

## MINUTES

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

Monday, June 11, 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 7:30 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 Michael Holub

President Asperger requested Boy Scouts from Troop 177 out of Spring Avenue School to lead the Board and audience in the Pledge of Allegiance.

2. PRESIDENT'S REPORT

President Asperger welcomed visiting Boy Scouts and noted that Trustee Nowak met with them earlier this evening to guide them through the process of local government as they work toward earning their Citizenship Badge.

President Asperger acknowledged all involved in the coordination and planning of the Annual Pet Parade.

Thanks were expressed to Nancy Kenny who provided treats in honor of the 133<sup>rd</sup> Birthday of the Village of La Grange. President Asperger added her thanks to the La Grange Garden Club for their beautification efforts and plantings.

Announcing the opening of several new businesses, President Asperger encouraged residents to support community businesses.

Lastly, President Asperger congratulated and thanked Village Manager Robert Pilipiszyn for his 20 years of service to the Village.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None

4. OMNIBUS AGENDA AND VOTE

- A. Ordinance – Consolidation of Lots / Gerald and Amy Rife, 633-637 South Waiola
- B. Special Event – Park District of La Grange / Public Display of Fireworks at Community Family Fest
- C. Request to Purchase – Police Department / Replacement of Digital Video Recording Systems for Squad Cars
- D. Request to Purchase – Police Department / Replacement of Bullet-Proof Vests
- E. Material Purchase – Public Works Department / Fire Hydrants
- F. Minutes of the Village of La Grange Board of Trustees Regular Meeting Monday, May 14, 2012
- G. Consolidated Voucher 120528 – (\$445,583.41)
- H. Consolidated Voucher 120611 – (\$768, 643.93)

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

Approved by roll call vote.

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

5. CURRENT BUSINESS

- A. Professional Service Agreements – Financial Consultant and Bond Counsel for Refunding of 2004 Library Bond Issue: Referred to Trustee Nowak

Trustee Nowak explained that the La Grange Public Library is classified as a “municipal library” and as such must secure approval of the Village Board to issue and/or refund debt. The Village has been advised that by refunding outstanding General Obligation Library Bonds which were issued in 2004 and due to mature in 2024, to fund construction of the new library building, Village residents could incur a net interest savings of approximately \$450,000. In order to achieve these savings on interest, the Village needs to approve the engagement of a financial consultant; approve the engagement of bond counsel; and adopt a bond ordinance for the refunding issue. Trustee Nowak stated that the Village would not incur any expenses related to the refunding as the consulting contracts would be included as part of the Library refunding issue.

Trustee Nowak noted that Village staff recommends approval of contracts from Speer Financial, Inc. as financial consultant and Chapman and Cutler as bond counsel, both of which the Village has previously engaged and retained for other projects. Trustee Nowak added that the state professional services selection law does not apply to financial advisors or attorneys. Should the Board approve these contracts, the next step would be for Speer Financial to present the refinancing plan to the La Grange Library Board on June 19 and then to the Village Board for consideration at the Village Board meeting on July 9, 2012.

Trustee Nowak moved to approve the contracts from Speer Financial, Inc. as financial consultant and Chapman and Cutler as bond counsel for the refunding of 2004 Library Bonds, seconded by Trustee Langan.

Approved by a roll call vote.

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

President Asperger asked if there were any citizen comments prior to beginning the continued budget discussion. Seeing none she proceeded with the Manager’s portion of the agenda.

6. MANAGER’S REPORT

A. Workshop – Continued Budget Discussion

President Asperger provided a detailed overview regarding the on-going budget development process. Although it was conceived that there was a consensus from the Board to move forward with the municipal utility taxes for gas and electricity, the unexpected defeat of the proposed increase in the utility tax created an annual budget shortfall. Recognizing that the Board did not wish to impose any additional fees or tax on residents a revised budget for FY 2012-13 was approved and the proposed utility tax increase postponed to FY 2013-14.

President Asperger added that mixed direction from the Board and their concerns that a budget deficit incurred, created the need for further budget discussions and direction on how to cut expenses or enhance revenues to overcome the budget shortfall. Noting the Board's strategic planning goals to provide high quality services efficiently, President Asperger added that the Board has also recognized the economic climate and challenges faced at both the local and State level, and by residents.

Explaining the implementation of cost containment practices and successful execution of that plan, President Asperger referenced the Board's need to identify further reductions. President Asperger noted that it may also be appropriate for the Board to examine whether a basic change in financial policy is needed.

President Asperger opened the continued budget discussion based on staff's recommendations to reduce expenditures by approximately \$162,000 for FY 2012-13.

Trustee Holder inquired if residential street sign replacements could be delayed according to federal requirements. Public Works Director Ryan Gillingham responded that federal guidelines regarding deadlines for required street sign replacements have been extended. Trustee Holder feels the over-arching goals to maintain and improve the lives of residents should remain a priority. He is comfortable with the direction the Village is heading and feels finding more efficiencies in Village operations is important over the long term.

Trustee Horvath expressed concerns starting at the policy level. Consistently raising taxes and fees yet cutting services is not amicable. He believes there is a need to look at new ideas for structural changes. Trustee Horvath said that the proposed direction is good and that the Village should continue to improve on its service delivery models. He would like to see more value in the cost of service being delivered.

Trustee Kuchler concurs with most comments presented. He proceeded to clarify his decision making on the utility tax and the water rate increases. Trustee Kuchler agreed that while the quality of life goal is important, he is not willing to rubber-stamp tax increases. Expenses should not exceed revenue.

Trustee Palermo stated his concerns are revenue orientated and that structural changes are necessary. Adding his grave concerns for pension funding, Trustee Palermo does not believe the mortality tables and actuarial assumptions are accurate and insufficient funds are being allocated to the Police and Fire pensions.

Trustee Nowak recognized staff's commitment to contain costs and for working together to maximize efficiencies. Noting that tax increases affect everyone, Trustee Nowak added that the Village faces aging infrastructure issues and tax increases should be reserved to address them. He does not support tax increases

to fund operations. Trustee Nowak added that he would like to look at other options before considering any increases in taxes. Staff reductions would remain at the bottom of the list. Trustee Nowak feels that expenses should be looked at each year to determine what is and what is not immediately essential.

In anticipation of the budget discussion, Trustee Langan spoke to residents who expressed concerns if the Village were to reduce or cutback services. Trustee Langan noted the necessity to cover expenses and short-term solutions to long term problems may not be the answer to resolve budget shortfalls. Trustee Langan noted his concerns that the Village Board may not be following its own financial management and financial planning policies.

President Asperger summarized the Village Board's discussion of general fiscal objectives as follows: (i) no change in policy to preserve the quality of life in La Grange through the delivery of high quality Village services; (ii) with respect to considering the cost of delivering Village services, be creative / innovative in doing things differently to sustain or improve upon current business methods; (iii) closely scrutinize expenses when the cost of delivering that service may prompt a tax increase; (iv) Village employees and the management team are still highly-valued assets; and (v) the Village Board is concerned with deficit spending and corresponding erosion of reserves. Realizing the need to overcome budget deficits, President Asperger referenced staff's preliminary recommendations for further consideration.

Discussion ensued related to expense reduction opportunities involving the replacement of administrative vehicles and squad cars. Trustees inquired about replacement cycles; extended warranties; and utilizing old squad cars as administrative vehicles rather than purchasing new vehicles. Finance Director Lou Cipparrone responded to inquiries related cost savings and budget funding.

President Asperger noted that the recommended vehicle replacement cost savings would be reflected in budget amendments for the current fiscal year 2012-13.

Trustee Palermo suggested alternatives in the distribution of newsworthy items in place of the production of the Village Spokesman newsletter. President Asperger indicated that the newsletter has been condensed to one page and is an important communication tool which numerous residents prefer.

In order to provide direction to staff, President Asperger indicated she would poll the Board for their input on staff's recommendations regarding potential reductions in personnel and/or non-personnel expenses.

Trustee Langan noted his support of staff's recommendations for the non-personnel expense reductions as presented.

Trustee Kuchler echoed Trustee Langan and does not favor a reduction in personnel, however, advised management that when vacancies occur to look at alternatives such as part-time employees, cross-use and combining jobs. Trustee Kuchler advised that total compensation should not exceed revenue coming in. He suggested that wages should be coordinated with the CPI. The current compensation system is not sustainable and changes need to be made.

Trustee Horvath will support staff's recommendations related to refraining from purchasing administrative vehicles, however, would like more detail on the proposed replacement of police squad cars. Trustee Horvath concurs with Trustee Kuchler that structural changes in operating models are necessary. He does not support lay-offs.

Trustee Palermo concurs with Trustee Horvath and believes staff recommendations are directionally correct but continues to have grave concerns related to pension funding. He agrees with the Village Board's position of no lay-offs.

Trustee Holder supports staff recommended changes and the discussion concerning no lay-offs. He is hopeful that a combination of growth and cost-cutting will stabilize Village finances.

Trustee Nowak applauded the Village Board and staff for working together in reducing expenses without cutting services or increasing taxes.

President Asperger appreciates support to move forward with staff's recommendations and noted budget amendments would be forth coming. Referencing the replacement and purchase of new police squad vehicles, President Asperger indicated that they would be presented for future consideration.

Referencing possible revenue enhancement from an amusement tax, President Asperger opened the discussion to the Board.

Trustee Horvath expressed his favor of an amusement tax on the theater.

Trustee Palermo supports the concept.

Trustee Kuchler is opposed and does not want to dedicate staff or legal resources to the matter.

Trustee Langan is not in favor of a tax that targets a specific business.

Trustee Nowak concurs with Trustee Langan and is not in favor of an amusement tax on the theater.

Trustee Holder would like additional information.

President Asperger asked the Village Manager to lead the thought process and make some effort in gathering additional information as time permits.

Village Manager Pilipiszyn thanked the Village Board for its strong and unified message concerning Village employees and the management team, and that staff is here to serve and wants to serve the Village Board and residents.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

None.

8. EXECUTIVE SESSION

9. TRUSTEE COMMENTS

Trustee Langan congratulated Village Manager Pilipiszyn on his 20 years of service and his passion for excellence in the management of the Village.

Trustees Nowak and Kuchler expressed their congratulations and thanks to Village Manager Pilipiszyn for his work ethics.

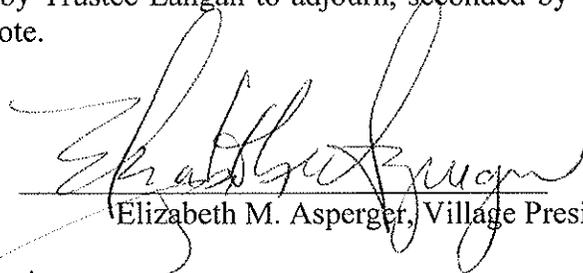
Referencing the level of detail to the Village Manager's budget analysis and report, Trustee Holder noted the outcome of a fruitful meeting and believes that 20 years of longevity explains the kind of support offered by Manager Pilipiszyn.

Trustee Horvath added his congratulations to Village Manager Pilipiszyn as well as Lyons Township High School for excellence in sports activities.

On behalf of the entire staff, Village Manager Pilipiszyn expressed his thanks for the Boards trust and confidence in staff's commitment to public service.

10. ADJOURNMENT

At 9:55 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: June 25, 2012