

VILLAGE OF LIBERTYVILLE  
BOARD OF TRUSTEES  
Committee of the Whole  
March 29, 2016

President Wepler called to order a Committee of the Whole at 6:30 p.m. in the Village Hall, 118 West Cook. Those present were: President Terry Wepler, Trustees Donna Johnson, Richard Moras, Todd Gaines, Jay Justice, Scott Adams, and Peter Garrity. All Village departments were represented.

**MINUTES**

Trustee Johnson moved to approve the minutes of the February 16, 2016 Committee of the Whole/Executive Session. Trustee Garrity seconded, and the motion carried on a unanimous voice vote.

Administrator Bowens opened discussion with comments regarding a “Place for Eating Tax” to be used for funding escalating costs for the current and future parking garage maintenance, streetscape maintenance, and future streetscape improvements. A possible Storm Water Utility Fee to be used as a method of financing storm water related Capital Improvements and ongoing maintenance was also discussed. Administrator Bowens then explained that Staff would like to evaluate interest in conducting a future referendum for additional road bonds or for a tax increase to fund annual Road Rehabilitation Programs.

**GENERAL FUND BALANCE DISCUSSION**

Director of Finance Pat Wesolowski opened discussion of the allocation of the fund balance above the amount required in the Fund Balance Policy. A surplus of \$5,515,130 could be transferred to various accounts, and it was suggested that \$1.5 million be kept in reserve due to the financial issues in the State of Illinois. Suggested transfers included: Capital Projects Fund, Public Improvement Fund, Pension Funds, Sports Complex Bonds, or the General Fund. Staff recommended the following allocations:  
\$1.5 million – retain in the General Fund to use for possible reductions in State Revenues  
\$1.5 million – transfer to Capital Improvement Fund  
\$1.0 million – retain in the General fund for early redemption of a portion of Sports Complex Bonds in 2018  
\$1.5 million – Contribute to Pension Funds; \$600,000 for Police, \$600,000 for Fire, and \$300,000 to IMRF

The Board discussed the possible allocations. Trustee Moras was not in favor of raising taxes when there is a surplus in the General Fund.

**DISCUSSION OF ALTERNATE REVENUE SOURCES**

Administrator Bowens introduced a discussion of new or additional revenue sources. He noted that specific concerns are expenditures related to employee pensions and the annual required subsidy for the Libertyville Sports Complex.

Short-Term Financial Strategies:

1. Utilization of General Fund Reserves – should be limited based on delayed reimbursements from the State or losses of State revenue

2. Reinstatement of Utility Taxes: could be reinstated quickly and would provide a potential funding source. The original Natural Gas Utility Tax of 5% (generating approximately \$550,000) was eliminated. The Electric Utility Tax of 5% (generating approximately \$1,500,000) was reduced to 4%.
3. Places for Eating Tax – would impose up to 1% for food that is sold for immediate consumption and could generate approximately \$700,000 per year.
4. Amusement Tax – would impose 5% on any amusement such as theatrical performances, motion picture shows, videogames, carnival, bowling, and billiards and pool games.

#### Long-Term Financial Strategies:

1. Non-Home Rule Sales Tax: must be approved by referendum and ordinance and would be imposed on the sale of general merchandise and could generate approximately \$400,000 for a .25% increment and \$1,600,000 for a full 1% tax
2. Home Rule Designation: approved by referendum and would provide the Village with greater flexibility for additional sources or revenue
3. Storm Water Utility Fee: established to fund storm water related capital improvements and expenses
4. Property Tax Increase: increase the property tax rate over the tax cap through a referendum

Trustee Garrity favored lower utility tax and added food tax, and Trustee Moras favored putting the funds in the General Fund rather than specifying a project. He questioned the benefit of the amusement tax, opposed the utility tax, and agreed with the idea of the Places for Eating tax. He also suggested a Town Hall dialogue regarding Home Rule. There was further discussion on street improvements and the possibility of a referendum for roads and storm water management. Trustee Moras stated that a tax increase would help the Village keep up with future maintenance and improvements as well as sustaining the Village infrastructure. This would require work to educate residents regarding real needs and requirements. Administrator Bowens noted that Home Rule would impact the Village's ability for maintenance and improvements.

#### **OTHER ITEMS**

The Board discussed the recent issue regarding lead in some municipal water supplies, knowing that the Village does have some lead piping. They discussed test kits, JAWA's prevention measures, and including information in the *Village Views*.

Administrator Bowens explained that SWALCO is considering ending its electronics disposal program. Trustee Garrity noted that Grayslake is funding the program annually, and if each member would provide \$2,500, the five pick-up sites would remain open for 2016. It was agreed to offer up to \$5,000 at the upcoming SWALCO meeting.

#### **EXECUTIVE SESSION**

With the need to meet to discuss Potential Litigation and Property Acquisition, Trustee Adams moved to go into Executive Session at 8:08 p.m. Trustee Johnson seconded, and the motion carried on a unanimous voice vote.

**ADJOURNEMENT**

With no further business to come before the Committee of the Whole, the Mayor asked for a motion to adjourn. Trustee Justice moved to adjourn, Trustee Garrity seconded, and the motion carried on a unanimous voice vote at 8:49 p.m.

Respectfully submitted,

*Sally A. Kowal, Deputy*

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Village Clerk