



Administration Department

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**Finance & Administration Committee
Regular Meeting
Monday, May 20, 2013
Village Hall, Executive Session Conference Room**

Call to Order at 5:30pm

Roll Call - Mayor Ron Gunter, Trustee Harold Barry, IT - Glen Liljeberg, Manager Ron Searl, Media - Larry McIntyre, Trustee Bruce Barker, Trustee Jim Addington, Deputy Clerk Cary Kmak, Community Development - Jill Ziegler, Finance - Spencer Parker, Chief Dave Weiss, Chief Tom Mulhearn

Pledge of Allegiance

Reports:

- **Finance**

Mayor asked Spencer to highlight the last meeting for the trustees present that were not at the last meeting while everyone waits for the remaining trustees this evening. Spencer gives a summary of the bond issue possibilities. The only bond that can be done without a referendum is to do an alternative revenue bond. To do this you have to commit revenue to repay the bond. If we want to do a \$10million bond we would have to identify \$1million a year of revenue sources that would repay that debt. If we pay off our current debt on the 9.5 acres that generates \$350,000.00 and we currently budget \$350,000.00 for resurfacing that can be used for payment commitment. To get the balance we would need \$250,000.00; the source that was discussed was the places for eating tax. The budget lists 1% and if we did a 1.5% we would have the needed payment. The discussion was to have this on the next agenda listing it as 1.5% to cover the shortfall and cover the funds needed.

The Mayor highlighted Steve May's report for \$8.5million to cover the necessary infrastructure to get the total repair of all streets in town at below 70% grade. It would be a three year project and the commitment on the bonds would be for 20 years. Trustee Barry asked what this would mean for flooding - Mayor let him know that this did not take into consideration stormwater issues it was only the road conditions.

Spencer went on to explain that the places for eating tax is a way for the non-residents that

use the roads to share in the cost of repair of the roads. It is a minimal impact to the residents and gives a nice benefit of \$10million to work on infrastructure is a nice benefit for a 1 1/2% tax and sharing the burden with non-residents.

Trustee Barry asked if there was any feedback from the restaurants? It was stated that there has not been yet, as it has not published. Trustee Barker said that it was clear from the meeting that aren't really a lot of choices to generate revenue. And we are severely limited as we have never had bonds before. I think the dates were 1994 - Mayor Gunter explained that if there are no bonds on the books before 1994 you are limited as to what you can do now. This village has never operated in debt so there is no non-referendum bonding authority. There are different referendums, but it will require a referendum. Trusting Addington would prefer to do a non-home rule tax for .05% and it could be tagged to a debt repayment. It is however, a voter's referendum. Mayor Gunter said that we could always get aggressive and do both - there are a lot of big ticket items if you look at the stormwater management and roads.

The first step here is to educate everyone - Spencer showed how to do this without a negative impact annually. Spencer asks if we should do the agenda item to read 1.5% or 1%. The Mayor believes that the suggest using the language of up to 1.5%, and states that he knows Trustee Addington does not want any tax increase. Trustee Addington says as much as he hates taxes he knows that to wait will be a worse idea. Where will the streets be if we wait until 2014 to see if home rule is voted in, and what if it doesn't pass - then what? We could be driving on gravel roads.

Trustee Barry asks if you only implement taxes at budget time? Spencer replied that you can do it at anytime. We were assuming at budget time that we would try to implement it as the loss of sales tax due to loss of home rule was effective. Mayor comments that once it's on, it's on. Unless we pass it we will have a \$500,000.00 deficit. In looking at the surrounding villages we are right in the middle, we come out close to the average. The high is 3%, the link Spencer sent before the last meeting is to a spreadsheet that has a tab showing all the different communities. Trustee Addington asked Spencer to define a place for eating; the definition is a food service establishment that has seating available.

Trustee Barry asked how you document the sales for certain businesses? He was concerned with the caterer that was given a liquor license last week. How is the liquor sales documented? Chief Mulhearn said that the state liquor commission monitors the purchase of alcohol by the caterer to make sure their sales tax matches their purchases.

Trustee Scott arrived and the Mayor let him know that so far only a review of the last meeting has been done to bring the trustees that were not at the last meeting up to speed. Manager Searl asked if he could clarify one item: Legally, we are required to have a balanced budget, regardless of whether or not you pass the tax we will have to draw from the balances. Mayor asked if from the reserves? Manager Searl said there is a chart from 2001 or 2003 that the

previous manager created that shows different ways you balance a budget. That's the final way is to take fund balance. Just so everyone understands that the budget will still be balanced, maybe not in the way we want but it will be balanced. We are not currently where we should be with emergency cash reserves.

The Mayor asks what the goal the previous board had to get that to, a 1/3? Manager Searl replied 20%. The Mayor states that the goal is to raise the emergency cash reserves, we do not want to use it. Spencer comments that it is not a good practice to be drawing on fund balances for operating costs. A one time, specific need is understandable but not month to month expenses.

Unfinished Business: None

New Business:

- **Stormwater Community meeting review**
- **New Board Member Orientation Presentation**

Mayor Gunter said that his first order of business tonight is to have everyone know that as he is coming in new, along with the 3 trustees, he would like everyone to know that this is a team effort. His plan is to treat everyone equally as he does the board members at the park district. If there is information, everyone needs to know. This is a team and for that to work everyone needs to be a part of the team. The flip side to that is staff, their job is to run the day to day operation between every department that's why they're there. Their job is to conduct the business of the village; our job is to be the eyes and ears of the public and make decisions for the framework of the village so the staff can run the village within the framework.

When we see something we should make them aware of it and get answers, however my philosophy is that they should be running things and giving us answers we should not be telling them how to do their day to day. I'm not saying that this is how it has been done, I just wanted to share my philosophy. We should start off knowing this, not that it's anything new, but I strongly feel that way. We have a good staff, I have heard them all compliment the staff. I think they do do a good job and it is our job to let them do it. Manager Searl commented that everyone should feel free to reach out to department heads with any questions. Mayor said that the Village Manager should always be contacted. Manager Searl said that staff should/would always let him know if they have been contacted by a trustee.

On to Larry's meeting on Wednesday-Community Meeting April Flood Event. There are printed out agendas on the table so that everyone can give feedback. Larry will moderate the meeting, leading things through the agenda. Which is to be posted downstairs by 7:00pm. Larry reviewed the agenda and discussed the formation of a stormwater management committee. Mayor Gunter said that the goal of this committee is to have people from all areas of town, not just Warwick. We want every quadrant represented. And on Wednesday, we are

not there to comment, we are there to listen to the residents. Larry will call people up and everyone should listen and/or take notes. We do not want to engage in conversation right then as it can lead to too many emotions. We can have comments at the end.

Trustee Barker asked how long the presentation section of the agenda will last. Larry responded that the goal was to have the whole first third of the agenda take place in half an hour. He asked Larry to write that on the agenda so people know that they are not just going to have to sit and listen. Manager Searl would like to have an executive summary so people could have the information. Trustee Barker would like to make sure that everyone that wants to speak gets a chance. He is assured that Larry will keep people to the 3 minute rule. Trustee Barry commented that there will be a lot of repetition, people all want to tell their story and it could be the same story for everyone on their street. Mayor Gunter confirmed that there will be no response from the board, everyone will get 3 minutes to present. Trustee Barry said even if you responded they are not going to listen as they just want to tell of their struggle, not even hearing an answer if it was given.

Trustee Scott wondered if when this happened 3 or 4 years ago we were going to reach out, and I don't know if we did that's why I want to ask the question, did we have a meeting with the public afterwards or did we email it to everyone or have them come in. Larry said that we did not conduct a meeting with results of the stormwater study. Basically as soon as that meeting got done I think the Village Board started the study in the next budget year. It was all announced through public meetings. Trustee Scott commented that during that meeting everyone was told to give their email addresses and contact information during that meeting. No one has ever been contacted. Mayor Gunter asked if we still had the email addresses and we should contact people and let them know that there is another meeting. Trustee Scott said that he has heard from a lot of people that they have never heard from the last meeting. Manager Searl commented that Steve May could speak to this because there were a lot of discussions at the public works meeting about this; he believes that there was published announcements that there is information available to the public from the study; but Larry is right we never did have a follow up meeting. We had the addresses to make sure all the addresses were addressed in the study. Trustee Scott said that we did take the addresses saying we would follow up and we didn't. Larry believed it is part of an assessment survey. That's the only connection that was made.

Trustee Barry said what about the TIF meeting. Certified letters were sent to people to announce the TIF meeting but when it was changed, they don't get a second certified letter to notify them of the change. Manager Searl said we do the press release to announce the change, but not a second letter. So it's possible that we could have TIF people here tonight and the change would need to be dealt with for those who arrive for that presentation.

Mayor Gunter asked what the date on the stormwater study was, Manager Searl said the study was in his office and was done in 2011. Steve will have it available and discuss, Spencer will put the finances into perspective. He put together a matrix of four questions and

depending on the answers to the question is how cost will be determined. Trustee Scott said that which way to go from the study has never been determined. It has been discussed but no decisions have been made. Manager Searl said that during the budget process there are things that can be done right away but the big ticket items were stopped with the Home Rule question. The board did not want to do something that looked like we were trying to pressure the residents for home rule. Larry feels that this should be brought up at the meeting.

Trustee Barker agrees that residents should be made aware of what has been done, what we can do, and that there are no funds to do certain things at this time. The previous board was very aware of the problems in Downers Grove with the debt, to put that in a referendum question on the ballot was something that could be done with the home rule question on the ballot. Trustee Barker commented that with the information from the last meeting, we know that debt is the only way to fix the streets. And now we are limited.

Mayor Gunter states that the best way might be to transition in with the report, make everyone aware that the implementation was halted with the loss of home rule. It is said that the loss of home rule should not be commented on, Mayor Gunter said that the loss of revenue is the reality of the situation and needs to be said it is the true information. Trustee Barker said that no one can argue with that as it is fact.

Mayor Gunter asks how does everyone feel about the committee? Manager Searl asks if this will be an ad hoc committee or a permanent committee? Trustee Barker feels that it should be a time limited committee to keep it on track. Trustee Scott said that the time could be extended if the flooding situation warrants it; start with it as 2 year committee and then if it needs to go on you extend it. Manager Searl said that the time doesn't have to be stated - just that it's an ad hoc committee needs to be stated. Trustee Addington commented that he loved what we were doing and the first thing that came back to him was when he started the traffic study to get all the cars off the side streets back 15 years ago. Everyone claiming that the people on the side streets didn't even live in town and then the study proved they did. Trustee Addington likes where we are going, the ad hoc committee is a good idea. People want to see something done, if public works said that they could fix one area - such as North Grant Street, I would vote to do it. Take it out of the street repair and do it so that we could say we did one.

That would create great PR. You will still be doing streets, maybe not as many but you fixed one problem area. People might say when are you going to come fix mine, but at least you did something instead of nothing. Mayor Gunter asked if Trustee Addington had any idea on the cost of one fix, Trustee Addington said that would be hard to say. Millions? Trustee Barry said not all of them, some might be a matter of getting a back hoe in there and cleaning it out. The \$10 million bond fund for street repair wouldn't solve everything in stormwater infrastructure.

Trustee Barry states that we wouldn't want to do what Downers did and spend millions to still have the same problems. They bought houses and made ponds and it still flooded. Larry

McIntyre said that that is part of the conversation. We haven't even reached the 100 year storm yet and people keep saying that is going to be the 7 1/2 inches and this is only 6 inches. Trustee Scott said that no matter what there is going to be another storm and nothing can guarantee no flooding. Manager Searl said that the problem is that the water is going to reach a certain level. What Downers Grove ponds did was what it was designed to do, it just exceeded the capacity.

Trustee Addington believes that there are is new construction going on there. Trustee Barry responds that it is an addition going up. Steve May will be the first to tell you that If you only have this much land, the water has to go somewhere. When they built the Villas of Deer Creek the redirected water caused flooding. We have a footprint folks; if you cover part of that land with brick and mortar the water has to go someplace. Unfortunately if people want to build, we can't control that as a Village. The courts are going to support people being allowed to build on their own property.

Trustee Barker responds that people are going to always want to build on every inch of green space. What people might be lacking however is the shut off type valve on their sanitation lines, that would be something reasonable that might serve more folks than just doing something on one neighborhood that doesn't help everyone. Trustee Barry responds that this type of "meet halfway" program where the homeowners pay a portion. These are not foolproof, they can get clogged with debris, some are manual so if you are not home to do it you can still have problems. Trustee Barry said that to go through the expense and not have it work 100% of the time would be disappointing.

Larry McIntyre jumps in and reminds everyone of the time and the need to get through the agenda before the board meeting. Mayor Gunter states that he was going in that direction. He believes the consensus is that the committee is a good idea and we will leave it on. Jim's idea is well taken that if something can be done should. Trustee Addington states that this is not the time to grandstand folks, it will come back to bite you in the ass. Trustee Barry asks Trustee Barker if he is going to float options such as instead of being a home rule have a 5% sales tax on referendum? Would that be one of the things floated out there? Mayor Gunter responds that we will have options out there. Trustee Barry asks if that will be the November 2013 election. Spencer responds that there is not an election in 2013 so it would be 2014. Stating that it could read something like, give us home rule or a sales tax.

Trustee Scott asks if Larry is going to qualify the meeting at the beginning so that it is not just a bunch of people asking "what are you going to do for me?" Trustee Addington asks if there are any properties identified as having a problem that did not have a problem in the previous flooding/weather event? Manager Searl responds that there were no surprises from the stormwater study we had done in the past. There was one that might have a different solution to at this time. Trustee Barry said that if you talk to people 1/2 the town has flooding issues and 1/2 the town has sanitation backup issues; we need to address both separately. Manager Searl said that we have invited people from all the utilities. Power outages and the

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sanitation problems will be addressed.

Chief Mulhearn reminds everyone that we will have security training in the future. For now he will send out a document to the board to review on procedures. Reminding that we need someone to have a sign in sheet with email addresses so we know who is attending.

Mayor Gunter asks for staff to give their brief overview for the new board. Trustee Senicka has asked in the past that we do Monday night presentations at board meetings so the public watching would get an idea of what we do. What we are doing tonight is to have a smaller timeframe however for those present. Another way we are trying to get across what we do to the public is through a video series, Inside Westmont, that will be airing on public access.

Staff went through a short presentation from each department on what their responsibilities are and areas of their departments..

ADJOURN at 6:42 pm motion by Trustee Barker & seconded by Trustee Barry