

MINUTES

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

Monday, April 23, 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 Sergeant Andy Peters

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

2. PRESIDENT'S REPORT

President Asperger reminded residents that Friday, April 27, 2012 has been proclaimed Arbor Day and invited the public to celebrate the occasion by joining in the tree planting at St. John's Lutheran School

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

Glenn Sechen, representative for Meadowbrook Manor, noted is availability to answer any questions in reference to item 5-A on the agenda.

Steve Metsch, 1055 S. Catherine questioned the proposed increase in the Village's water rate and does not feel residents should incur the rate increase. President Asperger responded to his inquiry and noted the item would be open for further discussion by the

Board. Mr. Metsch believes budget cuts should be made and additional revenues can be had by increasing police enforcement at designated stop signs.

Ryan Williamson of the La Grange Business Association encouraged the Board to move forward and adopt the budget this evening.

Orlando Coryell, 115 S. Spring believes the Board should table items 5.B, 5.C, and 5.D related to water rate increases and the replacement of water meters. Mr. Coryell feels that salary cuts or other allocations of funds should be reviewed.

4. OMNIBUS AGENDA AND VOTE

- A. Ordinance – Creating an Additional Class A-2 Liquor License Woow Sushi La Grange, LLC d/b/a Woow Sushi Japanese Restaurant, 33 S. La Grange Road
- B. Ordinance – Creating an Additional Class C-2 Liquor License Furaha LLC d/b/a Vino e Birra, 18 W. Burlington Avenue
- C. Minutes of the Village of La Grange Board of Trustees Special Meeting – Monday, April 2, 2012 – Water Fund Workshop
- D. Minutes of the Village of La Grange Board of Trustees Public Hearing and Regular Meeting Monday, April 9, 2012
- E. Consolidated Voucher 120423 – (\$669,422.10)

It was moved by Trustee Langan to approve items A, B, C, D, and E 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 – Text Amendment – Extension or Time Periods for Zoning Approvals: Referred to Trustee Langan

Trustee Langan explained that under current code, zoning approvals expire in the event that an applicant has not commenced construction within the approval period. Adding that although the Village Manager is authorized to grant extensions for zoning approvals, current financial and market conditions have caused extensive delays in construction of certain projects. Trustee Langan noted that amendment recommendations were presented to the Plan Commission at a

public hearing on April 10, 2012, specifically to address the extension of time relevant to the Meadowbrook Manor renovation. Commissioners indicated that amendments to address extensions for Meadowbrook Manor may not be applicable in other cases. Trustee Langan indicated that Commissioners requested staff develop language to consider further amending the Zoning Code to create a process by which an applicant may go back to the Plan Commission for further input and analysis in the event that an additional extension, beyond those which may be authorized by the Village Manager, is deemed necessary.

Trustee Langan moved to approve the Plan Commission recommendations with an ordinance amending Subsection 13-101L of the La Grange Zoning Code related to Village Manager authority to grant certain extensions of time, seconded by Trustee Horvath.

Trustee Palermo inquired if we compared with other municipalities to authorize extensions administratively. Village Attorney Burkland noted that although no survey has been taken, it is common practice for administrative approval of extensions.

Trustee Holder inquired if it is common practice for the Board to approve extensions. Attorney Burkland responded that there are various approaches to allow extensions, however it is his belief that what is presented is a disciplined and thoughtful approach.

Trustee Kuchler noted his attendance at the Plan Commission meeting and with due consideration of the Meadowbrook Manor renovation he feels their financing may be jeopardized without the additional extension.

Attorney Burkland noted the necessity to propose the recommended amendments.

Approved by roll call vote.

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

B. Ordinance – Proposed Increase in the Village’s Water Rate: Referred to Trustee Nowak

Trustee Nowak presented an overview on the establishment of the Water Fund as an enterprise fund to finance the cost of operating, maintaining and replacing the Village’s water distribution system. Trustee Nowak explained the basis for water rate increases noting significant increases incurred from the City of Chicago and the Village of McCook. Trustee Nowak referenced the Boards previous approval of water rate increases effective in May 2011 and May 2012 to cover the cost of operating expenses and to provide funding for a bond issue recommended to

finance the replacement of aging water meters and rehabilitation of the water pumping station.

Trustee Nowak elaborated on the extensive study of water meters and the confirmation results that water loss accounted for due to inaccurate metering has resulted in the financial loss which is exceeding revenues. Trustee Nowak explained that a general obligation alternate revenue bond issue has been proposed as the most cost-effective funding source in which to accomplish the replacement of water meters and the rehabilitation of the water pumping station.

It was moved by Trustee Nowak to approve the ordinance increasing the Village's current water rate by 15 percent from \$5.815 per one hundred cubic feet to \$6.687 per one hundred cubic feet, seconded by Trustee Langan.

Trustee Kuchler noted he will be voting no on water rate increases and water related items. Trustee Kuchler is concerned with operating costs and the current salary allocations to the Water Fund. He would propose to shift more of the salary allocations back to the General Fund.

Trustee Horvath concurs with Trustee Kuchler and will not be supporting this item.

Trustee Holder indicated his approval of this item as the Village Board has approached this matter in a responsible manner. Trustee Holder referenced government accounting standards and Village consultants who have indicated that the salary allocations are appropriate. Trustee Holder noted that there is an option for early pay back of the bonds and feels it is the right move for future savings for the entire community.

President Asperger noted extensive workshop discussions by the Board on this matter and the underlying reasons which have lead to the need for the Village to increase water rates.

Approved by a 4 to 3 roll call vote.

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

C. Award of Contract – Water Meter Replacement Program: Referred to Trustee Nowak

Trustee Nowak detailed the report previously presented to the Board regarding water accountability and recommendations for replacement of water meters. Trustee Nowak emphasized that the water meters have outlived their life expectancy and numerous meters have been repaired or replaced due to

inaccuracy or failure. Referencing assessments by the Village's auditors and Lake Michigan water allocation requirements, Trustee Nowak noted the loss of water exceeds industry standards and unaccounted water loss is an issue that needs to be addressed.

Trustee Nowak indicated that on February 27, 2012 staff identified selecting HD Supply Waterworks with the Sensus, Inc. iPerl meter to the Board as the only bid received that is considered responsive to the Village's request for bids. Trustee Nowak added that the HD Supply Waterworks bid using the Sensus, Inc. system, meets the Village's goals of improving water accountability, reducing expenses through the use of technology, improving customer service, and reducing environmental impacts associated with water loss and meter reading.

Trustee Nowak moved to approve a contract with HD Supply Waterworks, Ltd. In a total contract amount of \$1,444,218 and the final form be satisfactory to the Village Manager and Village Attorney, seconded by Trustee Langan.

Trustee Langan complimented Public Works Director Ryan Gillingham, Finance Director Lou Cipparrone and staff on the extensive research and analysis completed on the recommended selection on the award of contract for the replacement of water meters.

Trustee Nowak concurs with Trustee Langan adding his compliments for all of the analysis that was completed to verify the need for replacement of water meters.

Trustee Palermo questioned why the contract should be awarded at this time. Village Manager Robert Pilipiszyn responded that awarding the contract now locks in bid prices for one year and that the contract provides certain cancellation safeguards for the Village without penalty.

Trustee Horvath asked if estimated savings incurred are with or without the water rate increase and Finance Director Cipparrone responded with the rate increase.

Approved by a 4 to 3 roll call vote.

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

- D. Professional Service Agreements for a General Obligation Alternate Revenue Bond Issue Related to the Water Meter Replacement Project and Water Pumping Station Improvements: Referred to Trustee Nowak
- 1) Financial Consultant – Kane McKenna Capital Inc.
 - 2) Bond Counsel – Chapman & Cutler LLP

Trustee Nowak presented information on funding for the water meter replacement program and improvements to the water pumping station, noting that these details were discussed by the Village Board at two previous workshops.

Explaining that that the issuance of a general obligation, alternate revenue bond can be either negotiated or competitive, Trustee Nowak indicated that in order to ensure that the lowest interest rates are obtained a competitive sale for this bond issue is being proposed. Trustee Nowak added that staff recommends the engagement of Kane, McKenna Capital, Inc. as financial consultants and Chapman and Cutler LLP as bond counsel.

Trustee Nowak indicated that upon approval of contracts with the recommended financial consultant and bond counsel, the Board would need to adopt an ordinance authorizing the issuance of general obligation alternate revenue bonds and publish with the ordinance, a notice of intent to issue bonds with the right to file petition. These ordinances shall be presented at the May 14, 2012 regular Village Board meeting. Upon approval of the authorizing ordinance public notification of the Village's intent to issue bonds; purpose for the bonds; and the bond issue size and would begin the 30 day waiting period for the public to petition for a referendum.

Trustee Nowak moved to approve the Professional Service Agreements with Kane McKenna Capital Inc. as financial consultant and Chapman & Cutler LLP as bond counsel for a general obligation alternate revenue bond issue related to the water meter replacement project and pumping station improvements, seconded by Trustee Langan.

Trustee Horvath inquired if the same cancellation protections were in place as the water meter contract and Finance Director Lou Cipparrone responded affirmatively.

Trustee Holder commented that there are a number of variables running in the Village's favor with this bond issue. Trustee Holder believes this is the best way to move forward.

Trustee Langan concurs that this is the right mechanism for funding the water meter replacement program and renovation of the pumping station.

Approved by a 4 to 3 roll call vote.

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

President Asperger commented that it is her understanding that the negative votes are not of a personal nature to the consultants but rather to the project. Trustees Kuchler and Horvath expressed their agreement with President Asperger's characterization of their vote.

E. Resolution – Approving the FY 2012-13 Operation and Capital Improvements Budget: Referred to Trustee Holder

Trustee Holder explained that on April 9, 2012 it was the consensus of the Village Board to table the resolution adopting the budget as the proposed 1% increase in municipal utility taxes was defeated at this meeting and the revenue to be derived from this tax was a vital part of a balanced budget for the Village's five-year financial plan. Trustee Holder advised that in order to comply with State law, a budget had to be adopted prior to the end of the Village's fiscal year or by May 1, 2012.

Trustee Holder added that a one-year deferment of the 1% increase in utility taxes is being presented along with a summary of revenue and expenditure adjustments which reconciles the preliminary FY 2012-13 budget for the final FY 2012-13 budget. Trustee Holder noted the two adjustments reflected are in the reconciliation of health insurance expenditures being reduced due to the rate freeze for health insurance premiums and a decrease in General Fund revenue. Trustee Holder indicated that the General Fund will now reflect a deficit for FY 2012-13.

Trustee Holder moved to approve the resolution adopting the FY 2012-13 Operating and Capital Improvements Budget, seconded by Trustee Langan.

Trustee Palermo commented that he believes the budget was flawed as of the pension workshop in October. Trustee Palermo believes that mortality tables and actuarial assumptions are inaccurate. Therefore he will not support the adoption of this budget.

Trustee Horvath shared Trustee Palermo's concerns and believes that systematic problems exist. Trustee Horvath suggested cuts in equipment replacement; salary increases; and health care. Trustee Horvath suggested private partnerships and amusement tax to enhance revenues.

Trustee Kuchler concurred with Trustee Horvath and that it was not communicated to him that the Board should be proposing cuts.

President Asperger noted this being a process issue. Clarifying that the Board's consensus not to raise utility taxes and not giving a direction to staff where budget cuts should occur has resulted in a deficit budget. Staff prepared a budget over the past six months with Board input along the way. The Village Board changed course.

President Asperger added that as a result the Board needs to engage in a thoughtful discussion and each individual member needs to present their solutions.

Trustee Kuchler stated he did not realize that staff was seeking direction and is very concerned with the reduction in reserves. Trustee Kuchler is in favor of adopting the budget tonight as long as future discussions to resolve budget deficits are certain.

Trustee Langan reminded the Village Board about the cost containment plan and that much has been shouldered by Village staff. The Village Board changed direction at the last meeting. Staff is now seeking direction and consistency from the Board in order to provide a high level of service while being conservative with costs.

Trustee Nowak noted he will be voting in favor of the budget. Encouraging resident feedback to help the Board make the best decisions for the entire community, Trustee Nowak is in agreement with President Asperger that discussions are needed to better address budget issues.

Trustee Kuchler is appreciative of voluntary freezes taken by upper management and looks forward to discussions for different avenues and needed changes.

Trustee Horvath noted the urgency and need for a workshop discussion to address budget issues.

Approved by a 5 to 1 roll call vote.

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

President Asperger requested the Board to provide their thoughts to cut services and expenses. A continued budget discussion will be convened in the near future.

6. MANAGER'S REPORT

Village Manager Robert Pilipiszyn reminded residents of the annual Spring Clean-Up week and referenced information on the Village's website. Mr. Pilipiszyn noted extended hours at the Village Hall for vehicle and animal license renewals. Announcing a computer recycling drive provided by Lyons Township High School and the West Suburban Chamber of Commerce and Industry, Mr. Pilipiszyn encouraged participation. Lastly, Mr. Pilipiszyn announced that ComEd has an enhanced two-way texting system in order to allow residents to report and obtain status reports on outages.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

None

8. EXECUTIVE SESSION

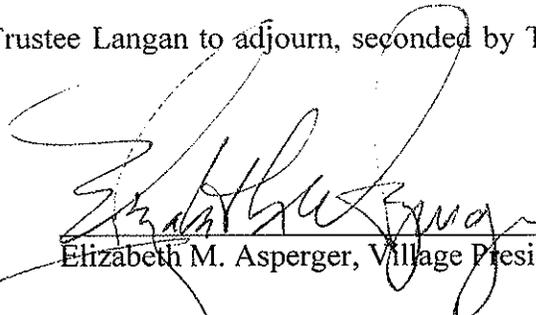
9. TRUSTEE COMMENTS

Trustee Palermo thanked Firefighter Brian Cramer and employees who took part in the successful event to raise funds for St. Baldrick's.

President Asperger noted the pride of staff's involvement in the community.

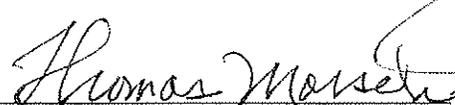
10. ADJOURNMENT

At 9:42 p.m. it was moved by Trustee Langan to adjourn, seconded by Trustee Nowak. Motion approved by voice vote.



Elizabeth M. Asperger, Village President

ATTEST:



Thomas Morsch, Village Clerk

Approved Date: May 14, 2012