misinterpretations that may be presented.

#### Management Reports: Format and Progress

Mr. Lyons said Ms. Steele has completed much of the work implementing the GASB 34 changes that are needed in the 2002/03 fiscal year, which started May 1<sup>st</sup>. He said groups have been moved, some funds have been closed and other areas have been consolidated so the budget can be presented in the old and new format for the auditing process. He said the main focus has been to redo the entire chart of accounts.

Commissioner Zabloudil asked about the report format to facilitate tracking the monthly budget data and trends. Mr. Lyons said they are working on the reporting format for that information.

Mayor Krajewski asked if the numbers from the new, more efficient, water meter reading system have been included in the budget. Mr. Lyons replied yes. Mr. Van Vooren noted that the new meters are more accurate than the old ones. Mr. Lyons added that in some cases when a new meter is installed, the outside meter reading does not match the inside meter reading. Mr. Lyons said when there is a discrepancy between the old and new meter readings, the homeowner will be billed for the new meter reading. If the homeowner disputes the bill, Mr. Lyons said the Village would then attempt to negotiate to collect at least 50% of the difference.

Mayor Krajewski asked how the water fund was doing. Mr. Lyons said both the revenue and expenses for the water fund are running ahead.

#### Business Licensing Update

Mr. Van Vooren said that staff has put together some draft issues relative to business licenses; however, they have been struggling with the issue of where to begin, i.e. should all businesses be licensed at one time or should they be divided into groups and licensed one group at a time. He said it is his understanding that it is the Council's intent to have a process in place that allows diligent issuance of business licenses and also to have a process in place to remove the licenses of non-compliant businesses. Mr. Van Vooren said that in order to review appeals from individuals who may be cited for failure to

properly operate their business, the Village must have an appeals process in place and a mini-organization, similar to the Liquor Control Commission.

Mr. Van Vooren said that recently staff met with the Downtown Business Association and the Chamber of Commerce to discuss business licenses and staff will meet with them again on August 29<sup>th</sup> to seek their input. Mr. Van Vooren said these groups support the process at this time for several reasons, i.e. they view it as a means to regulate businesses that are inappropriate or incompatible with zoning regulations. However, business owners also wonder why they should have to pay a fee for a business that has been successfully operated for many years. Mr. Van Vooren said that by meeting with business organizations, he hoped they could find ways to bridge the complaints that may arise.

Commissioner Zabloudil asked if other communities with business licenses have an appeal process. Mr. Van Vooren replied yes. He said much of it is done through the manager's office and the court system.

Mr. Van Vooren said staff is also trying to decide how to approach monitoring home occupations.

Mr. Van Vooren said he would prefer to start by licensing the health, safety and life issue businesses, i.e. convenience stores that sell food and cigarettes, gas stations with combustible materials, all of the Village's manufacturing facilities, all fast-food restaurants, etc. He said licensing this group would encompass a large number of businesses and give staff a feel for how the process will work as it is expanded.

Commissioner McConnell said it would be helpful to the Council to see an action plan, or priority list, and a time frame for implementation of the business licenses because the Council thinks the issue is becoming more complex than they had originally thought. She said she would like staff to establish some realistic goals to help the Council understand the process.

Village Manager Ginex said at the last meeting with the Chamber of Commerce, Ms. Wysocki favored licensing all businesses at one time in order to avoid complaints that some businesses were not being required to have a license. He said he asked Ms. Wysocki to discuss the matter with the Chamber of Commerce Board members and report back to Village staff. Mr. Van Vooren added that it appeared that the Chamber's preference was to license all businesses at the same time.

Mr. Van Vooren said the Fire Department has 3,800 locations that they inspect for business related reasons. He said currently the Village licenses approximately 10 occupations, including liquor establishments, electrical contractors, massage therapists, etc. and he added that it is difficult for the Clerk's Office to handle these licenses.

Mr. Van Vooren said he can begin developing an action plan for business licenses. Commissioner Zabloudil said that perhaps staff could start by determining which

businesses the Village will license and the license classifications. Mr. Van Vooren agreed.

Concerning implementing business licenses in stages, Mr. Lyons said he has spoken to the Fire Department regarding implementation of false alarm fees, fire prevention fees, and HAZMAT fees. Because these are also life-safety-related issues, he said it may be good to institute a business license for the industrial parks at the same time. Commissioner McConnell agreed that putting a licensing package together for such businesses would be helpful.

Mr. Van Vooren said staff will meet with the Chamber on August 29<sup>th</sup> and based upon that meeting, if an action plan can be derived, he would try to have it for them by this time next month.

Commissioner McConnell asked that an update on business licensing be put on the calendar for one month from now.

Mr. Lyons said the next meeting's agenda would include the Draft Audit, and the Actuarial Study.

Commissioner McConnell moved to adjourn the Finance and Administrative Committee Meeting at 6:10 p.m. to go into Executive Session.