

Village of Lombard

*Village Hall
255 East Wilson Ave.
Lombard, IL 60148
villageoflombard.org*



Minutes

Monday, April 25, 2016

7:00 PM

Lorraine G. Gerhardt Community Room

Joint Village Board of Trustees and Finance and Administration Committee

President Keith Cagiano, Village Clerk Sharon Ruderna

Trustee Dan Whittington, Trustee Mike Fugiel,

Trustee Reid Foltyniewicz, Trustee Bill Johnston,

Trustee Robyn Pike, Trustee Bill Ware.

Finance Committee: Chairperson Trustee Reid Foltyniewicz,

Alternate Chairperson Trustee Robyn Pike,

Mary Cation, Jim Hogan, David Cain, Jr.,

Dan Hartweg, Jay Tavian, Ambareen Ahmed and

Randy King

1.0 Call to Order and Pledge of Allegiance

The Special Joint Meeting of the President and Board of Trustees and the Finance and Administration Committee of the Village of Lombard held on Monday, April 25, 2016 in the Community Room of the Lombard Village Hall was called to order at 7:01 pm by Village President Keith Giagnorio. Village clerk Sharon Kuderna led the Pledge of Allegiance.

2.0 Roll Call

Present 15 - Keith Giagnorio, Sharon Kuderna, Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, Bill Ware, Mary Cation, Dan Hartweg, James W. Hogan, David Cain Jr., Ambareen Ahmed, Randy King, and Jay Tovian

Staff Present:
Village Manager Scott Niehaus
Director of Finance Tim Sexton
Director of Community Development Bill Heniff
Director of Public Works Carl Goldsmith
Chief of Police Ray Byrne
Fire Chief Paul DiRienzo
Assistant Fire Chief Jerry Howell
Lieutenant Doug Carl
Assistant Village Manager Nicole Aranas
Executive Coordinator Carol Bauer

3.0 Public Participation

Discussion

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Long Range Planning

Discussion of strategies to develop a Long Range Plan in order to address the rising cost of non-discretionary expenses.

Trustee Reid Foltyniewicz, Chairperson of the Finance and Administration Committee, thanked everyone for their hard work in preparing the draft Long Range Plan relative to the budget that was going to be reviewed tonight. He indicated that the Finance and Administration Committee now wanted to receive the Village Board's input. The Committee felt that they had made some tough decisions,

but felt the Village was on the right path.

Finance and Administration Member Dan Hartweg arrived at 7:04 p.m. Trustee Foltyniewicz talked about the purpose of the Long Range Budget Plan. During the Fiscal Year 2016 budget meetings, there was considerable discussion about aligning revenues with expenses in order to eliminate future year deficits. The Lombard Range Plan is to develop strategies to address the rising cost of non-discretionary expenses. The FY 2016 budget was prepared during a time of financial uncertainty at the State level and reflects the challenges associated with maintaining service levels while expenses are increasing faster than revenues. The FY 2016 budget was developed with the assumption that the State of Illinois budget would not significantly change the Village's revenues. Staff will continue to monitor the State budget and other legislation that could severely impact the Village's revenues such as the state-shared Income Tax, Motor Fuel Tax funding and Property Taxes. There are currently 12 full-time positions vacant. The Village has begun to fill some of the vacant positions, but had realized a savings of \$396,000 due to the positions being kept vacant thus far. The Village will monitor the State budget decisions and will then prioritize filling positions. Presentations are being done for all Village Committees to familiarize each of the Committees with the current financial situation for the Village, as there may be items that are deferred to Committees in the future for further review. Staff was also looking at filling any positions where a current employee retires or leaves. Through keeping the vacant positions open for the first part of the year, the Village had realized approximately \$396,000 in savings. He noted that Village Manager Scott Niehaus and Director of Finance Tim Sexton had visited all of the committees and provided an overview relative to the proposed Long Range Plan.

Trustee Foltyniewicz noted that the Finance and Administration Committee had been reviewing the budget, making decisions and recommendations to be included in the Long Range Plan since November of 2015.

Village Manager Scott Niehaus spoke of 2-2.5% increase for employees, but the budget included 4% in salary increases due to step progression for some employees. He stated that it would be easy to balance the budget if the Village had a guarantee of a 5% sales tax increase each year.

Director of Finance Tim Sexton stated that the Telecommunications tax has decreased from \$3 million to \$1.7 million due to so many homeowners eliminating landlines and only having cell phones. The large portion of cell phones is data and not taxed the same as landlines, thus causing the decrease in the Telecommunications Tax revenues. The gas tax is volatile and based on price and so zero percent is projected on gasoline tax as far as future growth.

Trustee Foltyniewicz noted that the Finance Committee did not want to just raise taxes on businesses and residents and not look at reducing expenses as well. The committee recommended a 50-50 approach with 50% in reduction of expenses and 50% in increased revenue. The committee reviewed various options including an entertainment tax on television, vehicle stickers and an increase to the Places for Eating Tax. The committee felt the Places for Eating Tax was not a forced tax and is charged to restaurants seating available for consumption of food on the premises. The majority of people who pay the Places for Eating Tax come from outside of the Village limits, and choose to come to Lombard to dine at one of the restaurants. Trustee Whittington inquired about the percentage who come from outside of Lombard.

Director Sexton noted that data indicates about 55% of the Places for Eating Tax comes from non-residents. Groceries are not subject to this tax.

Trustee Johnston inquired if the percentage was hard data.

Director Sexton felt the percentage of non-residents paying the Places for Eating Tax is probably 65% Village-wide based on logic. He noted that when the improvements were made at the South Lifestyle Center at Yorktown, a Business Improvement District was created and all businesses within that district pay an additional 1% in tax. All of the businesses included in the Business Improvement District were aware of the increased tax.

Trustee Johnston asked about the downtown restaurants and the amount of Places for Eating Tax.

Village Manager Scott Niehaus indicated that the proposed increase in the Places for Eating Tax will include all restaurants within the Village limits. The proposed increase would be equal to what Schaumburg charges and they are similar in that they have a mall like Yorktown. Trustee Foltyniewicz reminded the Board and Finance Committee that there would be a reduction due to the elimination of the DuPage Water Commission fee. He noted that with a town of 43,000 residents, more employees are needed to provide the day-to-day services compared to Oakbrook with a lot smaller population. He noted that the Finance Committee members did not feel that the proposed increase in the Place for Eating Tax would alter a person's choice to go to another town to eat.

Village Manager Niehaus referred to a handout relative to the Places for Eating Tax showing comparisons of various communities with some communities having additional taxes such as a Real Estate Transfer Tax. He also spoke about Home Rule communities versus non-Home Rule communities and that Home Rule communities can raise their Sales Tax to be used for General Fund expenses and Lombard being non-Home Rule, cannot.

Trustee Foltyniewicz indicated the Finance Committee did look at

raising the Places for Eating Tax by a half percent, but with the uncertainty in Springfield and no State budget, the committee recommended the one percent increase. He spoke of more businesses locating in Lombard and revenue generated from those businesses.

Trustee Ware questioned pensions.

Director Sexton referred to a handout and the \$1.6 million deficit in 2017.

Trustee Johnston noted that he hopes the Village did not need the total 1% and would prefer small increases and wanted the Village to be prudent.

Trustee Foltyniewicz noted that Places for Eating Tax was established in 2003. He noted that the Finance Committee discussed this the entire night at a Committee meeting.

Jim Hogan felt the 1% increase was better than .5% and then another possible increase.

President Giagnorio did not feel that the 1% was out of line.

Village Manager Niehaus noted that some of the revenue generated by the Places for Eating Tax will be set aside in the event that the State cuts revenues to municipalities.

Mary Cation spoke of long-term needs of the Village and that the Committee felt that the Village would need the money even if it was set aside for future use. She noted that the Village has not increased the Places for Eating Tax in 13 years and will not be going back to the businesses for another increase next year. She felt that non-residents paid the majority of the Places for Eating Tax and it was a good way to not add another tax on the residents.

Trustee Ware questioned how the tax works.

Director Sexton indicated that the person dining pays the tax; the restaurant collects the tax and then the restaurant pays the tax to the Village.

Village Manager Niehaus indicated that the restaurant can choose to lower their food prices by one cent.

Trustee Ware indicated that he was still hesitant and questioned the reserve.

Trustee Foltyniewicz stated that the committee reviewed the options, recommended the 1% increase and forwarded that recommendation to the Board.

President Giagnorio concurred with the 1% increase.

Trustee Ware indicated he did not want to use for general operating costs.

Trustee Foltyniewicz indicated this was not for upgrades or new hires. He noted that the Finance Committee recommended a 50-50 approach with 50% coming for additional revenue and 50% coming from cost reductions.

Village Manager Niehaus indicated that he had given presentations to

nine employee groups explaining the budget and showing the graphs of expenses versus revenues. He felt the employees understood and appreciated that the Finance Committee was recommending the 50-50 approach. He noted that the employees are ambassadors of the Village and can provide information on this and other Village matters to the residents and business owners.

Trustee Foltyniewicz noted that Sports Authority may be closing as well as possibly other stores and the Finance Committee is looking at a Long Range Plan for the budget.

Trustee Ware questioned bringing back the vehicle stickers.

Trustee Foltyniewicz stated the committee looked at bringing back vehicle stickers, but that did not generate the same amount of revenue and was a tax on only Lombard residents, where the Places for Eating Tax was passed on to non-residents. He noted the committee also looked at the costs associated with Meals on Wheels as well.

Trustee Whittington questioned the cuts to the Senior Citizen Taxi Program.

Village Manager Niehaus referred to handout relative to the elimination of the Senior Taxi Program and noted that this would not occur until 2017. All taxi coupons would be honored through the end of 2017. However, the Village will stop selling taxi coupons at the end of 2016.

A motion was made by Trustee Mike Fugiel, seconded by Trustee Dan Whittington, that the Long Range Plan for the Village of Lombard be approved. The motion carried by the following vote:

Aye: 6 - Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, and Bill Ware

Enactment No: R 38-16

5.0 Adjournment

A motion was made by Trustee Bill Johnston, seconded by Trustee Bill Ware, that the Special Joint Meeting of the President and Board of Trustees and the Finance and Administration Committee held on Monday, April 25, 2016 in the Community Room of the Lombard Village Hall be adjourned at 8:02 p.m. The motion carried by the following vote:

Aye: 13 - Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, Bill Ware, Mary Cation, Dan Hartweg, James W. Hogan, David Cain Jr., Ambareen Ahmed, Randy King, and Jay Tovian