

**Minutes
Regular Village Board Workshop
Glen Ellyn Village Board of Trustees
October 15, 2012**

Time of Meeting: 7:00 p.m.

Present: President Pfefferman; Trustees Cooper, Hartweg, Henninger and Ladesic. Trustee Friedberg at 7:03 p.m.; Trustee McGinley at 7:28 p.m.; Deputy Village Clerk Solomon; Staff present: Village Manager Franz, Police Chief Norton and Finance Director Wachtel. Information Technology Manager Binkerd at 7:30 p.m.

1. Call to Order

President Pfefferman called the Board Workshop to order at 7:00 p.m. with a roll call. Trustees Cooper, Hartweg, Henninger and Ladesic responded "Present." Trustee Friedberg arrived at 7:03 p.m., and Trustee McGinley arrived at 7:28 p.m.

2. Preliminary Budget Hearing Part I

Finance Director Wachtel presented background on the preliminary budget for fiscal 2013/2014 and said again this year, they will discuss several policy items prior to the start of the annual budget process, with another preliminary hearing in November also. Village Manager Franz said the recommended budget would come before the Village Board in early spring for approval.

In 2009, the Village Board approved Ordinance No. 5740, establishing a new 1% Home Rule Sales Tax (HRST). HRST may be used for pensions, cash reserves or downtown revitalization. The Village funds employer contributions to the Police Pension Fund and Illinois Municipal Retirement Fund. The cash reserves policy is recommended to be 27% of the year's expenditures. The ordinance says the Village can use up to 15% of the revenue to downtown revitalization efforts. Finance Director Wachtel showed a chart of the total maximum need of the HRST-use categories, comparing FY 2011/2012 to FY 2012/2013.

Village President Pfefferman said the questions for the Village Board will be should the Village Board recommend the HRST be kept at 1% and if so, what purposes does the Village Board recommend be used for the three items that HRST covers. He also ensured the Village Board understood the numbers for each category in the chart.

There was a discussion regarding possible revision of the ordinance, what HRST was originally created for, how HRST is affecting the Village's retailers and HRST as a balancing feature. Village President Pfefferman took a straw vote to see if the Village Board recommends keeping the HRST at 1%, and all Trustees agreed. The Village Board was split on the recommendation as 2 Trustees agreed to the same 3 items and 4 Trustees would like to eliminate the items. Village Manager Franz said there should still be an annual hearing and a review of the percentage.

Since Fiscal 2010, property tax revenue that was previously used to pay for debt service is now allocated to the Capital Improvements Plan Fund. After some discussion, it was decided to hold this conversation until the Village Board sees the capital improvement plan.

Since 2013, the Village has limited the economic development special service areas to a rate of \$0.125. The Village Board's consensus is to recommend keeping the rate at \$0.125.

When presenting the proposed budget, management frequently considers the long term financial health of each fund. The General Fund or Operating Fund is general balanced by management as part of the recommended draft budget. After some discussion, the Village Board recommends a balanced budget with the exception of the capital projects.

Last year, the Village Board reaffirmed the policy to increase cash reserves 1% each year with a target of 35% of operating expenditures. The cash reserves for Fiscal 2011/2012 was 26% and for Fiscal 2013/2013 is 27%. Village President Pfefferman asked Finance Director Wachtel to verify the percentages as it seems a percentage ahead. The Village Board consensus is to recommend confirming the Cash Reserve policy.

Village Manager Franz presented background on the Community Grant Program as the Village as funded local community groups which provide critical services through these grants. The updated Community Grant Program was held in FY11/12 and FY12/13 with \$30,000 in program funding made available in both years. The Village Board consensus is to remove the 4th of July Committee's funding from the Community Grant Program and make it in a line item of a set amount in the General Fund. Trustee McGinley recommended the Village contacting the 4th of July Committee to get a feel on the amount of funding the 4th of July Committee would need and come back to the Village Board with this amount.

The grant to Youth and Family Counseling Services will stay as a line-item direct expense in the General Fund.

There was a discussion regarding the Village continuing the Community Grant Program. The consensus from the Village Board is to recommend keeping this program as there is a substantial need in the community; however, the Village Board would like to see additional criteria for this program.

The Village has initiated several Cost Containment Initiatives through asking the Village's partners and vendors to hold, decrease or reduce increases, in-sourcing versus out-sourcing and intergovernmental cooperation. Also, the Village is in the process of implementing E-billing initiatives. There was a discussion regarding other ideas for cost containment. IT Manager Binkerd explained the Village's capability with current systems and new software coming for different departments that will help with cost containment.

6. Adjournment

At 10:02 p.m., Trustee Hartweg moved and Trustee Cooper seconded the motion to adjourn. All voted "Aye." Meeting adjourned.

Respectfully Submitted,
Debbie Solomon,
Deputy Village Clerk

Reviewed by,
Patti Underhill
Acting Village Clerk