

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF THE VIRTUAL MEETING – April 27, 2020

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, April 27, 2020 at 5:00 PM in a Virtual Meeting.

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
Peter Friedman, Village Attorney

Village Attorney Friedman stated the meeting was being held remotely in reliance on Governor Pritzker's Executive Order of March 16 which was extended on April 1. The order suspends provisions of the Open Meetings Act which allows public meetings to be held remotely without attendees being physically present. A state court judge in Clay County issued a temporary restraining order against Governor Pritzker's March 20 Stay at Home Order. Attorney Friedman believes meetings can still proceed based on these reasons:

- 1). The Judge downstate did not enjoin the suspension of the Open Meetings Act or the order in which it was contained.
- 2). The downstate order was solely directed at one person who filed the complaint.
- 3). Governor Pritzker has already announced he is appealing.

So until there is final ruling by an Appellate Court of the Illinois Supreme Court, Attorney Friedman stated the Village is operating in reliance of Governor Pritzker's March 16th order. Discussion ensued regarding what the results would be if Governor Pritzker's appeal fails.

II. Approval of Minutes

Member Aaron Towle made a motion to approve the minutes of the March 9, 2020 meeting as presented; seconded by Member William Meyer and approved unanimously on a voice vote.

III. Business Items

1. Discussion Regarding a Local Stimulus Grant Program

Director O'Connell gave a presentation on the proposed Local Stimulus Grant Program. She stated Covid 19 has had a big impact on businesses in both revenue and employment. Business assistance programs have been offered both federally and locally. Other municipalities have offered grant programs. The fundamentals of the strategic plan is to support local businesses and this program represents that. She reviewed the list of conditions presented in the memorandum to consider incorporating in the program. Member Towle asked if the applicant has the option of using March or April numbers, will

the businesses have the April information available and what will be the time frame to get the payments to the businesses. Director O'Connell stated since the businesses may not qualify based on their March information, then they have the option to wait and use their April information. The payments should be able to be processed within two weeks after the application is received. Trustee Charlot asked what the financial exposure would be. Director O'Connell stated she calculated the exposure based on confidential sales tax information the Village has obtained so it is based on actual information. Not all businesses may apply so the actual exposure should not be higher than the amount in the memo. Member Meyer asked if the Village is sacrificing anything else to fund this or is this being funded from a reserve. VA Irvin said there is \$200,000 in the contingency budget where the funds would come from. Member Meyer said he fully supports the Local Stimulus Grant Program and would recommend it to the Board. Member Towle said he is concerned that maybe the Village should look at a second round earlier than six months from now, possibly quarterly, to reassess and see if the Village wants to do more. Member Meyer said he agreed and felt June 15 or July 15 would be a good time to review this. Chair Ankenman agreed. Trustee Dewart stated he felt the proposed program is appropriate at this time. He opined it is a comprehensive approach and is a responsive and responsible approach. He agrees with the proposal to take another look at the program in June or July. Chair Ankenman said reviewing the program she likes that it includes: 1). Ease of execution for both staff and a brief application making it easy for applicants to apply, 2). Two week turnaround in processing, 3). Bringing help to businesses, and 4). It makes sense to review it at a later date. President O'Hara suggested the earliest the Village should revisit the program would be July 15 since that will give the Village time to review its revenue.

VA Irvin read two emails he had received from 1). Jeff Urso, Founder of Donati's Pizza and 2). Joanna Rolek, Executive Director of the Lake Forest/Lake Bluff Chamber of Commerce. VA Irvin stated that Mr. Urso had also made some comments during the meeting regarding the effects of gift cards included in sales when qualifying for the program.

Member Towle asked what the annual revenue is for Food and Beverage tax. Director O'Connell stated it is \$150K annually.

Ms. Rolek stated that she appreciated the consideration. She asked about the conditions of the application in which the business must be in operation on March 21, 2020 and wanted clarification that meant it must be a business on that date, as most businesses were not still operating on that date. VA Irvin stated yes that was the way it was drafted. Her other question was if the sales tax information will remain confidential. Director O'Connell responded the intention of Village is to keep the information confidential but the grant payments will appear on a warrant report at a public meeting, so it is possible someone could use that information to calculate sales tax information.

Discussion ensued regarding the effect of the current purchases of gift cards on the future sales and that will be addressed if program is extended. Chair Ankenman clarified that the rebate is a single one-time payment. Trustee Markee asked how the rebate percentage was determined. Chair Ankenman stated there weren't any other percentages suggested. VA Irvin added the way the percentage was determined was based on the total amount the Village could allocate to the program. Trustee Markee asked if the grant would be taxable income for the business. Director O'Connell responded that it is taxable income and any business receiving over \$600 will receive a Form 1099 at the end of the year.

VA Irvin added he had conversations with other local businesses who were complimentary and supportive of the Local Stimulus Grant Program. He said the 25% decrease in revenues seemed to make sense to them.

Member Meyer said that gift cards may not be included in sales until they are used, then it may not be included in the total for the sales tax calculation.

VA Irvin said the committee could make a recommendation to the Board to consider the program as is and then if something needs to be changed it could be revisited by the May 11th Board meeting.

Chair Ankenman summarized it seems there are no proposed updates to the program as presented, other than the recommendation to revisit the program in three months to see if there is a need to address a continuation or additional incentives. Chair Ankenman asked if the form would be online. Director O'Connell said it could be available on line but the applicant would still need to provide documentation.

Member Aaron Towle made a motion recommending the Village Board accept the Local Stimulus Grant Program as presented, with the recommendation to revisit the program in three months; seconded by Member William Meyer and approved unanimously on a voice vote.

IV. Informational Items

VA Irvin said tonight is the budget hearing and there were some adjustments made for anticipated revenue declines due to COVID 19. There may be times staff brings projects to the Board that have already been approved but there may be some that the Board may not want to proceed with. Member Towle asked staff to update the priority list for projects so when the time to review arises, the Village could proceed the projects based on the prioritization. VA Irvin said some projects may not happen, not because of the Village but because the Village is waiting for IDOT approval.

Trustee Charlot suggested the Board review the revenues and cash flow trends on a regular basis and then determine if there needs to be an adjustment to expenses. The concern is if the Village would need to provide assistance to other component units which don't have those reserves. VA Irvin stated the Library is completely reliant on property taxes. He said the Village is just looking at some alternative scenarios which could happen. Chair Ankenman said the Village has positioned itself to be able to address some potential scenarios. Trustee Markee asked outside of the Library would there be any other agency that might be affected that the Village would need to be concerned about. VA said the Village had been discussed making a contribution of \$75,000 to the Lake Forest Senior Housing project, but that funding was not part of this budget. He stated the Village has been asked to participate in the financing of significant beach improvements by the Beach Erosion Advisory Committee and the exact number has not yet been defined; that committee was formed to find best path forward and to prioritize improvements. The park district consultant has submitted letters to the Park District, the Village, and also to the North Shore Water Reclamation District which he thinks will kick off conversation. The total outlay for all the improvements is \$5 million. Director O'Connell added that the Library levy total for the year is \$957,000, so half of that is the initial payment that could be deferred.

V. Adjournment

Member Meyer made a motion to adjourn the meeting at 5:59 PM; seconded by Member Towle and all members voted aye.

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Respectfully submitted,

Marlene Scheibl
Assistant Finance Director