

**League of Women Voters
Observers Report**

Board meeting attended: Downers Grove Village Council
Budget Discussions of the Proposed 2018 Budget.

Date and Location of meeting: October 3, 10 and 17, 2017, Conference Room,
801 Burlington Ave.

Trustees present (P) not present (NP) tardy (T), (Term expires)

Mayor Martin Tully	P	(2019)
Bob Barnett	P	(2021)
Margaret Earl	P	(2021)
Greg Hose	P	(2021)
Nicole Walus	P	(2019)
William Waldack	P	(2019)
Bill White	P	(2019)

Estimated Number Attending (excluding Board and Staff): three

Meetings are Streamed and Archived at:

<https://www.youtube.com/user/VillageDownersGrove>

Documents and video relating to the FY18 Budget can be found here:

<http://www.downers.us/govt/village-budget>

Highlighted in Manager's Budget Message:

(Budget is the result of earlier discussions of long-range planning process)

- Use of \$320,000 from reserve fund (State holdback of 10 percent of income tax revenue that would otherwise go to the village) One-time event, one-time measurable response.
- Expected revenue of \$1.5 million from new food and beverage tax. Most major revenue sources continue to be flat or declining.
- \$553,850 increase in property tax levy for police and fire pensions. No increase in tax levy for operations. Total village property tax levy increase by 4.3 percent.
- FTE (full time positions) reduction of 2.0 (through attrition, some cost savings because of retirements)
- Facilities plan decision put off until 2019 (refers to replacement of Village Hall and Police Department building.)

- Creation of Other Post Employment Benefit (OPEB) Trust Fund. This fund will be used to cover the costs of providing required health benefits to retirees including the accrued unfunded liability.
- Continued Investment in Infrastructure, including \$5.7 million in streets, \$4.6 million in stormwater (including annual bond payments) and \$8.6 million for water.

Discussion 10/3/17 (32 minutes) following recap of above by Village Manager Fieldman

Hosé: we can't count on state's holdback of income tax being a one-time thing. Concerned about dipping into reserves under these circumstances.

Waldack: is keeping taxes flat (other than payments for pensions) the right thing to do?

- We should have been putting money away for facilities for a long time. Maybe we should be putting more money away now.
- We should consider Doggy Hotel tax, \$2 night/dog.

Tully: Food and beverage tax is designed to replace lost revenue.

Where would we put impact fees? (Answer: permits, fees.) Impact fees could be used for creating a fund for historic preservation. Allow the village to facilitate more historic preservation. Comment on Waldack's suggestion: Hotel tax originally designed to support promotion of tourism. Such a tax on doggy hotel might create expectation of additional services for dogs in the village.

Hosé: what about keeping rate flat? (so the actual amount of levy would increase slightly)

Waldack: A good idea for the village to set aside money for facilities.

Funds related to General Fund (Village Manager)

	Revenue	Expenses
Health	\$7.86 million	\$7.78 million
Risk	\$2.32 million	\$2.73 million
Fleet (Vehicles)	\$1.68 million	\$1.91 million
Equipment Replacement	\$1.43 million	\$1.80 million

These funds are hardly ever balanced in any one year, but balance over 5-10 years. Attempt to keep balance close to zero.

Barnett: Budget is pretty dissatisfying. There is no reason to expect the economy to take off and the state government to figure things out. We should be balanced to start with, at least out of the gate.

Tully: It is our job to educate the public and they will have the opportunity in about a year to weigh in and tell us what they think.

Discussion 10/10/17 (50 minutes) began with repeat of Manager’s message and recap

1. Community Investment Program \$21.05 million for continued substantial investment in infrastructure. Expenses in most categories reflect spending down of fund balances. Water, streets, sidewalks, traffic, major buildings, forestry, parking, stormwater and drainage (bond issuance planned for 2019). (Naneil Newlon, Director of Public Works)

Presentation by Stan Balicki, Assistant Director of Operations, Dept. of Public Works

Water Fund		
FY18 Revenues	FY18 Expenses	
\$21.23 Million	\$22.45 Million	38.93 % goes to purchasing water 38.44 % is for capital expenses (water main replacement mostly)

No planned rate increase to maintain water infrastructure.

Possible small rate increase to cover purchase of water (dependent on decisions of city of Chicago and DuPage county relative to the water rates).

White: are we spending enough to keep our system sustainable?

Fieldman: Yes, this is part of a multi-year plan to be on a lifecycle replacement process.

Waldack: how do you define separation and scheduling of certain projects?

Newlon: there is a list, and the decision on what to prioritize depends partly on calendar, coordinating with other agencies on projects.

Waldack: What is the well rehab for?

Balicki: Fund design work on improvement to three remaining backup wells for future work. Haven’t been used since DG has been on Lake Michigan water.

Fieldman: Operating agreement requires three backup wells.

Earl: Do we ever test those wells?

Balicki: Yes

Barnett: inquired about details of five-year plan

Fieldman: Plan accounts for 1 percent/year decline in units of water used (and resulting declining revenue)

2. Contributions to Open Post Employment Benefits unfunded liability: plan for long term sustainability must be presented in 2019. Part of a long-term strategy and the money is coming from this fund (Community Investment Program) because it is the one with the most money.

3. Funding to implement a facilities direction (Village Hall and Police Department buildings), Michael Baker, Deputy Village Manager
 - a. In 2019, reevaluate options for replacing the police station and village hall.
 - b. Maintain existing buildings at lowest possible cost.
 - c. Continue saving money for improvements in 2019 and beyond

FY18 Budget and Community Investment Program

Available for facilities plan in 2019		
Asset forfeiture fund	\$2 million	One-time
Local gas tax (FY17-19)	\$200,000	Annual
Total	\$2.6 million	

Project budgeted in 2018: \$150,000 for Village Hall roof replacement.

Barnett: A plan for purposefully abandoning parts of building to lower costs?

Fieldmen: This was looked at before and it wasn't really possible because of the way the utilities operate in the building.

Barnett: Is there any flexibility in the gas tax rate in case of a dramatic event? (So that we can be prepared to pay for emergency repairs.)

Baker: \$600,000 based on 1.5 cents/gallon. There was another penny/gallon that sunset a few years back, tied to eliminating deficit in transportation fund.

Fieldman, Tully: So yes, there is flexibility.

Waldack: Open to finding ways to increase that pot of money. We're certainly not socking away enough money to help the situation.

Tully: I think there are ways to leverage existing assets without raising taxes.

Hosé: I struggle with raising a tax now for a hypothetical project. We should have a solution first.

White: irresponsible to move forward before with facilities before the future of downtown project is finished.

Tully: You're entitled to your opinion, but if you were in village hall chambers earlier tonight you would have heard the 'drip, drip, drip' of the rain leaking through the roof.

(some further discussion of the yet-to-be-resolved and somewhat contentious issues surrounding replacing the Village Hall and Police Department buildings)

Oct. 17, No discussion of budget as during prior budget meetings.

Adoption of the Fiscal Year 2018 Budget in Lieu of Passage of an Appropriation Ordinance was on the First Reading section of the Agenda. There was no discussion, only a reminder that changes to the proposed budget will be discussed in November.

League Observer(s): Notes via YouTube and in-person, Emily Teising