

**MINUTES OF BUDGET WORKSHOP MEETING**

**DOWNERS GROVE, ILLINOIS**

**FEBRUARY 5, 2003**

Mayor Krajewski called the Workshop meeting of the Village Council of the Village of Downers Grove to order at 6:10 p.m. in the Meeting Room of the Public Works Facility.

Present: Mayor Brian Krajewski; Commissioners Marilyn Schnell, Thomas Sisul, Michael Gilbert, Sue McConnell (via phone), Martin Tully, Mark Zabloudil

Absent: None

Mayor Krajewski thanked the public for coming to this meeting. He explained that the budget is in its initial stages and there will be a number of meetings that the public is invited to attend. He said the budgets of the individual departments will be reviewed at a later date.

**AGENDA**

The Mayor asked each Council member to discuss areas of individual importance. He addressed his areas first.

Mayor Krajewski:

- Account for full expenses in Enterprise funds
- Set rates to cover expenses
- Use MFT funds to cover general fund expenses
- Review and evaluate projects in MFT fund
- Evaluate projects in Capital Projects Fund and consider reallocation of Telecommunications tax
- Fairview Avenue Debt Service – General Fund shouldn't subsidize
- Evaluate Legal Contracts
- Consider hiring 3 additional firefighters to reduce overtime costs
- Closely monitor revenues and update Council

Commissioner McConnell

- Enterprise funds should be self sufficient
- Look closely at abatements and consider as short-term opportunity
- Consider conversion of natural gas utility tax to use tax
- Look at home-rule sales tax as an option to increase revenue
- Do not put grants in jeopardy
- Eliminate duplicate functions that exist in departments

Commissioner Sisul

- Approach Chamber of Commerce to determine impact of home-rule sales and food and beverage tax on business
- Concerned about maintenance of capital infrastructure and deterioration that would occur if not properly funded
- Need to consider other sources of revenue given our flexibility

Commissioner Gilbert

- Not in favor of utility taxes – Village is in an advantageous position
- Agrees with interfund transfers
- Should consider early retirement incentives but would like to see more detail
- Would propose abatement of taxes given economic climate
- Commitment to citizens not to tax citizens for TIF expenses
- Home-rule sales tax is user based and would impact residents the least, ¼% not too much of a tax
- Not interested in food and beverage tax
- Feeling that budget can operate on \$34 million in general fund revenue
- Cuts can be made in other areas
- Need to look at upper side of expenses rather than lower side
- Create 3 or 4 new line members of Fire Departments
- Difficult to reduce in Public Works

Commissioner Tully

- Starting with a reduced budget in the first place
- Need to protect our investment
- Third-level cuts are unacceptable – would save money today but incur costs in the future
- In favor of re-allocation of expenses in Enterprise Funds – should not be subsidized
- In favor of exploring options in alternative use of MFT funds
- Look at reallocation of capital fund revenues but be mindful of protecting investment
- In favor of abating taxes wherever we can, unless it seriously threatens the organization
- Fairview Avenue abatement is a unique circumstance, should be considered
- Additional reductions in public works is unacceptable
- Any reduction proposed would do more harm in the long run
- Continue to leave unfilled Police Dept. positions vacant
- Should pursue legal work that can be done in-house
- Generally not in favor of home-rule sales tax, but may need to consider this option because we don't know what changes will be made at the state level
- Should pursue real estate transfer tax
- Increasing stormwater fees
- Recommend sunset clause be attached to any utility tax increases

Commissioner Schnell

- Need to give staff a general fund figure to work with in developing budget
- Interfund transfers is a given – enterprise funds should be self-sufficient
- Need to protect our infrastructure even if it means increases in rates
- Look at five-year projections in Water Fund
- Early retirement is intriguing, can offer benefits to loyal employees, should be pursued and additional information should be provided.
- Village was obligated to improve Fairview Avenue, need to look at increasing gasoline tax ½% to charge users of the road
- Opposed to not abating TIF bonds
- Burden of downtown improvements should not be placed on taxpayers of Village of Downers Grove
- In favor of Gas Use Tax
- Home-rule sales tax appears to be the fairest of all tax increase options, taxes those who have the ability to spend
- Food and beverage tax would put our businesses at a disadvantage, opposed to it
- Difficult time cutting back Public Works any more than it is

## DRAFT

- Look at vehicles that have to be replaced
- Find ways to meet stormwater requirements
- Need to analyze whether addition of staff in Fire Department will reduce overtime

### Commissioner Zabloudil

- Allocations from enterprises need to capture all costs and be self-sufficient
- Need to look at equipment replacement policy, fund balance and cash balance policies
- Make sure we have operating revenues to keep Village functioning
- Evaluate whether staff is burdened by elimination of prosecution contracts
- Not in favor of increasing taxes, but may not have a choice
- Go forward with a flat head count on administrative side
- Expenses in the Village which continue to rise: insurance costs, health insurance
- Make sure revenue coming in can cover expense increases
- Look at payroll changes, insurance changes, what's been pushed off and then set policies
- Take a methodical approach to understanding expense side and set revenues accordingly
- Need to project decline in revenues into next year as well

Mayor Krajewski summarized the consensus among the Council members. The Council and budget team discussed the revenue stream and baseline expenses. Current revenue projections for FY2003/04 are \$31.5 million and expenses to date are currently at \$36.8 million. The discussion with the budget team included the TIF, those taxes administered by the State and the State budget implications. The budget team was directed to determine the cost of adding three firefighters, schedule home rule sales tax and telecommunication taxes on future Workshops, place the abatement ordinances on the Council active agenda, review the TIF budget to identify those expenses attributable to the CBD infrastructure improvements, and provide a further analysis of the budget to include the current budget, increases due to personnel and benefits/liability expenses, and increases due to items deferred this year that will now need to be considered in next year's budget.

Council suggested a second meeting prior to the next scheduled budget meeting of March 8, 2003.

Mayor Krajewski adjourned the budget Workshop meeting at 8:30 p.m.

April K. Holden  
Village Clerk