

## MINUTES

### VILLAGE OF LA GRANGE SPECIAL MEETING OF THE VILLAGE BOARD OF TRUSTEES

53 South La Grange Road  
Lower Level Conference Room  
La Grange, IL 60525

Saturday, March 10, 2012 – 8:00 a.m.

#### I. CALL TO ORDER AND ROLL CALL

A Special Meeting of the Board of Trustees of the Village of La Grange was held on Saturday, March 10, 2012, and called to order at 8:05 a.m. in the lower level conference room. On roll call, as read by Village Clerk Thomas Morsch, the following were present:

PRESENT: Trustees Holder, Horvath, Kuchler, Langan, Nowak and Palermo with President Asperger presiding.

ABSENT: None

OTHERS: Robert Pilipiszyn, Village Manager  
Andrianna Peterson, Assistant Village Manager  
Lou Cipparrone, Finance Director  
Bill Bryzgalski, Fire Chief  
Mike Holub, Police Chief  
Ryan Gillingham, Director of Public Works  
Patrick Benjamin, Community Development Director  
Joe Munizza, Assistant Finance Director  
Angela Mesaros, Assistant Director of Community Development  
Mike Bojovic, Assistant Director of Public Works

#### II. BUDGET WORKSHOP OVERVIEW

President Asperger opened the meeting by describing the budget development process which consists of three major parts — Capital Projects, Personnel and Operations. Capital Projects were discussed on February 6. A separate workshop dedicated to a discussion of the Water Fund was held on February 27. That discussion has been continued to April 2.

Extensive personnel information has been provided to the Village Board, along with how that information relates to the cost containment plan.

The purpose of this special meeting is to review operational expenditures.

President Asperger concluded her opening remarks by: encouraging the Village Board to consider and work within the strategic priorities identified during its recent planning session; identifying the need for the Village to remain vigilant in protecting local government revenues; stating that the Village needs to continue to pursue grant opportunities; recognizing the asset value of staff; and complimenting the entire management team in producing an outstanding work product.

Village Manager Pilipiszyn indicated that protracted recessionary financial conditions has tested the management team's ability to deliver core services in a cost-effective manner. The Village is entering a third consecutive fiscal year under such conditions. Signs of organizational fatigue are beginning to appear. Thankfully, Village finances are beginning to stabilize as a result of the cost containment plan. Village Manager Pilipiszyn acknowledged the shared sacrifices made by Department Heads and employees, and expressed his appreciation.

Village Manager Pilipiszyn indicated the need to receive general direction from the Village Board today relative to General Fund revenue proposals set forth within the draft budget, in order to complete the budget process.

### III. REVIEW OF GENERAL FUND REVENUES AND EXPENDITURES

Finance Director Cipparrone reported in detail on each General Fund revenue line-item. Discussion ensued in advance of the proposed increase in the Village's utility tax. Trustee Horvath indicated his preference to impose an entertainment tax on ticket sales at the La Grange Theater as a majority of the tax would be paid for by non-residents. President Asperger and Village Manager Pilipiszyn provided some background information and limitations on the concept when it was considered at the time of the theater renovation project. If the objective is to generate revenue through non-residents, Village Manager Pilipiszyn proposed that consideration should be given to alternative revenue sources such as increasing the non-Home Rule sales tax or to seek Home Rule designation. There was no support for exploring Home Rule.

Considerable discussion ensued concerning the proposed increase in the Village's utility tax. Trustee Nowak indicated his struggle with the several tax/fee increases proposed for next fiscal year. Trustee Nowak indicated his support for the proposed water rate increases which will be used directly for infrastructure improvements to the Village's water system. Furthermore, there is an expected payback with increased revenue from the replacement of aging water meters. In contrast, the utility tax will be used to support current operations. Trustee Nowak suggested that the Village Board and staff look at other opportunities to offset increased operating expenses, beginning with using the budget savings from the favorable health insurance renewal.

Trustees Holder and Langan felt that personnel expenditure reductions and other budget cuts have been made, and that the new revenue to be generated by the increase in the utility tax is necessary to maintain Village services and to further stabilize Village finances.

Trustee Kuchler indicated that he reluctantly supported the increase in the utility tax, because reserves and capital project funding should not be reduced any further. He also expressed the need for more cost containment of personnel expenses.

Trustee Palermo queried as to the right level of service and what has changed over time. Village Manager Pilipiszyn responded with a listing of positions added to the employee roster over the past 20 years, which reflect the major areas of service demand on the Village — public safety, community development and public works.

Trustee Horvath expressed his opinion that structural problems exist and more work, such as the combined dispatch initiative, needs to be done to address those problems.

As a Village resident of approximately 40 years, Clerk Morsch briefly commented on how the Village has improved over the years, to become a top tier community.

President Asperger summarized that it was the consensus of the Village Board to reluctantly support the proposed increase in the Village's utility tax, adding that staff is expected to be constantly vigilant in controlling expenditures and to think creatively to grow revenues.

Community Development Director Benjamin presented his proposal to adjust certain building permit fees. Because of the cost recovery nature of these fees, it was the consensus of the Village Board to concur with the staff recommendation.

At the conclusion of this review, Finance Director Cipparrone provided the Village Board with information concerning salary allocations between the General Fund and the Village's three enterprise funds. Discussion ensued. President Asperger concluded the discussion as follows: (1) the allocation of indirect personnel expenses to enterprise funds was a common and accepted accounting practice; (2) the current allocations are reasonable; and (3) the allocations are at the lower end of the range suggested by the Village's auditors. The Village Board did not make any changes to the existing salary allocations.

At this point of the meeting, Department Heads were invited to present their respective departmental budgets to the Village Board for review and comment.

IV. REVIEW OF GENERAL FUND AND OTHER FUND BUDGETS

1. Administration

Assistant Village Manager Peterson reported that the Village has been successful with negotiating a rate freeze for group health insurance premiums. There were a couple of individual Trustee comments made concerning additional containment strategies involving this employee benefit. President Asperger solicited input from the Village Board as to the staff recommendation to assign the \$100,000 cost savings projected from the freeze in health insurance premiums and the proposed increase in the employee contribution towards premiums. It was the consensus of the Village Board not to assign the cost savings to offset future health insurance premium increases.

It was the consensus of the Village Board to concur with staff's remaining budget recommendations.

2. Legal

It was the consensus of the Village Board to concur with staff's budget recommendations.

3. President and Board

It was the consensus of the Village Board to concur with staff's budget recommendations.

4. General Ledger

Assistant Village Manager Peterson provided a status update on the Village Board's strategic priority involving technology as it relates to records management within the Village Manager's office. There were a couple of individual Trustee suggestions made concerning this item.

Assistant Village Manager Peterson also outlined a recommended project approach concerning electrical aggregation. A report on the estimate of staff time and other costs associated with this endeavor is anticipated to be delivered to the Village Board sometime between June and July.

Clerk Morsch commented on a recent staff report concerning sick leave/vacation leave accruals. Discussion ensued concerning differences between the private and public sectors, and potential changes to leave accruals. Village Manager Pilipiszyn cautioned the Village Board about unintended consequences. He suggested that as with pension reform, if meaningful benefit changes are desired, the Village should petition its state representatives to enact collective bargaining reforms.

In closing the review of the proposed General Ledger budget, President Asperger expressed her concerns with the reduced amount and the number of consecutive years of the reduced amount of the transfer of monies to the Capital Projects Fund. A couple of Trustees concurred with President Asperger's comment and that the Village should not lose that historical perspective.

It was the consensus of the Village Board to concur with staff's budget recommendations.

5. Finance

There were a couple of Trustee inquiries and comments concerning the recent reconfiguration of support services within the Finance Department, and Finance Director Cipparrone responded. There were also a couple of Trustee comments made concerning employee compensation not being within the tax cap.

President Asperger solicited input on the proposed transaction fee for on-line payment of water bills. It was the consensus of the Village Board to concur with this staff recommendation.

It was also the consensus of the Village Board to concur with staff's remaining budget recommendations.

6. Community Development

Discussion ensued regarding economic development activities. There were a couple of Trustee inquiries and comments concerning the replacement of street banners (funding source and cost-sharing with businesses) and social media. Community Director Benjamin responded.

It was the consensus of the Village Board to concur with staff's budget recommendations.

7. Police Department

Chief Holub provided the Village Board with a brief status update on the combined dispatch study, police union and dispatch union contract negotiations, and a pending grant application for hiring additional police officers.

Trustee Horvath expressed his desire to extend the replacement cycle for squad cars and for the Village to look more closely at the total maintenance cost of vehicles. Chief Holub and Finance Director Cipparrone responded.

It was the consensus of the Village Board to concur with staff's budget recommendations.

8. Asset Forfeiture Fund

It was the consensus of the Village Board to concur with staff's budget recommendations.

9. Auxiliary Police Fund

It was the consensus of the Village Board to concur with staff's budget recommendations.

10. ETSB Fund

It was the consensus of the Village Board to concur with the ETSB Board's budget recommendations.

11. Parking Fund

Chief Holub described the recent launch of a parking amnesty program.

It was the consensus of the Village Board to concur with staff's budget recommendations.

12. Fire Department

Chief Bryzgalski noted with pride the major operational accomplishments within the Fire Department over the past year, among them being: the sale of the ladder truck and replacement with a multi-purpose vehicle; expanded use of technology; increased training; officer development and succession planning, improved service delivery approach within the Fire Prevention Bureau; and aggressive pursuit of grant opportunities. He expressed his appreciation to the Village Board for their support.

It was the consensus of the Village Board to concur with staff's budget recommendations.

13. Foreign Fire Insurance Tax Fund

It was the consensus of the Village Board to concur with staff's budget recommendations.

14. Building and Grounds and Public Works

Public Works Director Gillingham provided the Village Board with a detailed review of departmental activities over the past year, many of which have resulted in cost savings to the Village.

It was the consensus of the Village Board to concur with staff's budget recommendations.

15. Water Fund

President Asperger noted that this Fund will be discussed in more detail at the April 2 meeting.

16. Equipment Replacement Fund

It was the consensus of the Village Board to concur with staff's budget recommendations.

17. Debt Service Fund

It was the consensus of the Village Board to concur with staff's budget recommendations.

18. Police and Fire Pension Funds

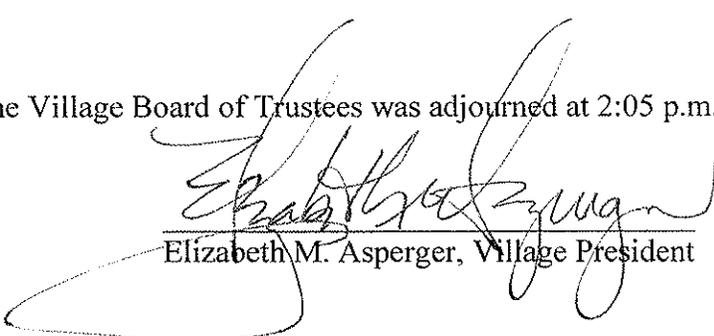
It was the consensus of the Village Board to concur with staff's budget recommendations.

V. ADDITIONAL COMMENTS

Village Manager Pilipiszyn thanked the Village Board for providing direction as requested at the beginning of the meeting. He also complimented the Village Board for their engagement throughout the workshop and for making, at times, difficult decisions in order to provide that direction.

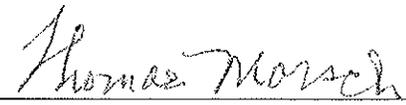
VI. ADJOURNMENT

The special meeting of the Village Board of Trustees was adjourned at 2:05 p.m.



Elizabeth M. Asperger, Village President

ATTEST:



Thomas Morsch, Village Clerk

Approved Date: April 9, 2012