

MINUTES

VILLAGE OF LA GRANGE
BOARD OF TRUSTEES REGULAR MEETING
Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

Monday, March 12, 2012 - 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

The Board of Trustees of the Village of La Grange regular meeting was called to order at 7:33 p.m. by President Asperger. On roll call, as read by Village Clerk Thomas Morsch, the following were present:

PRESENT: Trustees Holder, Horvath, Kuchler, Langan, Nowak and Palermo

ABSENT: None

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Village Attorney Mark Burkland
Finance Director Lou Cipparrone
Community Development Director Patrick Benjamin
Public Works Director Ryan Gillingham
Fire Chief William Bryzgalski
Police Chief Mike Holub

President Asperger requested the Board and audience stand for the Pledge of Allegiance.

2. PRESIDENT'S REPORT

President Asperger referenced the budget workshop held on Saturday, March 10, explaining the Board's comprehensive review of the proposed budget for Fiscal Year 2012. President Asperger noted the components of the budget consist of Capital Projects; Personnel; and Operations and encouraged residents to view the proposed budget, specifically the Village Manager's message, which is posted on the Village's website or a paper copy is available at the Village Hall and La Grange Public Library. Inviting resident attendance and participation, President Asperger indicated that a public hearing will be held prior to budget adoption on April 9, 2012 in the Village Hall Auditorium.

Congratulations were extended to the Girl Scouts who gathered outside of the Village Hall earlier this evening in celebration of their 100th year anniversary. Lastly, President Asperger stated that the regular Village Board meeting scheduled for Monday, March 26 is being canceled due to lack of a quorum. The next regular meeting

will be on Monday, April 9 and it will follow a public hearing on the proposed budget. In addition, there will be a special meeting on Monday, April 2 in the Village Hall Auditorium to continue the discussion on the water meter replacement program.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None

4. OMNIBUS AGENDA AND VOTE

- A. Material Purchase – Public Works / Rock Salt
- B. Approval of Grant – Illinois Department of Commerce & Economic Opportunity – Energy Efficiency Program

Material Purchase – Police and Fire Facility – Replacement Light Fixtures
- C. Ordinance (#O-12-06) Disposal of Surplus Property
- D. Open Meetings Act – Review of Closed Session Minutes
- E. Minutes of the Village of La Grange Board of Trustees Special Meeting – Capital Projects Workshop Monday, February 6, 2012
- F. Minutes of the Village of La Grange Board of Trustees Regular Meeting Monday, February 27, 2012
- G. Consolidated Voucher 120312 – (\$753,809.65)

It was moved by Trustee Langan to approve items A, B, C, D, E, F, and G of the Omnibus Agenda, seconded by Trustee Holder.

Approved by roll call vote.

Ayes: Trustees Holder, Horvath, Kuchler, Langan, Nowak and Palermo
Nays: None
Absent: None

5. CURRENT BUSINESS

- A. Ordinance (#O-12-07) – Amendment to the Village’s Simplified Telecommunication Tax / Proposed 1.0% Increase in the Village’s Utility Taxes: Referred to Trustee Nowak

Trustee Nowak explained that the Village’s utility taxes are a combination of tax charges on electricity, natural gas and telecommunications. The proposed budget

for Fiscal Year 2012-2013 identifies a 1% increase in the Village's utility taxes. This increase has been part of the five year financial plan. In comparison to other municipalities, Trustee Nowak referenced a survey taken whereby La Grange remains one of few municipalities which is not imposing maximum statutory utility tax / simplified telecommunications tax rates.

Trustee Nowak briefly described the history relevant to an increase as well as deferred utility and simplified telecommunication taxes for residents. Providing information regarding significant reductions in operating revenues and a decrease in State shared revenues, Trustee Nowak noted a need to address difficult financial challenges. Although the Village has a cost containment program in place, the 1% utility tax increase included in the five year financial plan is critical for meeting projected operating costs.

Trustee Nowak noted that it is estimated the 1% increase will cost an average homeowner approximately \$40 annually. Trustee Nowak explained that the simplified telecommunication tax implemented as currently budgeted would require the Village Board to adopt an authorizing ordinance and that such ordinance be filed with the Illinois Department of Revenue not later than March 20, 2012. An alternative option for filing was provided if the Board found it necessary to table this item for further discussion.

Trustee Nowak moved to approve staff's recommendation to adopt an ordinance implementing a 1% increase in the Simplified Telecommunications Tax, from 4% to 5%, effective July 1, 2012, seconded by Trustee Langan.

President Asperger opened this item for discussion.

Trustee Nowak stated he would not be voting in favor of this tax increase to residents. Trustee Nowak commented that with the proposed increase in water rates along with the increase in building permit fees, which directly impact residents, he does not favor another tax, especially when it would not support the rebuilding of infrastructure. Trustee Nowak is encouraged by sales tax revenues and believes that savings incurred on healthcare as well as rearranging budget priorities can address increasing operational expenses rather than impose the utility tax.

Trustee Horvath concurs with Trustee Nowak and feels there are areas of opportunity in the budget where monies can be diverted to offset operating costs, thereby avoiding a tax increase to residents. Trustee Horvath noted he would be voting in opposition of the utility tax increase.

Trustee Kuchler explained that he is inclined to vote in favor of the utility tax increase but will oppose the water rate increase.

Trustee Holder concurs with Trustee Kuchler on this item and will be voting in favor of this minimal utility tax increase. Trustee Holder noted it has been some time since this rate has been raised and the Village is well below other municipalities. Trustee Holder indicated that the Village has responsibly made cuts with personnel, services, and healthcare. Approving this increase will keep services which residents have come to expect.

Trustee Palermo stated he would be voting no on this item. Trustee Palermo indicated he is not swayed by the tax rates of other municipalities. While he is sensitive to the Village's revenue needs, he is also sensitive to taxes faced by residents. Trustee Palermo also referenced alternative electricity provider rates and his belief that residents could incur a substantial savings. Although residents presently have the opportunity to make a choice to reduce their electricity rates, Trustee Palermo would like to see a referendum question on the upcoming November ballot to save residents even more money.

Trustee Langan reminded the Village Board that while reluctant, there was a consensus from the budget workshop to support the proposed increase. The Village Board has a history of sound fiscal management in keeping taxes as low as possible. Referencing the Board's previous discussion on this item, Trustee Langan noted that no one likes to raise taxes, however he does not favor the alternative which is to cut services.

With a tie vote, President Asperger stated her intention to vote in favor of this tax increase, echoing comments by Trustees Kuchler, Holder and Langan, President Asperger proceeded to enumerate various expenditure reductions for personnel and capital maintenance totaling \$700,000 per year over the past several years. President Asperger believes the utility tax increase to residents outweighs the consequences incurred to public safety and services if in fact it would be necessary to terminate a Police Officer; Firefighter; or Public Works employee if the increase was not to be approved. Nor does President Asperger believe that diminishing reserve funds is advisable.

Approved by a 4 to 3 roll call vote.

Ayes: Trustees Holder, Kuchler, Langan, and President Asperger

Nays: Trustees Palermo, Horvath and Nowak

Absent: None

6. MANAGER'S REPORT

Village Manager Robert Pilipiszyn noted the Village will begin its free monthly brush pick up on the first Monday of each month beginning the week of April 2 through the first week in November. Mr. Pilipiszyn also provided detailed information on the hydrant flushing program which will begin the week of March 19, 2012.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

Mr. Orlando Coryell presented his suggested solutions to pension funding and short falls. He expressed concerns regarding retirees who collect social security along with a pension from the Illinois Municipal Retirement Fund. Mr. Coryell offered his opinions and presented written copies of his views to the Board.

Kathy Mungo, 525 S. Waiola noted her attendance at the budget workshop on Saturday, March 10 and expressed concerns that Village residents are burdened with tax increases. Ms. Mungo elaborated on several of her issues and believes that restructuring staff and budget cuts would not cause services to be eliminated. Ms. Mungo encouraged the Board to make adjustments to the budget.

President Asperger expressed appreciation for the sharing of comments and concerns. She also corrected and clarified certain statements made relating to health insurance, salaries, unions, and Village vehicles. President Asperger noted these are difficult financial times for all and the Village Board is challenged to make tough decisions. President Asperger added her conviction that each member of the Village Board carefully examines issues and makes decisions for the betterment of the entire Village.

8. EXECUTIVE SESSION

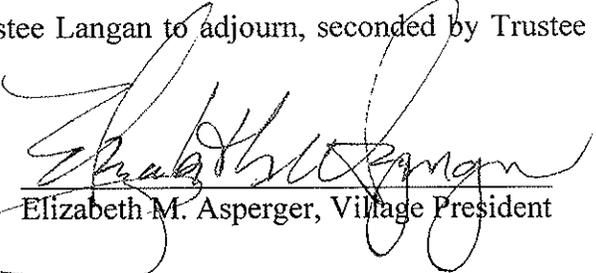
9. TRUSTEE COMMENTS

Trustee Horvath commented on the upcoming adoption of the budget and agrees that change is hard but necessary. He believes that more action can be taken on how and where money is spent. Explaining that the budget process is taken very seriously, Trustee Horvath would like to see budget discussions taped and televised.

Trustee Palermo concurs that budget discussions should be televised, giving residents the opportunity to access the information. Referencing police and fire pensions, Trustee Palermo feels another actuarial opinion is needed.

10. ADJOURNMENT

At 8:30 p.m. it was moved by Trustee Langan to adjourn, seconded by Trustee Holder. Motion approved by voice vote.


Elizabeth M. Asperger, Village President

ATTEST:


Thomas Morsch, Village Clerk

Approved Date: April 9, 2012