

MINUTES OF WORKSHOP MEETING

DOWNERS GROVE, ILLINOIS

OCTOBER 24, 2006

Mayor Krajewski called the Workshop meeting of the Village Council of the Village of Downers Grove to order at 6:18 p.m. in the Council Chambers of the Village Hall.

Present: Mayor Brian Krajewski; Commissioners Marilyn Schnell, Martin Tully, Ron Sandack, Stan Urban, William Waldack, Sean P. Durkin; Village Manager Cara Pavlicek; Village Attorney Enza Petrarca; Village Clerk April Holden

Absent: None

Mayor Krajewski asked for a Motion to move into Executive Session. Commissioner Tully moved to go into Executive Session pursuant to Section 2(c)(1) of the Illinois Open Meetings Act to consider personnel. Commissioner Urban seconded the Motion.

VOTE: AYE – Commissioners Tully, Urban, Durkin, Waldack, Sandack, Schnell, Mayor Krajewski
NAY – None

Mayor Krajewski declared the Motion carried and the Council convened into Executive Session at 6:20 p.m.

Mayor Krajewski reconvened the Workshop meeting of the Village Council of the Village of Downers Grove at 6:30 p.m. in the Council Chambers of the Village Hall.

Present: Mayor Brian Krajewski; Commissioners Marilyn Schnell, Martin Tully, Ron Sandack, Stan Urban, William Waldack, Sean P. Durkin; Village Manager Cara Pavlicek; Village Attorney Enza Petrarca; Village Clerk April Holden

Absent: None

Visitors: **Press:** Kevin Stahr, Downers Grove Reporter
Residents: Mike Kelch, 5729 Carpenter; Mike Parilla, 1409 Ridgewood Circle; Greg Bedalov, 4840 Seeley; Anthony Schiller, 6710 Bradley Court; Geoff Neustedt, 4633 Saratoga; Robert Kollmar, 1420 Concord Drive; Lawrence H. Gress, 1125 61st Street; Ronald T. Gregory, 6628 S. Main St.; John Schofield, 1125 Jefferson Avenue; Ron Waechtler, 919 Stratford Lane; Andy Clark, 1226 62nd Street; Christine Fregeau, 1918 Elmore Ave.; Mark Thoman, 1109 61st St.; Mercedes Villanueva, 420 74th; Cindi Duncan, 1625 Prairie Avenue; Andrew Zaha, 1625 Prairie Avenue; Amy Buonassisi, 6841 Saratoga; Steve Vogrin, 7121 Matthias Rd.; Richard Vander Molen, 5050 W. Lake, Melrose Park; Louis Karrison, Sikich, LLC
Staff: Fire Chief Phil Ruscetti; Police Chief Bob Porter; Dave Barber, Director, Public Works; Andy Matejcek, Director, Counseling & Social Services; Don Rosenthal, Director, Community Development; Mary Scalzetti, Director, Tourism & Events; Bill Herman, Assistant Director, Information Services; Rita Trainor, Director, Financial Services; Doug Kozlowski, Director, Marketing & Media; Greg Zimmerman, Director, Human Resources; Mike Baker, Assistant Village Manager; Dave Fieldman, Deputy Village Manager

Mayor Krajewski explained that Council Workshop meetings are held the second and fourth Tuesdays at 6:30 p.m. The meetings are video taped live and for later cable-cast over cable channel 6.

The Workshop meeting is intended to provide Council and the public with an appropriate forum for informal discussion of any items intended for future Council consideration or just for general information. No formal action is taken at Workshop meetings.

The public is invited to attend and encouraged to comment or ask questions in an informal manner on any of the items being discussed or on any other subject. The agenda is created to provide a guideline for discussion.

Economic Development Corporation – Quarterly Update

Greg Bedalov, President of the Economic Development Corporation (EDC) provided a quarterly update on the EDC to the Council. He reviewed accomplishments of the last 90 days (from June 12, 2006), and the budget. They have completed and submitted their budget and financial report for 2006-07, have completed their Executive Board, non-Executive Board, Subcommittees, Administrative requirements, established new offices and the basis for the website, and the criteria for participation in the Board of Directors. They have also defined their general goals and prepared a draft of the Strategic Plan for the EDC. Mr. Bedalov then asked Mike Parilla, Treasurer of the EDC to review the budget.

Mike Parilla, Treasurer, reviewed budget revenue and expenses as well as the proposed 2007 budget. The revenue line is 7/12 of the full year budget. Expenditures have been below budget as they are still in the process of getting the office established. The proposed budget is divided into two sections, the first being Economic Development which includes a staff of 2.5 people. The expenses are in line with the 2006 expectations. The second part of the budget includes staffing at 1.5 people for tourism activities. He noted that this would be discussed in depth during the budget discussion later on tonight's agenda.

Mr. Bedalov explained the criteria for Board participation. The next Board meeting will be held on November 14, 2006. Mr. Bedalov reviewed the list of the Board of Directors noting that there is a cross market representation including retail, residential, commercial and industrial. There is a financial contribution requirement for Board participation. He highlighted a few members including Dr. Kathleen Goepfinger of Midwestern University, and Mike O'Malley of O'Malley and Associates.

Mr. Bedalov described the subcommittees including Attraction and Retention, chaired by Mike Parilla; Strategic Planning, chaired by John Randall; Marketing and Communications, chaired by Mike Kelch; and Finance, chaired by Mike Parilla and Mike Riordan.

Mr. Bedalov then reviewed the administrative requirements and said all insurance requirements have been fulfilled. He noted that the EDC offices have moved and are now located at 2001 Butterfield Road, Downers Grove, a state-of-the-art business environment in the Hamilton Partners location. The website is www.dgedc.com and should be running within the next two weeks.

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Mike Kelch, 5729 Carpenter, said the website is under development. He outlined the objectives and goals of the website and said they want to be self-sufficient.

Mr. Bedalov reviewed the mission and vision statements. He said goals and objectives, subject to board review and approval, include strengthening the sales tax base, strengthening the commercial and industrial tax base, increasing hotel tax revenue, and increasing the employment base. Performance measurements, with hard objectives determined by the Finance Committee, subject to Board approval, include growing faster than the County, as well as increasing total occupied office space, commercial and industrial equalized assessed valuations (EAV), available commercial and office space, and hotel tax revenue.

Mr. Bedalov then reviewed the strategic plan for economic development, strategic action model, and roles and responsibilities of the Village and EDC. The critical component is to provide service to clients. He provided an analysis of the strengths, weaknesses, opportunities and threats (S.W.O.T.) as related to economic development in the Village. He then provided historical trend data of sales tax revenue, including a breakout of the retail mix. He noted that the retail sales surplus ratio is good at 1.8. He provided data regarding the historical trend of the commercial and industrial tax base, vacancy and land use ratios, as well as the historical trend of the hotel tax revenue, and the hotel environment, noting that the business to tourism connection will drive the hotel tax revenue. There are four major hotels within the Village, with a 68% occupancy rate. They generate about \$850,000 in hotel sales taxes for the Village. He further provided data regarding employment in the Village as well as background on the real estate and employment base. In conclusion, Mr. Bedalov reviewed key strategies of the EDC.

Commissioner Tully thanked the EDC representatives for their presentation, saying that they have done a great deal in only 90 days. He said that it is worth noting the importance of the EDC to the Village. The Commissioner said that this is an independent organization dedicated to economic development in the Village, and it is considered the economic engine to maintain the property tax rates, business and property values. Commissioner Tully said that the success of the EDC is also the Village's success.

Commissioner Schnell thanked Mr. Bedalov for meeting individually with the Council members. She recalled that they discussed the development on the northwest territory which would require an increase in services such as police, fire, ambulance, etc. She would like an idea of when the Village may be approaching threshold numbers. Mr. Bedalov responded that as opportunities come to the Village he works directly with the Village staff. Commissioner Schnell noted that the Village needs to start strategizing about these potential needs.

Commissioner Sandack expressed his thanks for the presentation. He noted that among the criteria for Board participation, it is required that the Board member contribute financially. He asked whether that has been agreed upon or is still under consideration. Mr. Bedalov said they are evaluating the different options available and are consulting with the EDCs in surrounding communities. Commissioner Sandack said, with respect to all, it seems as though the Board is heavy with elected officials and staff members, and that composition may require review down the road. Mr. Bedalov said that term limits will be assigned at the November 14 Board meeting, so that the Board turns over on a regular basis. He said they have identified several businesses within the Village that they would like to have participate on the Board, but that will be part of future discussions. At this time they would be able to have 22-26 Board members.

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The Mayor said that they have discussed adding people at the Executive Board level and the contribution of the members. Mr. Bedalov added that time, talent and other contributions are also important to the Board development.

Commissioner Waldack thanked the EDC representatives for their presentation, and asked if the Council has received a copy of the by-laws. The Manager said that the by-laws require term limits to be established by the EDC, and the Council gave the direction to the EDC for establishing term limits. She clarified the roles of the staff members in the EDC. She did not believe any of the Village staff were ex-officio members according to the by-laws.

Commissioner Urban stated that being part of the Committee since its inception, he is proud that in such a short time they have people committed to the EDC. He indicated that Mr. Bedalov is a quick learner, and staff has steered them in the right direction. He noted that this is an independent corporation, but works in conjunction with the Village. Commissioner Urban said they have discussed the contributions of members whether they be in-kind or financial contributions. He thanked the Council for believing in this idea and making it happen.

The Mayor said this was a good presentation. He then discussed the role of Dr. Goepfinger who is President of Midwestern University, and is also President of the Phoenix EDC. She understands how this type of Board benefits a community. He gave an example of the business/tourism connection, referencing the Silgan Corporation which was celebrating their 25th anniversary. Mr. Bedalov connected the Silgan Corporation to the hotel/restaurant businesses which was a key recommendation. The Mayor also noted that he recently attended the Opus ground breaking for an additional portion of their development that will bring more people into the community and may affect the police and fire services required. Mayor Krajewski then congratulated the EDC for their accomplishments.

MANAGER

Consent Agenda Items

1. **Road Salt Purchase.**

Commissioner Durkin asked about the storage of the salt.

Dave Barber, Director, Public Works, said that they don't buy it all at once. It is stored at the Public Works garage and in the back of Village Hall. They received 100-ton deliveries, and have an adequate supply to begin with. Transportation costs are part of the cost. If the Village exceeded the contract amount, there is no fee set, and there is no guarantee that the Village would get additional salt.

The Mayor said that under the State bid the Village is required to buy 70% of the amount authorized by Council in March 2006. Mr. Barber said that the staff thinks this is a reasonable number based on past years. The Mayor said looking back 20 years, the policy was to dump more salt on the roadways than what is done now. Mr. Barber added that all salt is pre-wet to be more effective.

- ##### 2. **Vehicle Replacement:**
- a) **2007 Chevrolet C4500 Kodiak**
 - b) **2007 Chevrolet Silverado**

Commissioner Durkin asked whether this was part of the Illinois State Contract bid program, and the Manager said this was put out to bid.

Active Agenda and Informational Items

1. **Parking & Traffic Recommendations: Puffer Road; Sherman Street.** The Manager said this is to implement parking restrictions on Puffer Road, both sides, from Chicago Avenue to the south end. The Sherman Street restrictions are from Main to Saratoga. There were no questions.
2. **2007 Budget Discussion:** The Manager said the Council received updated documents regarding the budget. Staff would like direction from the Council tonight or no later than November 7.
 - a) **Marketing & Media.** Commissioner Schnell said she thought Mr. Kozlowski did a good job in addressing the direction given to him by Council.

Commissioner Tully said that this initiative fits squarely within the Strategic Plan and is consistent with the direction to engage citizens in Village business. He said that this is an investment in creating a better informed citizenry.

Commissioner Urban thanked Mr. Kozlowski for this plan which he sees as a proactive means of increasing clarity for the citizens. He has no problem on moving forth on this program.

Mayor Krajewski agreed with statements made and said that he is in support of putting more funds into this program.

b) Community Events/175th Celebration/Tourism. The Manager said that there are two issues. One is events which the Village would directly support and participate in this year. She said one change relates to the Fine Arts Festival which has been sponsored by the Village and the Downtown Management Corporation in the past. It is being recommended that this be a private event solely the responsibility of the Downtown Management Corporation for which Village staff would provide the in-kind services needed. The second issue concerns the 175th year celebration for the Village.

Commissioner Urban said that the Fine Arts Festival was traditionally done by the Downers Grove Junior Woman's Club, and the Village continued it when the Club stopped sponsoring it. He said the question now is whether this is something the Village wants to continue to sponsor. He is suggesting that perhaps it should be picked up by the Downtown Management Corporation.

The Mayor said that there is a section noted under Private Events offered to the Public which includes the District 58 event, Oktoberfest, various runs and walks. He asked if this means the Village would only do those activities shown or what policy will be established in picking out which event to sponsor.

The Manager said that the policy question is a separate conversation. They wanted to make the Council aware that there are events which require Village resources. Staff needs policy direction from the Council as to the amount to charge.

Commissioner Tully said there are three categories including 1) events that the Village runs, 2) events that the Village sponsors, and 3) events that the Village facilitates. He said there is a

policy in terms of recouping the costs of services provided. He sees the questions as 1) what events should the Village run, or 2) what events should the Village sponsor. He said that facilitation of an event is a different matter altogether. He didn't think this was ready for discussion at this time.

Commissioner Sandack agreed that this is not ripe for a discussion this evening, as this has not been defined and properly identified. There's been no actual discussion other than staff's response to specific questions.

The Mayor suggested that policy issues be addressed at a future Workshop.

The Manager said it was her understanding from direction made on October 7 that the Council wanted to decide the funding of these items, and that it wasn't staff's prerogative to simply fund the events.

Commissioner Tully said that this is not a staff issue. He said he thinks that they need an in-depth discussion of events the Village funds. The Council needs to give direction as to who is doing what. He indicated another question to Workshop is which group would work on which events. There is Tourism, Events, and Community Grants and each should have their responsibility and allocation of resources more clearly delineated. Later in this meeting they will address the tourism question in more detail.

Commissioner Schnell said she saw the question as being events for which the Village is going to require 100% reimbursement, and events for which the Village is willing to contribute a portion of the costs.

Commissioner Urban said that at the October 7 meeting he wanted to discuss specific events, and wanted clarification as to the meaning of "sponsoring" and "facilitating." Does this relate to cash contributed, or services contributed.

Commissioner Tully said an example would be the Marching Mustangs Musical sponsored by the Community Grants Commission. The Community Grants Commission contributes money to the event. With respect to events that the Village runs or sponsors, he said the question to be asked is whether there might be other organizations willing to run them instead of the Village, and would those organizations be able to do a better job. He said that the RibFest in Naperville is not run by the City of Naperville, but they are involved in making it happen. He noted that last year the Downtown Management Corporation was asked if they could run the Ice Sculpture Festival alone and they said they could not.

Commissioner Urban then said it was important also to find out whether there is a duplication of effort in any of these events. He asked if it would be better to coordinate smaller events through Mr. Kozlowski's department.

Mary Scalzetti, Director, Tourism & Events, said for things that go on cable, Mr. Kozlowski is involved. Commissioner Urban said his point is that there are several departments coordinating individual events when they could possibly be handled totally by one department and have Ms. Scalzetti's department handle the larger events.

The Manager responded that she believes that the budget submitted by staff is set up appropriately. It would not be her recommendation to separate those events out at this time.

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The Mayor asked Ms. Scalzetti how much of her time personally is given to smaller events, and she said that her staff spends more time on the smaller events than she does. There is a lot of coordination over the year that needs to take place with each event, even though they may be cookie cutter events.

Commissioner Urban said if he is the only one interested in finding other organizations willing to take over some of these events, he recommended moving on with the agenda.

Mayor Krajewski said he still has some questions as to who is responsible for work on the parades, for example.

Commissioner Durkin said he asked Linda Kunze why they can't take on some of these events, and she told him that there are certain budget restrictions that prohibit it.

Commissioner Urban then asked whether the Fine Arts Festival is worth closing down Main Street and disrupting day-to-day activities.

Commissioner Sandack responded that when an event is held on the Village streets, the Village is always involved. The Village departments are involved in all aspects of activities held on our streets, no matter who is the actual sponsor of the event. He said this is a legitimate topic of discussion on a policy basis, but there is a budget document to be reviewed. He doesn't see why they have gotten so far afield on this topic.

The Mayor said that this is a policy issue and should be further workshopped. Regarding the 175th anniversary, he asked where the \$35,000 revenue for entertainment is from, and he was told that is from the sale of tickets. As for the \$50,000 revenue for the watercolor collectibles, it is from the sale of the art work. The Manager said the idea was to have numbered prints made of the art work. The Mayor said he thinks \$233,925 in expenses is low. He would rather allocate a dollar amount in the budget and decide later what it can be spent on. The Manager said staff is already asking whether they can begin working, even though the budget is not adopted. The staff needs specific parameters within the next thirty days.

The Mayor said he thinks the entertainment budget figure is a little low. At the end of the year he suggested a big event at the largest banquet facility finalizing the 175th celebration. The Village would underwrite the event, and the proceeds from the sale of tickets would be spread among various organizations. The Manager said that she believes they should have a dollar amount established so staff can begin to seek out entertainment for the year-end event as well.

Commissioner Tully said that he thinks the Mayor is saying that they need flexibility, but they also need a plan as to how to spend the money. He sees them setting \$100,000 net aside to take advantage of opportunities as they surface.

The Mayor said that they should not close their eyes on opportunities, and he would like to see them add money to the celebration of the 175th anniversary. He would prefer to see money spent on fireworks for the Heritage Festival, rather than adding money for the July 4th fireworks which involves coordination with other communities.

Commissioner Urban asked whether the \$10,000 is the budget for Heritage Festival fireworks only, and Ms. Scalzetti said that was correct. Last year's expense was \$7,500 for three nights. Commissioner Urban then asked about the \$65,000 and whether that's the entire budget for entertainment. Ms. Scalzetti said that is for the additional name act, over and above other

entertainment. Commissioner Urban asked whether they took into consideration costs for additional sound and lighting. Ms. Scalzetti said they have. They considered \$50,000 for the band, and \$15,000 for production costs.

Commissioner Urban said he would be in favor of increasing the amount for fireworks to \$25,000, and would increase the main act to \$100,000, to include stage, act and lighting. The Mayor suggested putting that amount into “Entertainment and Other Costs.”

Commissioner Tully asked whether he understood that the first night of the Ice Festival will have fireworks, and there was consensus on that.

Commissioner Sandack said he is not comfortable with the discussion and decisions because they have spent an enormous amount of time on a party when there are big budget issues to be discussed. He thinks discussion of fireworks is extraneous at best.

Commissioner Durkin referred to the 175th Program given to the Council and asked whether it is recommendations or is set in stone. The Manager responded that it is a working document presented to the Council in August, and staff is looking for individual input. Commissioner Durkin said he would put his thoughts into an e-mail and contact staff with his comments.

Commissioner Waldack asked about the entertainment options and whether there has been any feedback. Ms. Scalzetti said she was waiting for feedback.

c) Leaf Disposal/Refuse Collection. The Manager said that the current contract with Allied Waste expires on March 31, 2007. Staff said they have the ability to extend that contract with the existing parameters in place, but that would require the Village to pay for Amnesty Day at a cost of \$100,000 which is currently not in the terms of the contract. In addition, staff was asked to provide information for options for leaf disposal. Staff discussed this with Allied Waste and will have to issue an RFP. There is a proposal for a six-week time period whereby bagged leaves could be placed on the curb without stickers. The price range to the Village would be \$135,000-\$215,000, determined on a time and materials basis.

Commissioner Schnell said from her perspective this relates to the philosophy developed in the early 90s where people pay for what they put out. With the evolution of that system, the Village went to a recycling program, to the system now where stickers are placed on items they want to dispose of. She said that leaf collection changes that philosophy, and from her perspective she sees this as a policy decision that needs to take place. She doesn't think they can do that within the confines of a week. Originally, the Council gave staff direction to put out an RFP regarding paying for what you put out. She said that what has been presented is not just item based, but is an extension of the Allied contract requiring the Village to put \$100,000 to the Amnesty program, and have the “free” leaf component added as well. She has a hard time rationalizing this program and is not ready to make this decision. It will cost the Village money from general tax dollars to pay for leaf collection. Some may put out one bag and others may put out 50 bags. The Commissioner said the philosophy of the Village is that the residents pay for what they put out for pickup. As for the extension of the contract, that does make some sense because of the timing of it. It would be difficult to change haulers due to the fact that the Village will be in a political mode at the beginning of 2007. She thinks it would be better to consider changing this after the election, and she would prefer to have staff go out with an RFP. Because of the timing, however, she feels a year extension is the best way to go.

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Mayor Krajewski said that the pay-as-you-go philosophy would relate to buses as well, since the Village funds the buses. In terms of garbage and recycling he agrees it should be volume based. But with leaf collection, some people don't rake their leaves, but blow the leaves into the streets and onto neighbors' properties so they become someone else's problem. The leaves also get stuck in the drains and during hard rains that causes flooding, which then becomes the Village's job to cleanup.

Commissioner Tully said his direction with respect to the refuse contract, is to authorize an RFP for the best service for the best price. He sees no basis that a year extension is to the benefit of the Village. In terms of leaf pickup, they are not talking about raking leaves into the street and machines coming in and picking them up. That is an expensive project for the size of this Village. What they are talking about is subsidizing people who rake and bag leaves. He sees this as a user-based fee, the same as garbage and lawn refuse. He is not in favor of subsidizing the leaf pickup. He does not think the benefit of the subsidy will be sufficient to change peoples' behavior. They either will rake and bag the leaves, or they won't, whether the program is subsidized or not.

Commissioner Waldack said he thinks they should go out for an RFP for refuse to get the best deal for all residents. In regard to leaf pickup, he doesn't think it should be part of a budget discussion. Bagged leaves are treated as yard waste and are composted. He hears that residents do not mind paying for leaf pickup. If there is a way to cut down on the labor and process of raking and bagging, he would be in favor of it. He agreed that they should make leaf pickup part of an RFP.

Commissioner Sandack commented that the Village has a duty to go out to RFP on this project, and that this is the direction that was given months ago. The prices of the incumbent hauler should be put to market as with all other services. The Commissioner agreed that leaf collection is consumption based and for the most part, it works. The infrastructure, including stormwater issues, needs to be addressed. The leaves that filled the storm drains may have fallen as a result of the storm. He doesn't see any compelling need to alter the current practice. Leaf pickup is part of the garbage pick-up contract.

The Mayor said he would like to see one commercial vendor in the downtown area.

The Manager said staff would be happy to put the RFP out, and this will be placed on the November 7 agenda. She said Council needs to be aware that staff would not be able to exercise the one-year extension.

Commissioner Durkin said he comes from a community with a leaf program that was implemented by the Council. They negotiated the price. He said he was amazed at the dollar amount being quoted by the current provider, and would be in favor of going out for an RFP, even though he will be up for re-election in April. He said people have requested this. The Village has a strategic plan to promote tree growth, but when the leaves fall there is no support. He does not see people bagging the leaves. He noted that street sweepers are picking up leaves, and he asked how much time is allocated on street sweeping. He said that when he rakes leaves he averages up to 15 bags a week which would be expensive. Discussion of throwing a big party is not an essential service or direct benefit to the residents. Commissioner Durkin said he thinks that other communities are providing this service, and this Village is doing a disservice to the community by not doing this. He said he is talking about the Village paying the cost to dispose of the leaves. He asked what the direct benefit to the Village will be to spend huge amounts of money for a band.

Commissioner Tully said this where he disagrees with Commissioner Durkin because the Village hauler does pick up bags of leaves. The problem is that people do not bag the leaves. If it gets to a point where the stickers are so expensive as to require a subsidy, then they can discuss that. People who do not want to rake the leaves won't rake them no matter how the pick up is paid.

Commissioner Durkin said this is a tool to encourage people to rake their leaves.

Commissioner Urban said the leaves and the buses are synonymous, saying he is in agreement with the RFP. He is ecstatic that tonight Mr. Durkin brought leaf pickup to the forefront - a subject that he and the Mayor have tried to bring up for three years. He asked when is the right time to discuss policy decisions. All he has heard on the last topic is "tonight is not the night." He asked for an answer as to when is the time to talk about these topics as he came prepared to discuss them. He wants to go out with the RFP and strongly urges work on the franchise agreement. He wants to see a franchise agreement for the downtown.

Commissioner Schnell said that people have the option with leaves to mulch them and reduce the yard waste. At the October 7 meeting, she felt that there were four Council members who wanted leaf pickup. She would want to keep the basic philosophy of paying for what you throw away.

The Manager said they can ask to have leaf collection put on as an alternate.

Commissioner Durkin said that in response to Commissioner Schnell's comment, he wanted it clear that he sees leaves all over town, and not just on his block.

d) Special Weapons and Tactics Team (S.W.A.T.). The Manager said this item came from the Public Safety Committee who reviewed the costs and staff hours dedicated to the SWAT program. The impact to the budget document would be reflected in a different presentation of programs within the General Funds budget.

The Mayor asked that staff continue to help the Council understand the true costs of a program. He noted that the elimination of a program does not necessarily eliminate all of the indirect costs, but may free up time for other duties.

Commissioner Sandack asked if there is a proposition to remove SWAT from the Village's Police Department.

The Manager said that staff's recommendation is that Council direct staff to reallocate the funds from SWAT to the Felony Investigative Assistance Team (FIAT). There will not be a budget reduction.

Commissioner Sandack said his direction is not to do this. He said the Village has had the SWAT division since the 70s. He is not in support of elimination of this, and in the absence of some strongly compelling information he would not vote in favor of this. This is a fundamentally different change in direction to a real public safety issue. He explained further that the Village had an individual SWAT unit made up of 22 police officers since the 1970s. He knows the Village's track record since the 70s, but the FIAT SWAT unit has only been in existence since 2001. FIAT would have only six of our officers working on that unit. He said without any shadow of a doubt there will be a SWAT call out in a day, month or a year from now and he will not be responsible for an accident/issue/mishap when he knows that the Village has a dedicated,

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hard working and qualified unit of officers who have done the job since the 1970s. He thinks this is a terrible idea and he will not be voting in favor of this.

Commissioner Schnell concurred with Commissioner Sandack. She noted that municipalities of like size, and surrounding neighbors, have SWAT teams. She believes the Village should be a leader and own its first line of defense. She said that if they go with FIAT they may have more calls and are exposing the Village to liability issues and putting the officers in harm's way. She would prefer to keep the SWAT unit in Downers Grove as an individual SWAT team and is not convinced that the change is good.

Commissioner Waldack also agreed with the comments made, saying he does not see considerable savings, or a compelling reason to go to a regional plan. This is the post 9/11 era and there is a very busy transportation system in town which deserves some extra care. The Fire Department has already been out for a HAZMAT call this year. How quickly would a regional HAZMAT squad respond to a Village call. He sees no reason to change at this point.

Commissioner Urban said that as part of the Public Safety Committee he was also very leery at first.

The Mayor said he believed Wheaton's force is ten individuals, and they need 22 to have an effective call out.

Commissioner Urban said that the Police Chief said that the trend is to move away from individual teams and go to FIAT. He asked the Chief whether the Village has its own bomb squad.

Police Chief Bob Porter said they do not. They call out DuPage County. Commissioner Urban said that he believes this Village has had nearly as many bomb scares post 9/11 as they have had callouts for the SWAT team. He said that this community works well with the outside bomb squad. He said other communities also work well with FIAT. The goal was not to save money, but to get officers on the streets as a presence. This is not meant to diminish 9/11, but all officers would be trained, and more police officers would be in the community. He said that he is comfortable in moving to FIAT because there will be more police officers in both the residential and business community.

The Mayor noted that one officer will be sent to DuMEG at the County. He reviewed the communities that have disbanded their SWAT teams. He said that the Chief pointed out that they need 22 officers, and the Village does not have that right now. They are down by four people. There have been very few activations of the team in the past few years, and those that have occurred have been in other communities. The Mayor continued that FIAT is activated more often with real life experiences. The Village has had officers leave in the last few years, and the replacements need to be trained. More communities are moving to the regional approach.

Commissioner Durkin said he was part of the meeting and is in favor of joining FIAT. He does not see this as a budget saving decision.

Mayor Krajewski said this will free up time for training officers and put them on the streets of Downers Grove.

Police Chief Porter said that there has been a move toward regionalized SWAT teams, as has been the case post 9/11.

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Commissioner Tully said that public safety is paramount. They are talking about an asset that the Village wants to have but hopes it will never have to use. The SWAT group is a very talented group. He was not in the Public Safety Committee meetings for this discussion. It is a policy decision and is not a budget matter, and will not cut costs. The question is whether or not there is a level of service that the Village can obtain by reallocating its resources. FIAT provides similar services, but it is not in Downers Grove, as it serves a broader area. Downers Grove resources would be committed to this, and the individuals would probably receive intensive training because of more frequent call outs. He reiterated that there has been a trend to move toward the multi-jurisdictional approach. They have to look at using the best resources to serve the community. Commissioner Tully said he is wrestling with this issue and doesn't want to undermine the residents. He wants to be cognizant of trends but is not sure of the best way to serve the residents.

Commissioner Sandack asked when Westmont disbanded its unit. Chief Porter said it was 1999. In further response, the Chief said Addison is not a part of FIAT. Darien disbanded to FIAT in 1999. Elmhurst has reduced their team and belongs to NIDAS, Wheaton has a reduced team and belongs to the sheriff's department, and Naperville has its own team. He further responded to Commissioner Sandack that the Village SWAT team trains on Mondays. The Chief said that they train twice a month on Mondays, and they would free up more people to work if they switch to FIAT. This would provide more police patrolling neighborhoods on Mondays.

Commissioner Sandack then asked whether this was considered a financial savings, and the Chief said that ultimately there would be a savings of about \$19,000 per year. Overtime and call outs would result in additional savings as well.

The Mayor said that at the first Public Safety meeting there were several programs for which they wanted to get true costs, and more information was requested in several categories as to costs.

Commissioner Sandack then asked Chief Porter if it was his suggestion that some of the specialized components, such as the canine unit, be eliminated and go regional. The Chief said it would have to be evaluated on a case-by-case basis. The SWAT calls are rare and the amount of training and resources dedicated to it precipitated the recommended move. Commissioner Sandack asked whether the Chief knows members of the FIAT team formed in 2001, and the Chief said that he was the Chairman of the team from 2003-2005.

Commissioner Sandack asked whether the Chief would have made the suggestion to switch in 2001 or 2002, and the Chief said he would not have because he thinks it takes a number of years to develop the experience such as the Village's team has. He said the Village has a very good team. Commissioner Sandack then asked the Chief if he had to pick one or the other, which would he pick right now, and the Chief said that the direction is to go to a regional approach. It is a luxury to have our own team.

Commissioner Schnell asked if overtime costs would be incurred if FIAT trains on days other than Mondays. She asked if the Chief has any idea whether this would impact patrols on other days of the week. The Chief said there could be some overtime associated with this change, depending upon who is chosen for the team. The overtime would have been minimal if this change occurred last year.

Manager Pavlicek responded to Commissioner Sandack that initially there was some confusion as to cost savings within the Public Safety Committee, because when looking at the issue of an

internal SWAT team and the cost of FIAT, FIAT is clearly cheaper. What has been difficult to understand is that these officers are on the payroll regardless of whether they go with FIAT or SWAT. She also said that on the issue of resource allocation, roughly 25-27% of the department is in specialty assignments.

Chief Porter said that when you activate SWAT, 27% of the staff is pulled for that team. Activating FIAT provides a 30-person team with their own command vehicle and dispatchers, which would free up some Village resources to handle other calls.

The Manager added that when you discuss resource allocation, it refers to resource allocation on the day of a callout and not on training day. The difference also would be that there likely would not be a Lieutenant and Sergeant assigned to the SWAT unit as commanders. The people assigned to FIAT are entry-level police officers, and those are resources.

Commissioner Waldack reviewed the 20 communities listed, noting that there are a variety of emergency response programs in which communities participate. The Manager said it is important to understand that there are a number of ways for municipalities to do this, and it is difficult when there is tradition in a way of doing things. One of the discussions at an internal management level has been about the issue of different opportunities with a regional approach. She thinks this is an appropriate conversation to put forth to Council, but one of the difficulties with having this type of discussion at a Committee level is that it creates discord.

e) Buses. The Manager said staff put together an overview to discuss financial matters related to the commuter shuttle service. She said that in the budget document for the Transportation Fund, #112, the Council was given an update which removed the Taxi Coupon program from Fund #112. Those dollars are no longer in the document they were given last Friday. The document does not reflect the administrative transfer dollars identified as about \$26,000 annually. In addition, the document changed the fleet maintenance and fuel costs to reflect the new buses in 2007. The actual subsidy for public transportation for the commuter shuttle on an annual basis is \$126,000 deficit, plus the \$26,000 subsidy, with a projected growth in ridership at about \$18,000 per year. She added that they do not include a transfer to the equipment replacement program because buses have traditionally been funded with grant funding. Without grant funding, it has been the practice not to do replacement.

Mayor Krajewski said that the summary of the last ten years was helpful information, showing a \$4 million deficit over ten years. He cannot see continuing this subsidy, and whether the buses stay or go, they will have to address the deficit of approximately \$2.5 million.

Manager Pavlicek said that the grant agreement has not been signed. The Mayor said that staff estimates losing another \$350,000 this year. They will have to address a \$2.5 million deficit. He said they have to come up with some plan over the next 2-5 years to eliminate that deficit.

Commissioner Schnell said that the buses are one component of the transportation system which includes the buses, parking for the commuters, and the taxi subsidy program. She said that the Village subsidizes all three in one way or another. If the whole system is taken as one unit, she believes they are looking at all the transportation needs of the residents in the community. The Council has a policy that allows for transferring monies from the General Fund into the Transportation Fund which was done in the 90s. If that system had been followed in the early 2000s the deficit they see right now would be considerably less. They did not do that and the subsidy is higher. The bus system is a component of the comprehensive transportation system within the Village. In the latter part of 2005-06, Council gave a direction to staff to pursue a

system that would be there for a period of time. Public transportation systems do not pay for themselves. It is a valued system that is given to a community to make the quality of life better for the residents who live within that community, and she believes it is a benefit to the lives of the Village residents. If the Council had adhered to the policy and grouped all of transportation related issues together, they would see a better overall picture. She believes that they need to view this as a transportation system that is interrelated. Commissioner Schnell said that they made a commitment to new buses and the subsidy will decrease. She feels they will stabilize and increase the riders with the new buses. The Village would have to find places for 150 people to park downtown if they eliminate the buses. There would have to be an exit plan in place. She said that some administrative costs will be there regardless of the existence of the bus system.

Mayor Krajewski said that there has to be a way to eliminate the deficit, and asked if she has any ideas toward that. Commissioner Schnell said that the policy says monies can come from the General Fund or Parking. If that had been done, the deficit would be less. The Mayor said that then those funds would be at a deficit. Commissioner Schnell said if the systems are interrelated, they may need to look at the parking rates. Mayor Krajewski noted, however, that the Village is stuck with the fact that Metra sets the price for the property along the tracks. He said attempting to raise the rates for non-residents didn't work because of Metra's regulations.

Commissioner Urban asked whether they are looking at expenses dropping due to these being new buses which would require less maintenance and be more efficient. Mr. Barber said that was correct. Commissioner Urban asked whether they would have to replace them on a regular basis, and Mr. Barber said that the new buses would be on a 3-year warranty, which would cover most of the major expenses. He said that staff backed off on the maintenance when there were budget problems. The buses required more preventive maintenance which caused significant problems. He noted that they do not run the miles that they used to previously when they also ran a charter service. They would expect the costs with new buses to be lower for 5-7 years.

The Mayor said that a couple of years ago they were told that the maintenance costs would drop with the PACE buses, and that didn't happen. Mr. Barber said that the buses they received were 1992 buses that had problems with lifts and transmission issues.

Commissioner Urban asked about the preventive maintenance guidelines from PACE. Some communities don't have the means to do the maintenance, and they can take the buses to the PACE garages. Mr. Barber said that the Village's certified mechanics should be able to perform all of the maintenance. The engines are similar to the engines they presently have and are less complicated than some of the trucks they maintain. If they were to take it to the PACE facility it would take more staff time to go back and forth to the PACE garage. Commissioner Urban said that there is a PACE route in Downers Grove and that route is not user friendly for commuters. Mr. Barber said that was correct. Mr. Barber said to run a successful commuter bus you have to meet the express runs as they head into town in the morning and the same in the evening hours.

Commissioner Urban then quoted minutes from a meeting of January 3:

“Commissioner Urban said he was surprised he made this Motion. He said he has listened to the TAC and residents and now looks at this matter in a new light. He now looks at the transportation system as a whole. He suggested a need to look at changes for parking. He said he would not vote in favor of just a bus system, but he would vote in favor of a whole transportation system.”

Commissioner Urban said he thought the Council directed staff and TAC to propose to PACE to run the system. Mr. Barber said that when the discussion was held by the local Transportation Subcommittee, the costs would be more to the Village for PACE to operate the system. In other communities they have more routes and more riders. If they don't meet certain ratios to cover the cost, routes would disappear. They consolidate routes that don't have enough riders. Mr. Barber said that the Village runs its system with part-time drivers. PACE uses full time drivers with full benefits.

Commissioner Urban then asked if the Village would be guaranteed to get the buses if the grant were signed. Mr. Barber said that PACE would be getting the funds for the buses in the amount of \$448,000 for eight buses for Downers Grove, and the Village would pick up \$112,000. Commissioner Urban then asked whether PACE could change their mind. Mr. Barber said they could not because it is a guarantee, it is not a pass-through.

The Mayor asked whether the Village needs eight buses or six, and Mr. Barber said that under the standards they keep two buses in reserve in the event of problems. With respect to Circulator System proposed by the DuPage Mayors and Managers Conference, it is possible that the Village will be ranked high on the list of communities to participate in a trial program. The Village would be asked for two backup buses and drivers. Mr. Barber then reviewed the Circulator Route to connect to Oak Brook Terrace, and then to Yorktown on a non-fixed route basis during off-commuter time.

Commissioner Waldack said that this is a topic with many facets. In reviewing the tape of the January 3 meeting, there is the perception that several of the Council members made a commitment for 4-5 years. The cost is high when you look at the number of people who are using the system, but there are other facets the TAC committee was asked to address, including increasing the ridership which has remained stable. In regard to replacement of the buses, the grant was unanimously approved on January 3 and considered to be a bargain. He said this was expected to be part of the 2007 budget and Council did not expect the buses until 2007. It has now been ten months and Council has reneged on their commitment. Commissioner Urban, at that meeting, said that Transportation should be looked at as a whole, including buses, parking deck, etc. He said Commissioner Urban said that residents did not feel that the pricing was right for parking as compared to the cost of riding the buses. Commissioner Waldack continued commenting on Commissioner Urban's recommendations at the January 3 meeting, saying further that Commissioner Urban recommended raising the parking rates and giving away bus rides in order to get people to use public transportation. Commissioner Waldack said perhaps they should approach Metra again on raising the parking rates, and perhaps Metra will give some money for the buses, because it would benefit Metra as well. He cannot see how Metra would be opposed to getting people to the train system. The cost of a parking place in the deck conservatively is \$30,000. He said there is no free parking; it is paid for by tax dollars. Commissioner Waldack said that part of this Council has decided to renege on the commitment made ten months ago. He said he is in favor of keeping the buses. He said that the Village should look into pricing of the give-away parking program and should look at transfers in the budget.

Commissioner Sandack said that this has been a continual discussion, and in 2003 he said he didn't like the math. The wisdom of the Council at that time was to move forward. The group of citizens on TAC came up with wonderful ideas. There was unanimous consent to sign on with PACE with the grant. He then asked what has changed since January 3, 2006. There was an annual operating deficit in 2005 and long before that.

The debt is there whether the Village has buses or not. He then asked if the Council expected ridership to increase or advertising dollars to increase. In 2003 he wanted to wind this down. Commissioner Sandack noted that he went along with the decision in 2003 and now he feels as though he will be abandoned. He does not think that is engendering good faith. He then asked again what has changed since January 3, 2006.

The Manager said that she changed. She said they gave policy direction to have a bus system to staff. She has a different manner in which she approaches budget, and when she asked for direction as to funding, it stirred the whole debate.

Commissioner Sandack said that the policy makers knew that there was a deficit. The Manager said she did not have the opportunity as the new Manager coming in to make that statement. She said that staff needs direction.

The Mayor said that this is reviewed every year. In 2003 the deficit was \$445,000 and now it is \$1.4 million. He noted that the costs were not accurately reflected in the past reports.

Commissioner Sandack said that having a better or more perfect number on the deficit doesn't move him because they knew there was a deficit. This was no mystery.

The Mayor referenced steps taken to improve ridership and there is still a deficit.

Commissioner Sandack said they have gone through this several times, and he doesn't understand why they took the step they took in January, only to come back to the same point. But now they are talking about a whole new capital investment in a whole new fleet that will go forward.

Commissioner Tully said there is history going back to 1988 on this. He reviewed the history, saying they could go quote to quote and commitment to commitment. They have a responsibility to ask questions and change decisions. Instead of accusing people of renegeing on commitment, he said that this came up because they were presented with a management letter showing an astronomical increase in the deficit. He said it would be irresponsible to make a commitment for 5-10 years and not question it. Commissioner Tully said that TAC made a heroic effort to make and keep the system successful. He said he didn't appreciate the comments made because he was probably the only person on the dais who could say he actually rode the system for 12 years. It's a great system and he loves it. He said this conversation would not be taking place without the efforts of a lot of people who tried to find ways to make the system work, and he didn't want to hear comments about people renegeing on commitments or things of that nature. The question is that they have a responsibility to the community and they must question whether the amount of the subsidy is reasonable. Having your own transportation system is a luxury. The subsidy needs to be reasonable and the deficit has to be paid. He has always been in favor of making this successful. Staff's recommendation was to decrease the tax levy by \$.03 less than they otherwise would to create a source to pay off the deficit, and he heard no one speak in favor of that. He thinks a plan of transferring funds over a period of time should be done to pay off the deficit and he is in favor of getting it paid. His suggestion is to find the funds in the General Fund over a period of years. As to how to avoid the deficit on an ongoing basis, Commissioner Tully said with a useful life of seven years on the buses, they have to decide whether the \$150,000 per year is reasonable, or could that investment be better spent elsewhere. Commissioner Tully then noted that stormwater,

roads, curbs, gutters are not luxuries. In January 2006, absent the grant, the Council would not have bought the new buses. In response to what has changed since January 2006, Commissioner Tully said that there were higher fuel prices with no increase in ridership. The Council went through a strategic planning process and the transportation system does not figure highly in that plan. The grant has changed and delivery has been delayed. The buses were supposed to be received in eight months. The direction made was to pursue the grant and figure out the financing of the system on a go forward basis. There have been another 8-9 months to see the results of the heroic efforts of the TAC. He said that he would like to see the system stay in place. It is a great amenity. If it is discontinued, there would have to be a transition period to allow people to seek alternatives, and there would be a cost to it. He is glad to have the additional information available.

Commissioner Durkin asked why the fund transfers were stopped. The resolution was enacted in 1988. He is concerned about parking if the buses are abolished. As to the Circulator System, he said the Mayor pointed out that DuPage Mayors and Managers would be making no contribution to this.

The Manager said that DuPage Mayors and Managers has not approached the Village, but staff is participating in that study. It is likely that they would ask the Village to be the contributor of either buses or routes inside Downers Grove and outside of the Village's corporate limits. They have not formally requested that and she thinks there may be an announcement from them prior to year end. In response to the Mayor's question regarding insurance, the Manager said that when and if staff is approached by DuPage Mayors and Managers, staff would have to come to the Council for direction. Right now the insurance covers the corporate limits. She said she was not familiar with the details regarding the charter insurance.

Commissioner Durkin said that the leaf program got shot down because there are people who don't have trees. Looking at this, there are people participating in this, and the Council is asking people who don't participate in it to help fund it. He would like to hear what the Committee members have to say about this. He cannot support this at these numbers.

Commissioner Urban said that he is looking at each service individually. He is not going to trade leaves for buses or vice versa. He looks at this by looking at the whole transportation system. He thinks they've done a very good job, and there have been discussions on raising the parking rates in the deck and outlots. Staff has been told the Village that Downers Grove is the most expensive of the communities along the tracks. He noted also that because of some commitments with Metra the Village can only go so far with the rates. A new thing that has changed since January is the Circulator System, and they don't have all of that information other than it will cost the Village money in the long run. New buses would be like putting a band-aid on a bleeding artery. He believes it is a luxury, and is also an asset. They have to address the deficit, and he cannot justify voting for this.

Commissioner Durkin asked if the EDC has reviewed the bus system in terms of what they doing and development in the Village.

Commissioner Urban said that there is the possibility of increasing ridership using the bus system during lunch hours. They would have to hire more drivers, but would need to do a full study of costs.

The Mayor said that Mr. Bedalov has approached the businesses and they are not interested in helping to fund this. There may also be time conflicts to consider.

Commissioner Waldack said they should keep in mind the four to five year commitment and that the new buses would be on a three year warranty. TAC might be able to come up with ideas regarding the reverse commuting, which could be an attraction to new businesses. He noted that the Council does not know the full benefits of the reverse commute, and TAC members are well versed in these issues. He feels that the deficit could be erased if they show steady progress.

The Mayor said that in his conversation with Sara Lee, he was told that the schedule to Chicago at night is bad in that they don't stop at Belmont. He said that they talked with the former Chairman of Metra to try and see if they would stop in Downers Grove at Belmont Station.

The Mayor then opened the floor to comments from the public.

1. **Ron Waechtler**, 919 Stratford Lane, commented that he has seen a substantial increase in Downers Grove traffic from other communities, especially during rush hours. He's seen people ignoring and running through red stoplights, and he referenced accidents that have occurred. He said some communities use cameras at high-risk intersections, and recommended that the Police Department investigate this as a test at a few high risk intersections. This would be a great deterrent, and could also address those who roll through stop signs.

The Mayor said that increased patrolling would address this situation as well. He referred to meetings with the Police to further look at main intersections.

Commissioner Schnell said her son lives in California, and they have this type of control in California. The fines are \$300-\$400 and people now stop when the lights turn yellow. She said it is effective, and she is glad that the Village is looking at this tool.

Mayor Krajewski said there are difficulties in the Village in regard to enforcement on roads that are not Village-owned.

2. **Christine Fregeau**, 1918 Elmore, said this is the 10th anniversary of her addressing the Council regarding sidewalks. She asked that the Council consider a change for better and faster progress. She said it's hard to imagine a more basic public safety issue than providing safe place to walk. There are seemingly infinite needs with finite resources in the Village. She noted that the Village is currently in a strong financial position but is advancing very slowly with respect to sidewalks. There are 90,000 – 100,000 linear feet of construction to do, and the Village is more than a decade away from completing the matrix. Sidewalks represent only a fraction of the capital projects planned for next year. Funding has remained the same for several years and shows no sign of adjustment in the five-year plan. She noted that the budget is not increased with developer contributions. She said the funding only provides for construction of six to ten projects annually. She urged the Council to do more and noted sidewalk construction in neighboring communities. She noted that the Village is looking at its 175th anniversary and 20% of the Village does not have safe walking surfaces, while Lisle, with less money, completes substantially more of its sidewalks program.

Ms. Fregeau asked the Council to consider increasing the level of commitment to the sidewalk program, adding development dollars to supplement the funding, planning for a 4-6% annual increase, and taking a proactive stance on this safety issue.

3. **Bob Kolmar**, 1420 Concord, said he understood that the photo enforcement at the Fairview train crossing is out of service. As a citizen, he has spoken with the vendor who installed the system, the ICC and intends to speak with the Police Department. The system did not work. The Mayor interjected that the vendor in question went bankrupt, and the second vendor wanted to renegotiate and charge additional money. Mr. Kolmar continued that he was asked to speak as a member of the TAC regarding the parking. Metra does control a part of the parking, but not all. The Transportation Advisory Commission has requested a review of the parking rates on several occasions, and they would like to continue the dialogue. The TAC has reviewed the Circulator Study and feels it is something that the Village can do. He hopes for a long-term commitment on the part of the Council and expects to see a change as a result of incorporating the new vehicles and getting a long-term commitment from the Village. Mr. Kolmar said TAC was disappointed that the grant took so long, but they are encouraged that the grant application has been presented to the Legal Department for review. He also understands about the seven-year life of the vehicle and thinks the Village should be able to get longer life out of the vehicle. He noted that in the EDC's presentation, the first word on their slides was "Transportation." Mr. Kolmar said in regard to train schedules, it can be done, and he further noted that the Chairwoman of Metra is now from Downers Grove. He then quoted a line from the Manager's Memo dated December 13, 2005 that referenced the fund transfers into the transportation fund. He further noted that the Parking and Transportation policy allows for flexibility.

Mayor Krajewski said that Council members are opposed to raising the tax levy to fund transportation, but would consider raising parking rates. He said they must have a certain number of spaces per the Metra agreement, but the location is not specified. He noted that the Village tries to remain competitive with its parking rates.

Mr. Kolmar said that one of the Commission's recommendations is to make an equitable adjustment on the parking. They are looking forward to working with Council to make any further necessary adjustment.

Commissioner Waldack said he thinks the Main Street station is the 3rd or 4th busiest station in the system, and he understands that the northern suburbs on the line charge substantially more for parking than the Village does. The Mayor said he recalls that Glen Ellyn was the highest. Commissioner Waldack said he also heard on the radio today that PACE just began service with the 28 passenger fuel efficient buses in Aurora.

f) Tourism. Manager Pavlicek said staff has put together information based on discussions at the October 7 meeting about moving the Community Events Budget into the General Fund, and the allocation of Hotel Tax revenues on an annual basis, with 8% consistently going to the Community Grants. There was also a discussion of a 27% allocation to the EDC for the purpose of providing tourism services. This would require an allocation in the budget and an amendment to the agreement with the EDC to provide this. Staff has recommended an RFP to solicit proposals for tourism strategies and a plan for tourism promotion. It is most likely the Village would only receive proposals from the EDC and the DuPage Convention and Visitor's Bureau (DCVB), although a private marketing firm might possibly respond.

The Mayor said that three years ago the Council noted that there had to be more emphasis on economic development, which would include tourism. He believes someone should be hired to go out and work actively on tourism promotion. The hotel managers agree that this would be the method to follow to increase tourism. He does not care to go out for an RFP, but feels they should move forward with the tourism effort.

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Commissioner Tully said the two questions appear to be where the tourism function should reside, and whether any additional dollars should be allocated to the EDC beyond what is already agreed to. As to where the tourism function should reside, Commissioner Tully said he always understood that the tourism function would remain with the EDC. Since 50% of the Hotel Tax goes to the EDC, there is a self-interest to increase tourism. With regard to the additional funds, the EDC would work on their own funding beyond what the Village would contribute. He does not think it is appropriate to allocate additional money at this point in time. He further said that he is open to entertain changes after he sees what has been accomplished.

Commissioner Urban favors the EDC and Tourism working together. In DuPage County today, the #1 draw in tourism is the golf tournament. The #2 draw is athletic/recreational sports, and the 3rd draw is business/corporate travel. Tourism has a new meaning in the community, and the Village does not have hockey arenas, or baseball fields that accommodate tournaments like other communities may have. The third and strongest opportunity to create hotel tax revenue is through business/corporate travel, and it relies on exposure across the country. He is not in favor of putting this out to an RFP. He would have expected the DCVB to come to the Village with proposals. He said that the DCVB is funded by the State and they have an obligation to serve everyone regardless of whether we are a member. He asked why staff selected the DCVA. He said is open for discussion as to adding funds.

The Manager said, with regard to the DCVB, there are a number of services they provide. She said that the DCVB has requested coming to the Village to speak in December. She said that hotels can join and the not-for-profits can join the DCVB. Commissioner Urban mentioned that there are already members of the DCVB in this community. The Mayor said that the EDC should meet with the hotel managers about the DCVB.

Commissioner Sandack said he met with the President of the EDC regarding their efforts to date. He asked Mr. Bedalov if adding more money or another staff person a good idea, and Mr. Bedalov said he said he could handle that. Commissioner Sandack said he agrees that there has not been a lot of emphasis on tourism, and he says it is fair to ask as to the definition of tourism. Business travel has always been a quality-tier for the Village hotel properties. He would be interested in learning what the vacancy rates are. His sense is that tourism would be providing an outside sales force for the hotels. He said he wants to know what the hotels are doing for themselves first before more money is allocated. He agrees with Commissioner Tully and the "Tully Plan" that the EDC do the tourism function with the dollars currently provided to them. He also agreed that our hotel tax rate is low and if the Council is looking for a funding source an increase in the tax rate could be considered as a serious source of additional revenue.

Commissioner Tully responded to questions regarding what Commissioner Sandack referred to as the "Tully Plan." He said that it would be to keep the dollars the same for now. It was contemplated all along that the tourism function would reside with the EDC, and that included the tourism function with existing dollars that the Council authorized. It was never contemplated that the Village would fund 100% of the EDC's operating expenses. It was always intended to have the funding designated for the EDC (50% of the Hotel Tax receipts) include tourism too.

The Mayor said what will happen with the limited dollars is that there will be less focus on tourism or limited economic development.

Commissioner Urban asked what amount of the Hotel Tax funds would be earmarked for the Village if Council agrees to Commissioner Tully's plan. The Manager said staff would need direction from the Council.

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Commissioner Schnell said she has always felt that tourism is economic development, and economic development is tourism. She believes the EDC is an infant organization that has taken great strides over the last three months. It needs to put all of its resources, the \$500,000, into being an EDC and do its job to retain and attract businesses to the Village. By adding tourism to their existing budget, that might create a situation whereby they will not be able to do true economic development. She is not sure they are ready for the extra funds or to do tourism. She said she is not sure the EDC is ready for the extra money.

Commissioner Urban said for a number of years there has been money in tourism, and the question arises as to what has been done with that money.

Commissioner Schnell reviewed how the advertising was done in the past when there was a true tourism bureau. She remembers the larger hotels saying they had their own advertising dollars.

Commissioner Urban said he is trying to explain that times have changed since the earlier days of the program. The objective now is to have an EDC Tourism person walk into corporate American and present a package including rooms, transportation, shopping, etc. He agrees that Mr. Bedalov cannot do that himself.

Commissioner Tully asked if the Council could see the presentations that were in November and December about what the total budget was going to be, because he remembers clearly that the Village funding would not be 100% of the EDC budget. The budget now shows the Village contribution only. Before they write a check they need to see accountability.

The Mayor said that the issue is whether the Village is doing any tourism. The EDC will not be able to perform economic development functions and tourism on \$450,000.

Commissioner Tully reiterated again that the Village did not commit to fully fund all of the EDC functions. Council was told there would be other revenue sources. He requested again that they review the presentations that were made in November.

The Mayor said if they are committing to tourism, they have to do it right, keep the \$250,000 in the Village and get a real tourism person and real administrative person.

Commissioner Tully disagreed and asked again that they review what was suggested in November.

The Mayor said that they must make a commitment to do Tourism, and asked if they're going to wait another six months before they start.

Commissioner Tully said that he is not suggesting that the Tourism not be done. He believes the Council was told that the EDC would have other funding sources beyond what the Village portion was to round out the budget; however, now they are being told that the budget is funded 100% by the Village. Maybe the answer is that they are still working on things, but he wants to see a request for funding before handing over more money. If the EDC cannot raise the funds, they have not informed the Council of that yet. Village funding was to cover only a portion of the EDC.

Commissioner Urban asked what the money is earmarked for if the \$245,000 does not go to a tourism department within the EDC.

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Commissioner Sandack said he is skeptical about giving a brand new entity brand new money and amending the by-laws a few months into the game. He doesn't think this is prudent. In response to Commissioner Urban, Commissioner Sandack said the Village could use the hotel tax revenues for other programs/projects as determined by the Council.

The Mayor said he feels that monies from the Hotel Tax should go to economic development and tourism. For the past two years, the Village has not been involved in economic development or efforts to increase tourism. He does not understand why they don't commit dollars to get more sales tax and hotel taxes.

Commissioner Tully again said it was represented before the EDC Board was formed that additional funds would come from other sources for the EDC, and not just from the Village. Now that the Board is put together with a President, he could understand if they come to the Village for funding for a year if they feel they cannot start tourism activities this year without funding from the Village. That request has not been made to the Village Council. The source of the funding is the question before the Council.

The Mayor said that this is a one-year request. If the Village is not going to provide the funds to the EDC, will the Village commit those funds to operate tourism out of the Village. The Mayor said the question is how much should be allocated back to economic development and tourism, two people, four, or five people.

Commissioner Tully said they are not even remotely discussing those issues.

The Mayor disagreed, saying that is what they are discussing and that if they choose to have four people they can't do it with \$400,000.

Commissioner Tully said they could because the additional source of revenue is supposed to come from somewhere else and not wholly from the Village. Now if it's a question of not being able to get the funding in such a short period of time, then it is up to the EDC to inform the Council and make that request.

Commissioner Urban said he would like to get a copy of the tape of October 7, where they used the figure of 27%, which is \$243,000.

Mayor Krajewski said he would advocate that if the EDC does not do tourism, the Village should do it.

The Manager asked if it would be helpful for staff to provide the information regarding the privatization of the EDC as well as work with Mr. Bedalov.

Commissioner Schnell said she would like to hear from Mr. Bedalov to give specific examples of whether he could work with the \$500,000 for the first year. She would like to hear from them how they would structure the tourism function using those funds. In line with what Commissioner Tully is saying, she wants to know whether the EDC, with \$450,000 and 2.5 employees, can create a tourism component.

Commissioner Tully commented that he would consider a request for this funding if the EDC request is to assist them for one year with bridge financing so that tourism activities can begin.

Commissioner Urban said when the Village decided to get into Tourism and Economic Development it was two full time people and one shared administrator, and they gave the entire hotel budget to the EDC. He said that he thinks the decision to move the entire budget to the EDC should be considered, and the EDC must come to the Council with that request and a plan. He works in tourism and economic development and knows that you cannot do it all.

Commissioner Sandack reminded the Council that they have to explain to the taxpayers that they funded a new program and within a six-month period are adding more money while denying other people and departments. He thinks they've done pretty well in just 90 days and suggested the Council be more circumspective.

Commissioner Urban said he thinks if they have to answer to the community, they should also be prepared to answer why the agreement with the US Pro Criterion was originally set up as seed money and was supposed to be decreased over the years. The Village is still funding that at 100% when it was supposed to decrease to zero after a number of years.

Commissioner Tully reiterated his thoughts again as to funding the EDC, and that the funding should have a relationship to a legitimate need.

Commissioner Durkin said he has always been an advocate of a hotel/motel tax. He agrees that the Council needs a request from the EDC that they need the funding. He doesn't want to see the organization fail.

Manager Pavlicek said that staff will work with the EDC to bring back the information.

g) Related Questions and Requests. The Manager said that the Council has received a lengthy report responding to questions from the Council.

The Mayor commented that they will have to bring back the investment policy before the Council. He wants to look at getting the maximum rate of return. He didn't understand how they budgeted only \$44,000 in interest income and finished with \$552,000, which was \$500,000 higher in interest income. He didn't understand how they could miss the estimate by that much. He also referred to an issue he's been asking about for some time, and that's the audit report. He was told it is modified and full accrual. The Manager said that there is modified accrual throughout the document, mostly in the Home Rule Sales Tax items. The Mayor said it appears that there will be more cash when they get through FY 2005-06 in the General Fund. It appears there will be \$13 million in cash versus \$19 million in the fund balance.

The Manager said they need to discuss whether the Council wants staff to present the budget document with the General Fund on a full cash basis. They are approaching the upper limits of cash policy.

Mayor Krajewski said that he would recommend putting the money into CIP and begin projects such as stormwater, sidewalks, curbs, gutters while planning long-term projects. He said they have ignored the infrastructure for a number of years. He would also like to continue to review the revenue numbers. In addition, he would like information as to where the money is being invested and the general managing of Village money.

Commissioner Tully said with respect to the recent flooding event, stormwater has been brought to the forefront of the infrastructure needs. He would like to see the funds being transferred go to this need. Also, regarding the CIP, he spoke to Mr. Barber some time back regarding whether

developers' contributions were included in the sidewalk funds budgeted for future years, and the Mr. Barber said it was included. He would like to see that over and above the \$360,000 budgeted. He noted Ms. Fregeau's comments that there is no escalator built into the fund.

Commissioner Schnell said she suggested earlier adding \$175,000 to the sidewalk fund in line with the 175th anniversary. She indicated also that the Stormwater Mater Plan will give them a better understanding of the system and where they want to go with it.

The Mayor said he feels they need a better method of presenting the information. The audit report they are going to vote on doesn't provide him with the real information he needs to conduct Village business.

MANAGER'S REPORTS

1. **FY05-06 Audit.** The Manager said formal action is needed by the Council to accept the report.

Lou Karrison of Sikich, LLC said this is the second year the firm has performed the audit, as well as the management letter. There is only one new comment from last year which was an accounting reconciliation comment.

The Manager thanked the staff for their work in improving the management report.

Commissioner Durkin asked a question about the uninsured cash balances, and whether the Village is scheduled or on a plan to receive monthly statement showing their collateral position with the banks with which they're doing business. Manager Pavlicek said that the collateralization issue occurred in the prior fiscal year and were corrected before entering this year's figure.

Rita Trainor, Finance Director, said they do have a process for release of collateralization. The Village does get a monthly statement from a federal reserve bank out of Boston.

2. **Temporary Relocation and Operating Plan for Fire Station 2.** The Manager said that the Council review the plan.

Mayor Krajewski asked whether it has been given to the rank and file.

Fire Chief Phil Ruscetti said it is a staff generated report. The Manager said this has not been finalized and requested input from the Council before they move forward.

ATTORNEY'S REPORT

Village Attorney Enza Petrarca said she was presenting three items to the Council: 1) An ordinance restricting certain parking on Puffer Road; 2) An ordinance amending parking restrictions on Sherman Street and creating Village Parking Lot W; and 3) An ordinance adopting the FY2007 budget.

Ms. Petrarca asked the Council to consider waiving the one-week waiting period to consider a motion to accept the FY 2005-06 Audit.

DRAFT

Commissioner Tully moved to waive the one-week waiting period to consider new business.
Commissioner Urban seconded the Motion.

VOTE: YEA: Commissioners Tully, Urban, Durkin, Waldack, Sandack, Schnell, Mayor
Krajewski

NAY: None

Mayor Krajewski declared the Motion carried.

Commissioner Tully moved to note receipt of the FY 2005-06 Audit. Commissioner Urban
seconded the Motion.

VOTE: YEA: Commissioners Tully, Urban, Durkin, Waldack, Sandack, Schnell, Mayor
Krajewski

NAY: None

Mayor Krajewski declared the Motion carried.

ADJOURNMENT

There being no further discussion, the Workshop meeting was adjourned at 12:40 a.m., 10/25/06.

April K. Holden
Village Clerk

tmh/