

## MINUTES

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

Monday, October 8, 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 7:35 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  
Assistant Finance Director Joe Munizza  
Community Development Director Patrick Benjamin  
Public Works Director Ryan Gillingham  
Fire Chief William Bryzgalski  
Police Chief Michael Holub

President Asperger requested Clerk Morsch to lead the Board and audience in the Pledge of Allegiance.

### 2. PRESIDENT'S REPORT

The Village of La Grange will be featured on Channel 2's "Your Chicago" series on Friday, October 12 as a segment of the 10:00 p.m. newscast. Host Rob Johnson filmed various aspects of life in La Grange last week which includes the Village's history as well as local businesses and other Village amenities. We are proud that La Grange continues to be recognized as a wonderful place to live and shop.

President Asperger invited everyone to join local businesses for the Fall Festival which is an expansion of the Halloween Walk to be held on Saturday, October 27, starting at 10 a.m. at Cossitt School.

President Asperger noted that earlier this evening the Liquor Commission met to consider three applications for liquor licenses. The first is for a Class A-1 beer and wine restaurant license for Smashburger at 1 N. La Grange Road; the second for a Class H Bring-Your-Own license for Bottle and Botega at 1 W. Harris Avenue; and lastly a Class A-2 restaurant liquor license for Cafe 103 at 9 S. La Grange Road. The Village Board will be asked to consider the recommendations at their next meeting on Monday, October 22.

For the 18<sup>th</sup> consecutive year, the Village of La Grange has received the Government Finance Officers Association (GOFA) Distinguished Budget Presentation Award for its Fiscal Year 2012-13 Budget document. President Asperger offered congratulations to Finance Director Lou Cipparrone and Assistant Finance Director Joe Munizza for their efforts in preparation of the document.

Thanks to Chief Bryzgalski and the La Grange Fire Department for providing an excellent opportunity for residents to learn about fire services and fire prevention tips at its annual Open House this past weekend. We appreciate their efforts and support of the community.

Lastly, inviting residents to attend and participate in the second of our three-part series of "Town Meetings", to be held on Monday, October 22, 2012 at Ogden Avenue School starting at 7:30 p.m.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None.

4. OMNIBUS AGENDA AND VOTE

- A. Request to Purchase — Police Department/Replacement of Squad Cars.  
*(Withdrawn from the Meeting Agenda pending further clarification).*
- B. Material Purchase – Public Works / FY 2012-13 Tree Planting Program & Resolution – Public Works / Suburban Tree Consortium
- C. Open Meetings Act – Review of Closed Session Minutes
- D. Minutes of the Village of La Grange Board of Trustees Town Meeting Monday, September 24, 2012
- E. Consolidated Voucher 121008

Clerk Morsch indicated that President Asperger has requested item 4-A be removed from the Omnibus Agenda pending further information.

It was moved by Trustee Langan to approve items 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. Presentation — FY 2011-12 Comprehensive Annual Financial Reports: Referred to Trustee Langan

Trustee Langan stated that the Comprehensive Annual Financial Report (CAFR) of the Village of La Grange for Fiscal Year May 1, 2011 — April 30, 2011 as prepared by the Finance Department has been reviewed by the auditors Sikich L.L.P. Copies of the audit report were previously sent to the Board under separate cover and are available for public inspection at the La Grange Public Library, in the Village Clerk's office, in the Finance Department as well as posted on the Village's website.

Trustee Langan noted two operational efficiency comments:

- a) The Village's ratio of water billed as compared to water pumped increased slightly from 73.1 percent last year to 75.3 percent this fiscal year. Noting that the Village has previously identified this area of concern for the Village. Trustee Langan added that this decrease in accuracy has a direct, negative impact of the Village's water accountability as water that passes through an inaccurate meter is not accounted for and billed to the user. In order to address this issue, the Village recently issued general obligation alternate revenue bonds to finance the cost of a water meter replacement program which is currently in progress.
- b) Uninsured and uncollateralized deposits of \$16, 032 relating to the Police Department's federal Drug Enforcement/Forfeiture Funds. Trustee Langan noted that over the past several years the Village has received significant funding from the Police Department's involvement in local and regional drug investigations. These funds are restricted and must be utilized for expenditures directly related to drug enforcement activities. Over the past several years these funds accumulated in excess of the

\$250,000 limit of FDIC insurance on interest bearing accounts. Trustee Langan added that in order to expend the availability of these Funds the FY 2011-12 budget includes the exclusive use of these funds to support the D.A.R.E and the Canine Unit.

President Asperger introduced Dan Berg, a partner with Sikich L.L.P. to present a brief overview of the audit report and to answer any questions you may have regarding the FY 2011-12 financial statements.

Mr. Berg stated that Sikich L.L.P. has rendered an unqualified or “clean” opinion stating that Village financial statements for the year ending April 30, 2012 are prepared and presented by the Village in conformity with generally accepted accounting principals. Mr. Berg specifically noted attention to the management letter which identifies upcoming accounting pronouncements which need to be implemented in subsequent Comprehensive Annual Financial Reports. Mr. Berg indicated his availability to answer any questions about the process or the audit.

To Trustee Palermo’s question regarding the new Benchmarking and Trend Report, Mr. Berg indicated that the report is a statistical analysis which benchmarks clients in a defined peer group against a number of comparable variables. This information is available for a fee. Trustee Palermo suggested that the Village should consider purchasing the report.

President Asperger indicated that no Village Board action is necessary and accepted the report. Staff was given a direction to submit the Comprehensive Annual Financial Report to the Government Finance Officers’ Association for consideration of the Certificate of Achievement for Excellence in Financial Reporting. President Asperger noted the Village has received this prestigious award for sixteen consecutive years and expressed her gratitude to Finance Director Lou Cipparrone and Assistant Finance Director Joe Munizza for their excellent financial management.

## 6. MANAGER’S REPORT

### A. Pre-Budget Development Workshop — Revenues

Village Manager Robert Pilipiszyn noted previous concerns expressed by the Board regarding financial sustainability of the General Fund over the long term. Trustees have also commented individually on specific budget issues that would result in additional pressures on the General Fund that cannot be mitigated without revenue increases, or expenditure reductions in the latter years of the Village’s financial plan.

Mr. Pilipiszyn provided an overview of the four major revenue items that were previously identified for discussion: property tax, utility tax, amusement tax and non-home rule sales tax; and further explained that the goal of this pre-budget revenue

workshop is to provide consensus direction to staff in preparing the Village's five-year financial plan.

President Asperger provided a summary of the property tax levy stating that it is the largest single revenue source within the General Fund at 48%. The Village of La Grange property taxes are subject to tax caps limiting the annual cumulative levy increase to lessor of 5% and the previous year consumer price index (CPI). President Asperger opened the discussion up to the Village Board of Trustees regarding their thoughts on whether to continue the Village's current practice of levying its property tax up to the amount allowed under the tax cap.

After considerable discussion, President Asperger affirmed that it was the general consensus of the Village Board to continue the Village's practice for levying its property tax amounts utilizing the CPI as allowed by law. It was also noted that this tax levy method should not be the standard but should be discussed and considered annually.

To Trustee Palermo's question regarding the anticipated CPI, President Asperger replied 3.0 percent.

President Asperger summarized the Village Board's discussion of the FY 2012-13 Village budget held earlier this year, stating that it was the consensus of the Village Board to postpone the utility tax increase to FY 2014-15. President Asperger added that if the utility tax increase is not implemented as anticipated, it will result in the General Fund going into a deficit spending position in each of the three remaining years of the Village's current five-year financial plan.

Trustee Holder indicated his support for the plan, subject to annual review as proposed.

Trustee Palermo indicated his support of the FY 2014-15 budget plan, conditioned on the passage of the electricity aggregation referendum in November.

Trustee Horvath stated that he could not support the utility tax increase without reviewing the budget as a whole.

Trustee Nowak stated that he could only support this tax increase if it was used for infrastructure improvements.

Trustee Kuchler stated that he is not in favor of tax increases, but that he might support a utility tax increase if the salary allocation in the Water Fund was transferred back into the General Fund.

Trustee Langan noted his support, particularly because the increase is coming several years after the implementation of the cost containment plan.

President Asperger upon hearing mixed responses summarized the direction of the Village Board as follows: (1) accept that the utility tax is a critical component of the FY 2014-15 budget and be used as a placeholder; (2) consider revenues and expenses as a whole on an annual basis; and (3) hesitant to consider any new fees or taxes; substantial justification would be needed and required to proceed.

President Asperger presented the amusement tax revenue enhancement concept which would be applicable to movie theater tickets. In follow-up to the budget discussion earlier this year, the Village Board was not supportive of this tax; however, staff was asked to gather additional information. The theater owners stated that a tax would be detrimental to the theater business and would increase the cost of admission closer to that of first-run theaters, which they believe would negatively impact attendance. The theater owners also noted as they are the only business in the Village who are imposed a Cook County amusement tax, which is already factored into current ticket pricing. A Village amusement tax would further increase ticket prices. Staff also spoke with the Village Attorney who indicated that the Village could establish an amusement tax even if only applicable to one business, and has two options — a general amusement tax or a more specific cinema tax; and certain exemptions could be made so as not to tax charitable organizations, school events, community theater productions, etc.

Trustee Langan was opposed, citing the theater as an asset to the community.

Trustee Kuchler was hesitant but if considered, the Village should be able to discern how or if the tax is shared with movie studios as part of their licensing fee formula.

Trustee Nowak expressed that a tax on a single business was not good fiscal policy. In addition, the tax would increase the price of admission, which could cripple the theater's business, while at the same time generating limited revenue for the Village.

Trustee Horvath felt that the amusement tax was an option to offset property tax increases by shifting the revenue generating burden onto patrons of the theater many of whom are not Village residents.

Trustee Palermo indicated that he would need to know more about the theater's operations before he could decide on the amusement tax concept.

Trustee Holder re-stated his previous position that he was not in favor of an amusement tax. The theater adds considerable value to the Village by adding complimentary businesses and attracting people to downtown La Grange.

Following discussion, President Asperger acknowledged that the consensus of the Village Board has not changed and there is no desire to pursue an amusement tax at this time for one significant business in the Village.

President Asperger presented the non-home rule sales tax stating that the non-home rule sales tax was a viable alternative to the amusement tax. A majority of the tax would be paid by non-residents and this revenue enhancement would lessen the overall tax burden of Village residents. An increase in the Village's non-home rule sales tax would require approval by Village residents by voter referendum.

After discussion of the non-home rule tax concept, it was the consensus of the Village Board not to pursue this tax revenue concept at this time.

President Asperger asked the Village Board if there were any thoughts on potential future revenue opportunity concepts.

Trustee Kuchler inquired as to what "Innovative Financing" meant, to which President Asperger replied that it was an opportunity to leverage public-private partnership to fund major capital projects or as an alternative to source service delivery/operations.

Trustee Palermo inquired about the difference between the refinancing of library bonds and how that is expected to lower property tax bills for resident, and the Village's streetlight bond being defeased in FY 2017-18, to which Finance Director Lou Cipparrone replied.

Additional comments were made by Trustee Palermo regarding pension funding.

## 7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

Mr. Jeff Cogelja, 231 S. Ashland Avenue, spoke to the Village Board regarding his pursuit to amend the Village Code of Ordinances to allow raising of backyard hens. Due to receiving two complaints regarding Mr. Cogelja's chicken coop, the Village has issued a 90-day compliance ticket seeking removal of the chickens as required by the Village Code of Ordinances.

President Asperger described in detail the process of discussion and fact finding. Since April, the Village Board has not received an overwhelming response from residents to amend the Code to allow back yard chickens. President Asperger went on to explain that the challenge for the Village Board is to represent the community as a whole, and to balance individual interests between residents being able to use their private property against the equal right to quiet enjoyment by neighbors. The Village is always interested in receiving additional information on topics of interest and concern to its residents, and that has been the case with residents supportive of raising hens and those who oppose them. President Asperger asked that Mr. Cogelja respect the Board's decision and cooperate in gaining compliance.

## 8. EXECUTIVE SESSION

9. TRUSTEE COMMENTS

Trustee Holder complimented Finance Director Lou Cipparrone and his team on achieving the GOFA award for the 18<sup>th</sup> consecutive year. He also commented on the Emerald Ash Borer (EAB) memorandum from Public Works Director Ryan Gillingham noting that because the Village addressed this issue early on, the Village has been able to spread the cost of managing the effects of the EAB over a number of years, thus effectively managing the fiscal impact in the process.

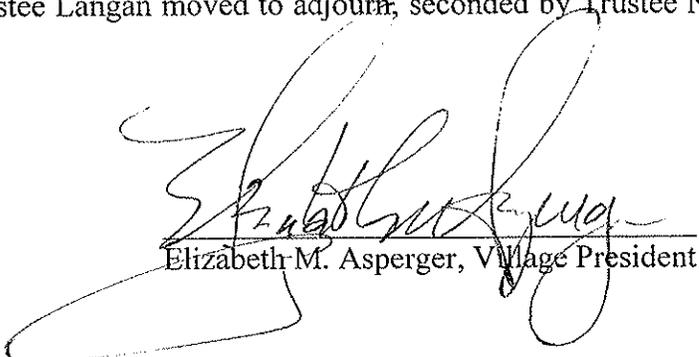
Trustee Palermo thanked Mr. Cogelja for coming forward regarding the keeping of backyard hens and stated that Mr. Cogelja deserves the same opportunity as the bed and breakfast proposal to pursue a public hearing before the Plan Commission regarding an amendment to the Code of Ordinances to allow backyard hens.

In response to President Asperger's announcement that three new businesses were planning to open in La Grange, Trustee Langan applauded Community Development Director Pat Benjamin in his efforts to recruit businesses that are a good fit for the Village.

Trustee Nowak thanked Fire Chief Bill Bryzgalski for a great Fire Prevention Open House that was enjoyed by all.

10. ADJOURNMENT

At 9:25 p.m. Trustee Langan moved to adjourn, seconded by Trustee Nowak. Approved by voice vote.

  
Elizabeth M. Asperger, Village President

ATTEST:

  
Thomas Morsch, Village Clerk

Approved Date: October 22, 2012