

# Village of La Grange

VILLAGE OF LA GRANGE

La Grange 2020 Task Force  
Special Meeting

Village Hall Auditorium  
53 South La Grange Road  
La Grange, IL 60525

Wednesday – January 15, 2014 – 7:00 p.m.



## AGENDA

1. CALL TO ORDER AND ROLL CALL
2. INTRODUCTION OF NEW TASK FORCE CHAIR AND VICE CHAIR  
*President Tom Livingston*
3. APPROVAL OF MINUTES — December 18, 2013
4. INFRASTRUCTURE – PRESENTATION  
*Ryan Gillingham, Director of Public Works*
5. DISCUSSION
6. ADJOURNMENT

(The next meeting is scheduled for Wednesday, February 19, 2014)

Individuals with disabilities and who require certain accommodations to participate at this meeting are requested to contact the ADA Coordinator at 708/579-2315 to allow the Village to make reasonable accommodations.

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53 South La Grange Road P.O. Box 668 La Grange, Illinois 60525 (708) 579-2300 Fax (708) 579-0980

VILLAGE OF LA GRANGE  
Administrative Offices

**EXECUTIVE MEMO**

TO: La Grange 2020 Task Force

FROM: Thomas E. Livingston, Village President

DATE: January 15, 2014

RE: **VILLAGE BOARD ACTION UPDATE**

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Happy New Year and thank you in advance for your 2014 efforts on behalf of the Village. Michael Kotynek and Katie Justak have agreed to serve as Chairman and Vice Chairman of the task force respectively. Michael is a Senior Finance Director at McDonalds Corporation. Katie has a background in public relations and working with non-profit organizations and is the mother of four. We look forward to supporting you and them as a final set of Task Force recommendations is established. We appreciate their willingness to answer the extra call of service. I want to also thank Diane Gormaly Barnes for her steady hand in leading the Task Force and the extra time she has applied to her service. She will be with us or near us as we finalize the work of the Task Force.

Since your last meeting, we have been active handling water main issues and major snow event operations. You will be hearing from our outstanding Director of Public Works Ryan Gillingham who is charged with responding to all of the above and being proactive in maintaining our Village infrastructure. I can also report the dedication of our Police and Fire professionals in La Grange right through Christmas and New Year's holidays around the clock.

In the coming months, the Village Board will begin developing a 2014-2015 budget through a series of workshops culminating in the passage of a budget in May. Your work will be contemplated in this and future budgets.

Finally, I'd like to put in a good word for the Citizens' Council of LaGrange. I had the opportunity to meet with them on January 8th at the Village Hall as I have done several times over the years. They are dedicated residents who meet on a variety of topics and hold occasional forums important to the community. Several members of the 2020 Task Force are members including the current chairman Jim Arnold and immediate past chairman David Schwartz.

Thanks again for your service.

c: Village Board  
Village Clerk

## MINUTES

### **LA GRANGE 2020 TASK FORCE**

Village Hall Auditorium  
53 South La Grange Road  
La Grange, IL 60525

Wednesday, December 18, 2013

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

A meeting of the La Grange 2020 Task Force was held on December 18, 2013 in the Auditorium of the Village Hall at 53 South La Grange Road, La Grange, IL, beginning at 7:13 p.m.

Present and Constituting a Quorum: Chairperson Diane Gormely-Barnes, Jim Arnold, Laura Blentlinger, John Boehms, Ellen Brewin, David Bucaro, Julie Bunnell, Margaret Carlson, Clayton Edwards, Elyse Hoffenberg, Katie Justak, Wayne Kardatzke, Michael Kotynek, Meg LeFaivre, Karrie Lange, Anthony Lewandowski, Caitlin Malloy-Marcon, Scott McPherson, Mark Nelson, Steve Palmer, John Pappas, Sherry L. Robinson, Lisa Sagami, David Schwartz, Jeremy Strayer, Ray Swiatek, Laura Tussing, Lester Williams.

Absent: Michael Cameron, Karen Deane, Ken Eastman, Michelle Halm, Richard Holly, Jimmy Janevski, Bill Johnson, Bridget Lacey, Mark A. Lies II, John Lorenzen, Ellen MacEntee, Suzie Mosher, Mark Reich, Russ Riberto, Elizabeth Stiles, Glenn Wentink, David Wilkinson, Rebecca Wimbush.

Also Present: President Tom Livingston, Village Clerk John Burns, Trustee Jim Palermo, Village Manager Robert Pilipiszyn, Assistant Village Manager Andrianna Peterson, and Finance Director Lou Cipparrone.

#### **II. APPROVAL OF MINUTES**

The minutes of the meeting on November 20, 2013 was presented for approval. Michael Kotynek made a motion which was seconded by Margaret Carlson to accept the minutes as presented. Motion carried.

#### **III. OPENING REMARKS**

Chairperson Diane Gormely-Barnes welcomed task force members and introduced Finance Director Lou Cipparrone, who will be providing a presentation on the topic

of Village finances. At the conclusion of the presentation, task force members will be asked to participate in a small group discussion.

Chairperson Gormely-Barnes also introduced President Tom Livingston who expressed gratitude to Task Force members for their time and noted that the group is on schedule. President Livingston advised the Task Force that it is the time of year where the Village shifts its focus from tactical operations to strategic goals and objectives. In November, the Village Board participated in a strategic planning exercise which helps plan the overall direction for the community as it enters into the budgeting process.

President Livingston acknowledged that the Village has received the Distinguished Budget Award from the Government Finance Officer's Association for the past nineteen years. He noted that part of the strategic thinking that is involved in budget development must balance the current benefits of our vibrant Village with allocating resources to other quality of life issues.

President Livingston announced that Chairperson Gormely-Barnes will be moving out of town before the January meeting and therefore he is soliciting interest for a new chairperson. Interested Task Force members are asked to call or e mail President Livingston directly.

President Livingston noted that Finance Director Lou Cipparrone recently celebrated a twenty-year milestone of service with the Village.

#### **IV. VILLAGE FINANCES - PRESENTATION**

Finance Director Lou Cipparrone provided an overview of fund accounting and the Village's budgeting process. The main objective of the document is to demonstrate how Village resources are being utilized to provide public services. Municipal governments are required to utilize fund accounting under generally accepted accounting principles because it emphasizes accountability rather than profitability.

The Village budget consists of various funds, some of which are earmarked by law for specific purposes. In addition to these Special Revenue funds, the budget also contains funds for Capital Projects, Debt Service, Water and Sewer, Parking, Equipment Replacement, and Fire and Police Pensions.

Historically, the Village has taken a conservative approach to debt financing, electing to issue debt (bonds) when improvements cannot be financed using current revenues. The Village currently maintains Aa2 rating, which is a high bond rating for a non-home rule community.

The General Fund is the main operating fund for the Village. Because the Village is a service oriented business, salary and benefits for employees makes up approximately

71.8% of the annual operating budget, the majority allocated to the Police and Fire Departments.

Director Cipparrone noted that the Village's portion of the property tax bill is approximately 11.3%, and property tax provides 50.3% of the Village's total annual revenue. Other significant General Fund revenues include income tax, sales tax, utility tax / cable franchise fees, vehicle / animal licenses, building permits and ambulance transport fees.

Director Cipparrone noted the success of the Tax Increment Financing District in the early 2000's as a catalyst to creating a thriving Central Business District. Conversely, the recession in the late 2000's resulted in financial challenges to the Village. Rising unemployment resulted in a significant decrease in income tax receipts, while interest rates decreased and remain at historical lows. Residential and commercial housing projects slowed, resulting in a loss of building permit revenue and sales tax remained stagnant.

As revenues decreased and operating costs continued to increase, the Village developed and implemented a comprehensive and multi-year cost containment strategy, largely involving a reduction of personnel expenses by \$500,000 per year, to stabilize finances. In total, the Village's cost containment efforts have resulted in expenditure reductions of over \$1.5M in the General Fund, while continuing to provide core Village services to residents.

The cost containment plan, coupled with increasing revenues as the economy continues to recover, has resulted in the overall stabilization of Village finances. However, fiscal challenges are still anticipated as the Village attempts to replenish its reserves; address increasing pension fund contributions; and maintain the delivery of core services. Potential revenue enhancements are also planned including an increase in the Utility Tax. Therefore, the Village conservatively projects a "status quo" budget for the next 5 years, with no new staffing or programs.

At the conclusion of the presentations, Task Force members asked several questions regarding: 1) the planned utility tax increase; 2) how the Village budgets for sales tax growth; 3) a proposed Food and Beverage Tax; 4) pension funding, including the impact of mortality table changes; 5) capital funding, 6) projected taxes and service demand for the redevelopment of the YMCA property; 6) pay-as-you-go vs. bonding; 7) grants; 8) water rates; 9) increases to the Special Service Area; and 10) investment properties being taxed at a higher level. Village staff provided responses as appropriate.

## V. DISCUSSION

Chairperson Gormely-Barnes referred to a handout which included questions for small group discussion. Each small group was asked to look ahead and determine what aspects of Village government service are of importance to La Grange's

competitive advantage as a thriving community and if there is a preferred way of addressing additional revenues and / or reducing costs.

The results of these discussions are attached.

Chairperson Gormely-Barnes thanked the Task Force members for their input and indicated that the subject of the next meeting on January 15, 2014 will be infrastructure.

**VI. ADJOURNMENT**

There being nothing further to come before the La Grange 2020 Task Force, the meeting was adjourned at 9:13 p.m.

Respectfully Submitted:

Andrianna Peterson  
Assistant Village Manager

#1

La Grange 2020 Task Force

Meeting #4, December 18, 2013

Village Finances

**Small Group Discussion**

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Table Participants (please list):

JOHN BOEHMS  
MEG LEFAVRE

LAURA BLENTLINGER  
PEGGY CARLSON

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Please note the following during the small group discussion:

- The Village historically represents approx. 12% of a residential tax bill (the remainder reflects the county, school districts and other taxing bodies).
- The Village has budgeted carefully with "pay as you go" tax assessments even with the cost of living increase (CPI).
- The Village has cut over \$1.6 million in expenditures over the past 4 years. Village reserves are projected to be at 48% by the end of the current fiscal year (April 30, 2014). Our target range for reserves is 50 - 75%.
- The Village Board has adopted a policy of not "being all things to all people" but to stay even with our maintenance curve and remain competitive.
- Village Boards over the previous 30 years believe LaGrange's annual budgeting principles have provided services and resources to enhance our quality of life in our Village.
- Cost containment has stabilized Village finances, however:
  - Operating below staffing levels presents operational challenges, particularly in our Police Department
  - New staffing requests include a safety officer for Lyons Township H.S. North Campus
  - Healthcare costs are unpredictable going forward
- Requests of residents and businesses are not met in the present budget environment, including:
  - additional sidewalks in the south portion of the Village
  - pedestrian/signal work
  - infrastructure upgrades
  - economic development investments

- Ways to *increase revenues* might include:
  - new development/economic expansion (YMCA project, Triangle project, new housing, permits)
  - utility tax
  - water tax
  - food and beverage tax
  - special service area
  - targeted referenda
- Ways to *reduce expenses* might include:
  - reduction in services (reduced leaf pick up, etc.)
  - staff layoffs and/or additional vacancies
  - deferred maintenance
  - reduced or no new programming

To put things in perspective:

- The Village Board adopted at its last meeting a 1.7% (net) increase in its tax levy which represents a \$16 average annual increase per household.
- A 1% increase in the utility tax would be \$25 per household and generate \$175,000 in revenues.
- A 1% increase in the food and beverage tax would generate approximately \$350,000. Stated another way, the impact of the tax is an additional \$1 on a \$100 dinner at a local restaurant.
- The average annual financial outlay for a public safety officer is \$125,000.

After a brief review of the point above, please discuss and respond to the two questions on the following page.

*(Note to Task Force: The Village President respectfully requests that this discussion remain focused on Village concerns and recommendations falling within the Village Board's purview, and not involve a debate on national politics, talking points from think tanks, or general positioning for political 'sport.' Thank you in advance).*

TABLE 1

1. Looking ahead, what aspects of village government service are of importance to LaGrange's competitive advantage as a thriving community?

- POLICE AND FIRE DEPARTMENTS
- SEWERS, LACK OF FLOODING, LEAF REMOVAL
- FLEXIBLE ZONING LAWS
- 

2. Is there a preferred way of addressing additional revenues and/or reducing costs?

- MAKE CURRENT 'RED ZONE' PARKING AREAS INTO CONVENIENT PARKING METERS AREAS
- PROPOSE 1% UTILITY TAX INCREASE
- INCREASE ~~V~~ .75% IN REFERENDA IN THE COMING YEAR  
SALES TAX

Village Finances

**Small Group Discussion**

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Table Participants (please list):

#2 Laura Tussing  
Caitlin Malloy-Marcon  
Scott McPherson  
Katie Justak

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1. Looking ahead, what aspects of village government service are of importance to LaGrange's competitive advantage as a thriving community?

- ① Infrastructure
- ② Public Safety
- ③ ~~Pro-business~~ Striking balance btw. pro-business and pro-~~business~~ resident

2. Is there a preferred way of addressing additional revenues and/or reducing costs?

Special Event tax or increased fee  
more special events  
rent Village Auditorium  
Architecture tour - Historical neighborhood  
tour

OK w/ utility tax → NOT OK w/ beverage and food tax

Look at parking requirements around train station → payment in lieu of parking for businesses surrounding parking

Attract businesses w/ incentives to Westend  
~~possible special service area tax~~

to go to those businesses only. Expand area or update zoning

TABLE 3  
RAY SWIATEK  
SEREMY STRAYER  
JOHN PAPPAS

1. Looking ahead, what aspects of village government service are of importance to LaGrange's competitive advantage as a thriving community?

- (A) PUBLIC SAFETY: POLICE & FIRE
1. CRIME PREVENTION - HOMES & SCHOOLS.
  2. TRAFFIC SAFETY - SPEEDING VS. PEDESTRIAN SAFETY
- (B) RESIDENTIAL SERVICES.
- (1) LEAF PICK UP,

2. Is there a preferred way of addressing additional revenues and/or reducing costs?

- REVENUES
- (A) FOOD & BEVERAGE TAX IS A NO-BRAINER, PREFERRED OVER
- (B) PARKING REVENUE INCREASES.
- COST REDUCTION
- (A) SHARING PUBLIC WORKS SERVICES WITH OTHER NEIGHBORING VILLAGES.

Lisa Sagami

David Brewer

Clayton Edwards

Mike Kotyrel

Mark Nelson

Table #4

1. Looking ahead, what aspects of village government service are of importance to LaGrange's competitive advantage as a thriving community?

- Maintaining a strong infrastructure
- Crime ~~pre~~ prevention / public safety
- Strong Education system

2. Is there a preferred way of addressing additional revenues and/or reducing costs?

- Containment can only be used for so long.
  - Continue using & fund approach on services / uses of funds.
  - The food + amusement tax seems de minimus. What is the net impact?
    - Need good PR / communication plan.
  - Continue develop open, prime areas.
  - Review efficiencies w/ each department
- Utilize watch groups or public ratings to determine where opportunities exist.

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Table Participants (please list):

Jim Arnold  
Tony Lewandowski  
Dave Schwartz  
Elyse Hoffenberg  
Steve Palmer

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1. Looking ahead, what aspects of village government service are of importance to LaGrange's competitive advantage as a thriving community?

Maintaining basic services  
with a balanced budget

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More effective use of the commissions

2. Is there a preferred way of addressing additional revenues and/or reducing costs?

1 - Increase utility tax or more  
commissions to procure grants  
2 - Commission Environmental Quality Control  
Commission

Elen Brewin  
Steve Wilgus

Sherry Robinson

Karrie Lange

(6)

La Grange 2020 Task Force

Meeting #4, December 18, 2013

Village Finances

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*Finances*

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1. Looking ahead, what aspects of village government service are of importance to LaGrange's competitive advantage as a thriving community?

- Pedestrian / Bike Safety
  - Traffic patterns
  - Commercial Development / Re-zone  
on other parts of town
  - Schools - promote-housing
  - Transportation / Metra (?)
- Harbor belt area

2. Is there a preferred way of addressing additional revenues and/or reducing costs?

- ① commercial + residential new development  
- industrial re-zoning

② Fines

③ Expand life cycle of public works equipment, technology

④ no new ~~per~~

④ SSD