

**VILLAGE OF LAKE BLUFF  
FINANCE COMMITTEE MEETING**

**VIRTUAL MEETING  
Monday, April 27, 2020  
5:00 PM**

**Due to the COVID-19 emergency, no physical meeting will occur.** As the Village of Lake Bluff continues to follow social distancing requirements and Governor Pritzker's Stay-At-Home order, this meeting will be held virtually. Members of the public may view and participate in the meeting via:

Online (**strongly recommended**): [lakebluff.org/VirtualFinanceCommittee](https://lakebluff.org/VirtualFinanceCommittee)  
**OR**

Dial-in: **(312) 626-6799**. Enter meeting ID **956 8889 8939**. Press # when prompted for a Participant ID.

**IMPORTANT:** Additional instructions are available in the agenda packet immediately following the agenda.

The meeting will be live-streamed at [lakebluff.org/Channel19](https://lakebluff.org/Channel19) and broadcast live on Comcast Channel 19 with the most recent meeting rebroadcast on Wednesdays at 8:00 a.m. and Mondays at 7:00 p.m.

AGENDA

I. Call to Order – Roll Call

Trustee Barbara Ankenman, Chairman  
Trustee William Meyer, Member  
Trustee Aaron Towle, Member

II. Approval of Minutes – March 9, 2020

III. Non-Agenda Items and Visitors

The Finance Committee allocates fifteen (15) minutes at this time for those individuals who would like the opportunity to address the Committee on any matter not listed on the agenda.

IV. Business Items

A. Discussion regarding a Local Stimulus Grant Program

V. Informational Items

VI. Staff Report

VII. Adjournment

*The Village of Lake Bluff is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the facilities, are requested to contact R. Drew Irvin at 847-234-0774 or TDD number 847-234-2153 promptly to allow the Village of Lake Bluff to make reasonable accommodations.*

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE  
MINUTES OF MEETING – **March 9, 2020**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, March 9, 2020 at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Barbara Ankenman, Chair  
Trustee William Meyer, Member  
Trustee Aaron Towle, Member

Others Present: Kathleen O'Hara, Village Board President  
Megan Michael, Village Clerk  
Regis Charlot, Village Trustee  
Mark Dewart, Village Trustee  
Joy Markee, Village Trustee  
R. Drew Irvin, Village Administrator  
Bettina O'Connell, Finance Director  
Marlene Scheibl, Assistant Finance Director  
Glen Cole, Assistant to the Village Administrator  
Jake Terlap, Public Works Superintendent (arrived at 6:30 PM)  
Peter Friedman (arrived at 6:50 PM)

II. Approval of Minutes

*Member William Meyer made a motion to approve the minutes of the February 24, 2020 meeting as presented; seconded by Member Aaron Towle and approved unanimously on a voice vote.*

III. Business Items

1. Review of the Pay Plan

VA Irvin gave a summary of the recommended Pay Plan changes. He said as in past practices, we've dealt with competitive pay, pay compression, and internal equity. This year was a little different in that there were multiple changes versus just a handful but those were all market driven. There are no employees at the low end and a couple people close to the high end, which gives them some ability for some movement so there is nobody who will receive an automatic increase solely based on market changes at the low end. Chair Ankenman stated the Village has a low employee turnover rate and has been successful filling open positions, so these updates are recommended to reflect the market. Member Towle asked if the employee benefits beyond pay are comparable to competitors, benefits such as health insurance and time off. VA Irvin replied Lake Bluff's benefits were comparable to similar communities. He stated there is another document the board considers and approves as part of total compensation and that's the Employee Personnel Manual and the board will see that for approval at the second board meeting in April. Trustee Charlot asked what incentive is given for the team to stay together. He further clarified that pay is and should be considered, but there are other incentives to provide employees beyond pay. VA Irvin responded he has an obligation to operate within the regulations given but when there is something that is extraordinary, it has been addressed with the Board. President O'Hara stated that when she became Village President she had noticed that employee staff works all day the day before Thanksgiving and Christmas Eve, which is a holiday. She stated that as long as she's been Village President, she has allowed employees to leave at noon the Wednesday before Thanksgiving and has given employees the day off as a holiday on Christmas Eve. She is going to ask the Board to

approve this policy as official. President O'Hara said these are some minor things that keep a team together. Trustee Charlot opined in his experience he felt the smaller things are what keep the team together. VA Irvin stated that there may be unique opportunities or special training which can be provided to employees to help incent the team to stay together.

*Member William Meyer made a motion recommending that the Village Board accept the FY20-FY21 Village Pay Plan as presented; seconded by Member Aaron Towle and approved unanimously on a voice vote*

## 2. General Fund Updates

Director O'Connell stated that, after reviewing final changes and updates to the General Fund prior to the budget deadline and before presenting it at the hearing, there has been some small changes made to the fiscal plan which she wanted to review:

Server licenses were originally in the General Fund under the Police Department for \$5,550. Because those licenses are spread across the entity as a whole and are used by all employees as a function in IT those license expenses have been moved to the Replacement Fund. There was a reduction of \$5,550 to the General Fund.

Lake County Task Force dues and memberships, which the Police Department pays for, also include a liability insurance which increased for this year. There is an increase of \$1,000 bringing those dues to \$1,500 for both years of the biennial budget.

She said that Village staff reviewed the HVAC system project for the Village Board room. Originally we were only looking at the air conditioning. Mike Croak, Facilities Manager, came back and said for different HVAC reasons it would be better to focus on the air conditioning and the heating systems at one time. It is more cost effective but increases the project cost by \$10,750.

Public Works made an additional request for a repair to the spill bucket. We received a quote. We are looking at that in the second year of the biennial budget so that increased by \$7,500.

Director O'Connell concurred with VA Irvin that there were some changes to salaries based on the Police Chief's continuation with the Village.

VA Irvin stated he would like to mention as part of the budget updates, after being discussed at length internally, the budget does not include the installation of electric vehicle charging stations. He said that there had been discussions about doing this in the central business district and the Village had received a price last year for \$23,000 for two stations. He stated that the Village Staff did not recommend including them in the budget and investigated a little more to see what other communities were doing in this regard, but the result was they are not included in the budget. If that is something the Board thinks is important, he added, it can be added in.

Discussion ensued regarding electric charging stations and their use. Member Towle suggested instead of spending \$20,000 on a capital project for the charging stations, the Village could offer a discount or free building permit to residents when they have the electric charging stations installed in their home. This would not have a large impact for the Village but would encourage residents to have the station installed at home and inspected. Trustee Dewart said it may be an option to also offer a free vehicle sticker. Chair Ankenman said by offering incentives to electric vehicle users the Village is not spending capital and spreading the costs.

*The consensus of the committee is to recommend to the Village Board waive both the permit application fee for residents installing electric vehicle charging stations in their homes, and the vehicle sticker fees for electric vehicles as designated by the Illinois Secretary of State*

3. Review of the Water Fund

Director O'Connell presented the update of the Water Fund budget for the FY20-22 budget. She stated at the last Finance Committee meeting we discussed the rate and the effects to net assets and determined the rate would remain flat until we received all of the water meter non-revenue data through the water meter installation project.

Director O'Connell said there were a few questions that Chair Ankenman presented with regards to water sales and purchases. She stated while historically this year our water purchases are trending down, she still used the \$650,000 estimated budget number for the expenditures in the water purchases line because it has been conservative. Although it is down trending, we will review that and if it needs adjusting we will do that in the second year of the biennial budget. She said there was a question regarding capital outlay and expenditures in the budget. For the projected year-end, Director O'Connell said that there was \$950,000 in the budget that was tied to the meter project. She went on to explain that the number is likely to change as the project expenses are not exactly what we had anticipated for the current year and some of those expenses may come out of next year. She said that we may see something closer to a \$650,000 amount at year-end and then the additional expenses will be incurred next year. Those rolling expenditures change the numbers to the budget in the capital expenses. Then, in the out years, the \$400,000 in 2022 is actually part of the capital ten year plan.

Village Engineer Hansen discussed trying to uphold a ten percent number to maintain water main repairs, valve repairs and replacements in the out years so we continue with a percentage of replacements through the capital plan.

Chair Ankenman stated that the Village is looking at the water system in the same manner that we look at the roads in that there should be a certain amount of maintenance done and not wait for something to break. Director O'Connell added the sum of all those budget numbers exceed the bond money received in part because not all of the bond proceeds are being spent in the years they were originally allocated.

*The consensus of the committee is to recommend to the Village Board to approve the Water Fund Budget as presented.*

4. Review of the Comprehensive Fee Schedule-Green Building Incentives

Discussion ensued regarding green building incentives. Chair Ankenman stated that in terms of the memorandum before the committee regarding the comprehensive fee schedule and the green building initiatives, one of the adopted changes could be trying to incentivize some of these fees and there doesn't seem to be enough time to consider this tonight. VA Irvin said that staff could gather more research on the passive and LEED homes and bring it back to the committee. Member Towle said there should also be a discussion as to what individual improvements, not necessarily a whole building project, the Village could incentivize.

IV. Informational Items

Chair Ankenman asked if there were informational items to be discussed. VA Irvin said the Senior Project that has been discussed with Lake Forest is still up for discussion, but is not within the draft fiscal plan. He said that the City of Lake Forest has asked the Village to stand by so that will be a topic staff will bring back when presented.

V. Adjournment

Member Meyer made a motion to adjourn the meeting at 6:58 PM; seconded by Member Towle and all members voted aye.

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Respectfully submitted,

Marlene Scheibl  
Assistant Finance Director

DRAFT

VILLAGE OF LAKE BLUFF

MEMORANDUM

TO: Finance Committee Members  
Kathy O'Hara, Village President

FROM: R. Drew Irvin, Village Administrator  
Bettina K. O'Connell, Director of Finance

DATE: April 24, 2020

SUBJECT: Local Stimulus Grant Program



At the April 13, 2020 Village Board meeting, local business owner Jeff Urso requested that the Village consider providing financial assistance to local businesses negatively impacted by the COVID-19 pandemic. Following this request, Village staff researched local stimulus programs offered in the greater Chicagoland area and worked with Finance Committee Chair Ankenman to formulate a Lake Bluff stimulus program that can provide immediate funding for local businesses experiencing significant losses for your consideration. It is important to note that a recent NWMC survey revealed that only four members of the conference are offering local economic stimulus programs.

**Examples of Local Stimulus Programs**

1. The Village of Elk Grove provided a \$200 credit on all residential and customer water bills and waived business license renewals, totaling about \$2.8 million.
2. The Village of Grayslake launched an economic incentive program for restaurants that are closed (except for pickup/delivery service) during this time. Under their program, locally owned restaurants who apply are eligible to receive a check equal to 30% of their 2019 sales taxes to the Village.
3. The Village of Wilmette recently implemented local business sales tax rebate grant programs with the following conditions:
  - a) Business maintains a current business license.
  - b) Business must not have permanently ceased operations.
  - c) Businesses annual revenues must not be below \$50,000
  - d) Business annual revenues must not exceed \$7.5 million.
  - e) Business shall not be part of a chain consisting of more than four units.
  - f) Business shall not be a part of a franchise system, private club, or home occupation.
  - g) Must have suffered a minimum 15% decrease in municipal sales tax. The program aims to provide a rebate that amounts to 50% of annual municipal sales tax receipts for applicable Wilmette businesses.
4. The City of Lake Forest recently implemented local business sales tax rebate grant program with the following stipulations:
  - a) Must be a Lake Forest reporting sales tax location.
  - b) No more than four operation locations.
  - c) No private clubs.
  - d) Business must be operating as of March 21, 2020.
  - e) Applicants will have an individual cap of .25% of their CY2019 sales tax, not to exceed \$12,500.
  - f) The rebated sales tax will be calculated from March 2020-Dec 2020 ST-1 returns.
  - g) The applicant can submit monthly or quarterly. They can receive .50% of the municipal portion of their sales tax up to their capped amount

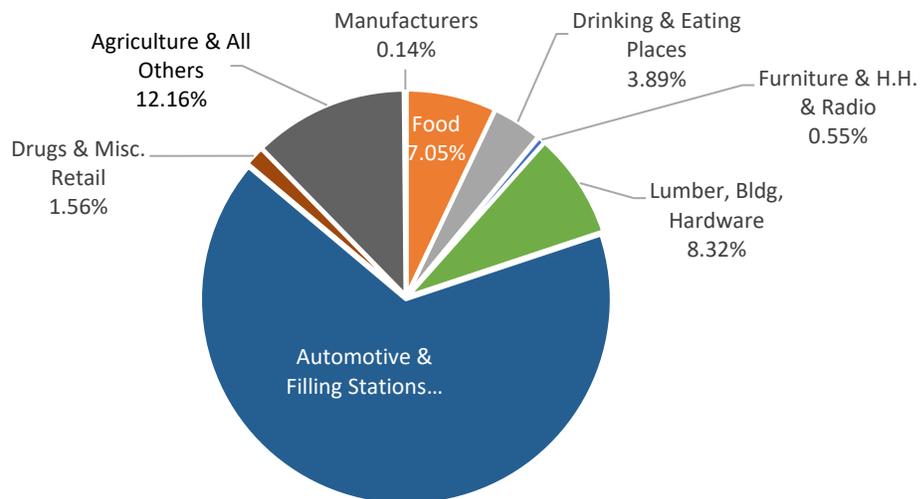
**Lake Bluff Stimulus Program**

It is recommended that the Finance Committee discuss a Local Business Stimulus Grant Program that, rather than rebate a portion of the Food & Beverage Tax to the 16 contributing establishments, might rebate a part of the municipal portion of the sales tax to provide immediate financial support for restaurants, retail stores and other local merchants.

Possible conditions to consider incorporating in the program:

- Applicants must be a Lake Bluff reporting sales tax location (current in payment).
- Applicants shall not be a part of a franchise system, private club, or home occupation.
- Applicants must be located in the CBD, L-1, L-2, AP-1 and S zoning districts.
- Applicants may have no more than four operating locations.
- Applicants must have been in operation as of March 21, 2020.
- Applicants must have suffered a minimum 25% decline in revenues.
- Applicants must have paid an annual total minimum of \$500 in sales tax during CY2019.
- Qualified Applicants may receive a rebate of 10% of their sales tax payments for CY2019 with a \$500 minimum and a \$5,000 maximum payment.

The Illinois Department of Revenue (IDOR) reports sales tax revenue to municipalities on a quarterly basis. Calendar 2019 reporting data provides an overview of the sectors and business types that may apply.



Commercial Sector	2014	2015	2016	2017	2018	2019
Gen. Merchandise	0	0	0	0	0	0
Food	44,314	182,598	201,120	216,163	225,053	224,065
Drinking & Eating Places	73,666	112,189	154,340	136,833	134,154	123,704
Apparel	804	0	0	0	1,460	2,303
Furniture & H.H. & Radio	11,692	18,094	22,934	23,156	20,344	17,459
Lumber, Bldg., Hardware	100,860	96,892	237,523	264,318	242,189	264,255
Automotive & Filling Stations	1,812,126	1,921,886	1,905,315	1,909,245	1,988,105	2,104,120
Drugs & Misc. Retail	28,319	22,705	32,826	30,354	41,611	49,425
Agriculture & All Others	152,277	275,996	352,112	369,156	403,931	386,304
Manufacturers	9,553	11,203	10,379	9,061	4,953	4,385
<b>Total</b>	<b>2,233,611</b>	<b>2,641,564</b>	<b>2,916,547</b>	<b>2,958,285</b>	<b>3,061,801</b>	<b>3,176,019</b>

The Village of Lake Bluff's maximum financial exposure related to the grant initiative program outlined above is about \$71,000 and may include up to seventy-five local businesses, assuming a qualified applicant receives a rebate of 10% of their sales tax payments for CY2019 with a minimum of \$500 and a maximum of \$5,000.

Administratively processing will require:

1. An application submittal and W9.
2. A copy of the March or April 2020 State ST-1 tax to demonstrate a minimum 25% business decline.
3. Copies of the business ST-1 forms for Jan 2019–Dec 2019 to confirm qualifying amounts.

A single one-time payment simplifies the overall process and facilitates immediate funds for short-term operational business needs. Additionally, grant amounts are subject to 1099-G reporting based on Internal Revenue Service requirements. And, finally, the Village can revisit and evaluate this program mid-fiscal year (November) when the depth and breadth of the economic downturn is clearer.

### **Summary**

Staff anticipates the Finance Committee discussing the possible implementation of a local stimulus program and making a recommendation to the Village Board.