

**Minutes
Special Meeting
Glen Ellyn Village Board of Trustees
March 30, 2009**

Call to Order

Village President Hase called the meeting to order at 8 p.m.

Roll Call

Upon roll call by Village Clerk Draths, Village President Hase and Trustees Chapman, Comerford, Norton and Thorsell answered, "Present." Trustees Armstrong and Ladesic were excused.

Pledge of Allegiance

Village President Hase led the Pledge of Allegiance.

Consent Agenda

Village Manager Jones presented the Consent Agenda; Village President Hase called for questions and/or discussion on the items on the Consent Agenda.

Trustee Norton moved and Trustee Chapman seconded the motion that the following items included on the Consent Agenda be approved:

- a. **License agreements to allow a hot dog cart and gelato cart** on the public sidewalk in the Central Business District.

Since 1995, the Village Board has authorized one or more license agreements for tables and chairs, hot dog sales, and related items to be located on the sidewalk and public right-of-way in the Central Business District. This action allows license agreements for a hot dog cart and a gelato cart on the public sidewalk in the downtown during the current calendar year.

Upon roll call on the Consent Agenda, Trustees Norton, Chapman, Comerford and Thorsell voted "Aye". Motion carried.

Home Rule Sales Tax

Finance Director Jon Batek presented information regarding the implementation of an additional 1-percent sales tax on retail merchandise sales within Glen Ellyn (excludes groceries, prescription and non-prescription drugs and automobile sales) to become effective July 1, 2009.

Director Batek stated that despite past financial health, Glen Ellyn is not immune to the global, national and regional economic downturn. Because of declining revenues, the Village is facing a projected \$600,000 general fund deficit for the current budget year that ends on April 30. In addition, forecasts for the next three years project an increasingly unsustainable gap between revenues and expenditures.

In preparation for the challenges which lie ahead, the proposed budget for the new fiscal year 2009-10 which begins on May 1, 2009, includes general staffing reductions and essentially no increase in total personnel and related benefit costs. Significant cuts in contracted services, as well as a number of maintenance expense deferrals, would be implemented to keep the budget in balance for the coming year. Certain deferred expenses however, would return in future years and must be addressed in the near-term to avoid future financial problems associated with deferred maintenance.

In total, the preliminary proposed budget was out of balance by a total of \$2.6 million. Total expenditure cuts have been made to date of \$1.7 million compared to new revenue introduced by the 1-percent sales tax at \$0.9 million for FY10. For every new revenue dollar generated by the home rule sales tax, there are approximately \$2 in corresponding expense reductions.

Director Batek said many communities in DuPage County have implemented a local sales tax, including neighboring Wheaton and Lombard, where a 1-percent local sales tax is already in place.

The Village has offered several opportunities for public input on the sales tax in addition to this public presentation at this Special Village Board Meeting. A Special Village Board Budget Workshop meeting was held on Monday, March 2 in Room 301 and a Special Village Board Workshop meeting was held on Saturday, March 7 at 9 a.m. in the Galligan Board Room. Information regarding the home rule sales tax was further communicated to the general public in the February 2009 Village Newsletter, as well as the availability of extensive information on the Village's website and also in the Village's e-mail Newsletter.

The sales tax ordinance has been reviewed in a two-reading process with a non-binding straw vote of Village Trustees taken at the Regular Village Board Meeting on March 9, 2009.

President Hase stated that Trustee Thorsell has agreed to read statements, for the record, from Trustees Armstrong and Ladesic, who are both excused from this meeting. Those statements are attached to these minutes.

The following residents stated they were in support of implementation of a 1-percent home rule sales tax: Ray Campbell, 460 Raintree Court, Unit 3K; Jay Strayer, 593 Midway Park; and George Gilkerson, 588 Midway Park.

The following residents stated they were in opposition to implementation of the 1-percent home rule sales tax: Mike Formento, 65 N. Exmoor, business owner and Executive Director of the Chamber of Commerce, Mr. Formento presented the Village Clerk with a petition of signatures of individuals opposed to the home rule sales tax; Janiece Waters, 740 Grand Avenue; and Diane McGinley, 293 Abbotsford Court.

Attorney Diamond explained that a modification to the “sunset clause” was made to the original language in the ordinance upon his recommendation in an attempt to ultimately save the Village money from possible class action lawsuits in the future. Attorney Diamond said that originally the ordinance obligated the Village Board to follow certain procedures by a certain date and if the Village Board did not follow those procedures exactly, the ordinance language stated the tax would automatically be repealed. Attorney Diamond also said that the state informed the Village that they would not accept an ordinance with the original language. Attorney Diamond said that more importantly, he has seen many class action lawsuits against a municipality when the municipality failed to follow the exact provisions stated in an ordinance and therefore the ordinance became invalid without Village Board action. Attorney Diamond said that the modified ordinance would stay in effect until repealed. Therefore, the Village Board would annually consider that the ordinance be repealed, and that this modified ordinance language was a protective measure to prevent a class action lawsuit stating that procedures were not done technically correct.

- a. Trustee Comerford moved and Trustee Chapman seconded the motion that the Second Reading of Ordinance No. 5740-VC be passed, an Ordinance Implementing A Home Rule Retailers’ Occupation Tax and Service Occupation Tax (Home Rule Sales Tax).

Trustee Comerford stated the budget process was not rushed and he thanked Finance Director Jon Batek for his excellent work in preparing the budget and the multiple options brought to the Village Board for consideration. He said he was in support of the 1-percent sales tax and he was in support of the “sunset clause” ordinance to review the tax annually.

Trustee Chapman said she agreed with Trustee Comerford’s comments and added she felt the Village Board was correct in their decision regarding approval of a new ambulance contract.

Trustee Norton said he felt it was best for the Village as a whole to support implementation of the 1-percent home rule sales tax.

Trustee Thorsell said she felt it was the responsibility of the Village Board to balance the budget, not defer difficult budget decisions, and to focus to the Village’s financial future. Trustee Thorsell said she supports the 1-percent tax.

President Hase said she agreed with comments made by Trustees Comerford, Chapman, Norton and Thorsell and she said that the decision to increase taxes is always a difficult one.

Upon roll call, Trustees Comerford, Chapman, Norton and Thorsell voted "Aye." Motion carried.

- b. Trustee Comerford moved and Trustee Chapman seconded the motion that the Second Reading of Ordinance No.5741-VC be passed, an Ordinance Providing for an Annual Review and Specific Uses of Home Rule Retailers' Occupation Tax and Service Occupation Tax.

Upon roll call, Trustees Comerford, Chapman, Norton and Thorsell voted "Aye." Motion carried.

Reminders

- The next Pre-Board meeting of the Glen Ellyn Village Board is scheduled for Monday, April 13, 2009 beginning at 7 p.m. in Room 301 of the Glen Ellyn Civic Center.
- The next Regular Village Board Meeting is scheduled for Monday, April 13, 2009 beginning at 8 p.m. in the Galligan Board Room of the Glen Ellyn Civic Center.

Adjournment

At 9:15 p.m., Trustee Norton moved and Trustee Chapman seconded the motion that the Regular Meeting of the Village Board of Trustees be adjourned. All Trustees present voted "Aye." Motion carried.

Respectfully Submitted,

Andrea Draths
Village Clerk