

MINUTES OF THE PUBLIC HEARING
OF THE PRESIDENT AND BOARD OF TRUSTEES OF VERNON HILLS
HELD APRIL 21, 2020

PUBLIC HEARING ON THE FISCAL YEAR 2020-21 PROPOSED VILLAGE BUDGET

President Byrne called the public hearing on the Fiscal Year 2020-21 Proposed Village Budget to order at 6:56 PM

The following Board Members present: Village President Byrne, Trustees Koch, Marquardt, Schultz, Oppenheim, Brown and Takaoka. A quorum was established.

Also present were: Village Manager Fleischhauer, Assistant Village Manager Petrillo, Finance Director Fairbairn, Ed McKee of Lauterbach and Amen, Director of Community Development Atkinson, Public Works Director/Village Engineer Brown, Chief Kreis, Deputy Chief Zimmerman, Attorney Ferolo, and Recording Secretary Koehl

The Committee of the Whole has approved a budget of \$29,708,00 for all funds. The General Fund was approved in the amount of \$29,363,548. The proposed 2020/2021 budget was posted on our website since February 21st 2020; additionally the budget discussions were held at the Committee of the Whole level on March 16th.

At this time we are looking for public comments with a plan to pass the Village's FY 2020/2021 Budget Ordinance at the Board level on April, 21, 2020.

3 comments on the budget were received.

1) Comment Received April 16, 2020 at 8:45 AM

Hello, considering the budget for the Public Works Department, there is a growing problem with significant water pooling up in the yards all along Montebello Drive (and I believe some of the neighboring streets like Manchester and Montauk), leading many residents to come up with their own solutions like directing excess water towards the sidewalk via French drain systems, leading to flooding of the sidewalks during spring/summer and freezing ice during the winter time. This has created hazardous conditions for local pedestrians, particularly both the children and the elderly, who have fallen frequently on these patches.

I communicated with Mark Brown via email recently about whether Public Works was considering getting involved with finding a remedy, as this would require a block-wide effort, and he responded that the Public Works department was already working on a potential plan that would include an expansion of the annual \$25,000 budget for "various projects throughout the Village" or a "rear yard grading plan to help residents with the hiring of a landscaper to regrade the yards to reestablish the drainage pattern."

I am wondering if any additional funds will be allocated to the Public Works Department for the 2020-2021 fiscal year to address this growing hazard.

Thank you very much

Sincerely,
Ryan Aronoff

Public Works Director Brown responded and stated that there are many needs in the Village and we will have to work through the various projects.

2) Comment Received April 16, 2020 at 10:47 AM

Dear Trustees;

My main concern is that this budget doesn't seem to take into account the effects of coronavirus on sales tax revenue. With most stores shut down, all of that revenue has gone to online sales where the village gets nothing. With restaurant sales significantly down, as they have gone to takeout only, the village gets much less. As we have no idea when things will get back to normal, it seems prudent to plan for a worst case scenario.

Also, it is probably in the best interest of the village to cancel all major summer gatherings (everything in the community section). This saddens me, as these are my favorite things about Vernon Hills, but safety must take priority. While we might be able to do a slow reopening, having thousands of people in close quarters seems counter productive to what we have given up these past few weeks.

Thank you for helping to make Vernon Hills great! I love living here.
Heather Sublett

President Byrne stated that we will have to take up regarding the sales tax revenue and that the revenue is going to be down. Village Manager Fleischhauer advised that this will be discussed.

3) Comment Received April 16, 2020 at 10:23 AM
From Gretchen Waitley

I would like to see the village require people to wear masks if they enter a business. Last week when I was in Target, there was a high correlation between people not wearing masks and being clueless about staying 6 feet away. The stores need some help in keeping their customers and employees safe. If Governor Pritzger doesn't mandate it first, I'd like to see Vernon Hills follow the lead of other suburbs and mandate it. Thank you.

Sent from my iPhone, so plan on a few typos.

This item will be moved and discussed at our regular board meeting under Public Comments.

Ed McKee gave presentation on the Budget and advised that the current situation has impacted businesses not being able to function as they normally would. This will alter the Village greatly, but the Village has a strong reserve balance, which will allow us not to make drastic changes immediately. The General Fund may see roughly a 14% loss or 3.5 million dollar decline from the amount included in the budget.

We have been monitoring expenses since early March and have identified 1.9 million dollars in items that could be deferred or eliminated if needed. Over the next few months we will be able to determine what our financial picture is, and at that point will be able to see how we will function with this new normal. At that time, we will most likely re-approach the Board to seek additional input about deferring certain expenses.

Trustee Schultz believes that the 14% figure will be higher, and we are unsure about how alternative revenues will be affected.

Village Manager Fleischhauer also added that it's difficult to say what the long term effects will be. Prior to the pandemic we were projecting a 1.2 million dollar surplus at the end of the current 2019/2020 fiscal year. We are confident that we will be able to close out the current fiscal year without having to a transfer out of the reserve funds and that we will be able to put a healthy amount into the reserve funds to help in the future.

He gave a recap of what the Village has done since the last recession in 2008-2010. He noted that the Village has been operating with the same staffing levels since then. Many functions have been outsourced causing a substantial savings. With still supplying residents with high quality service.

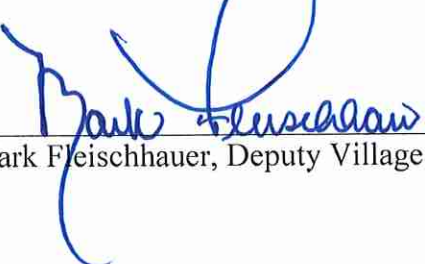
Village Manager Fleischhauer stated that the 2020/2021 budget includes various cost savings measures, deferring future hiring and controlling budget expenditures. Staff has identified approximately 1.9 million dollars in expenditures that could potentially be deferred or eliminated, effecting us minimally. If the economy does not return to normalcy soon, we may need to use cash reserves, which will still leave us in a good place to maintain our AAA Bond Rating.

Village Board may consider Approval of an Ordinance Adopting the Fiscal Year 2020-21 Annual Budget and related items on April 21, 2020.

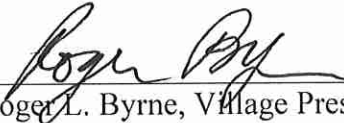
Motion by Trustee Schultz second by Trustee Oppenheim to close the Public Hearing.
All in favor vote.
Motion carried.

The public hearing adjourned at 7:20 PM.

Approved on the 5th day of May 2020



Mark Fleischhauer, Deputy Village Clerk



Roger L. Byrne, Village President