

### **1) PLEDGE OF ALLEGIANCE AND CALL TO ORDER**

The special meeting of the Board of Trustees of the Village of Deer Park was held on Wednesday, January 9, 2008 at Vehe Barn, 23570 W. Cuba Road, Village of Deer Park, in the counties of Lake and Cook, Illinois. President Gifford called the meeting to order at 7:00 p.m. Village officials and guests recited the Pledge of Allegiance.

### **2) ROLL CALL AND DETERMINATION OF A QUORUM**

Upon roll call, the following were present: Trustees Rotter, Pratscher, Kizior, and Kellermann. The following Village officials were absent: Trustees Plautz (*arrived late*) and Thrun. Other Village officials present were Attorney Keller, Administrator Connors, and Clerk Meyle. President Gifford stated there is a quorum.

### **3) DISCUSSION OF THE SALES TAX REFERENDUM**

President Gifford and each of the trustees made comments regarding the sales tax referendum with the following points being made:

### **4) QUESTIONS AND COMMENTS FROM THE PUBLIC**

**Deborah Barry of 412 Bramble Lane** addressed the Board regarding the referendum information posted on the Lake County website; what Village officials are allowed to do and say with regard to communicating their opinion about the referendum; other revenue producing opportunities available to Deer Park as a non-home rule community; the financial impact the referendum would have on Deer Park residents shopping in the Town Center; projections of holiday sales in the Town Center and Promenade; sales tax as an issue during the April 2007 elections; and engineering fees.

Attorney Keller confirmed the following: Village funds may be spent to provide information regarding the referendum; Village funds may not be spent to campaign for a particular result; Village officials may communicate their opinion about the referendum as long as the communication does not involve the expending Village funds.

Administrator Connors reported the following regarding estimated figures he had obtained from the Town Center owner/operator (DDR) regarding those shopping in the Town Center:

- ◆ There is no way to quantify how many dollars each shopper spends.
- ◆ 77% of the Town Center customers come from four zip codes (60010, 60047, 60067, and 60089).
- ◆ The total population for those zip codes is 163,446; of that total population, Deer Park is approximately 3,200.
- ◆ The total population of DDR's primary and secondary targeted customer markets is 564,000.
- ◆ The figures were provided by DDR who pulled them from their marketing survey results.

President Gifford stated that the Board is looking for a relatively permanent source of revenue to fund the Road Program and that he feels it would be dangerous to fund the program via revenue sources that have a history of declining over time such as commercial real estate transfer taxes, building permit fees, and red light camera enforcement revenue.

President Gifford confirmed that state law requires that the referendum state that the funds will be used for public infrastructure and that the funds be segregated and used for only that purpose; the Board voted to add the words *such as street and drainage improvements* to the referendum to clarify what they intended to spend the money on.

Trustee Pratscher confirmed that Trustee Kellermann's Road Program requires over \$700,000 each year and that current projections show that, as a single source, the additional sales tax revenue would not produce enough money to fund the program; money from the Village's Motor Fuel Tax fund as well as money from the general fund will have to be combined with the additional sales tax revenue to meet the needs of the Road Program.

Trustee Kellermann confirmed that the Road Program was developed and engineered in 2003 according to the cost of doing business then and that the only drainage issues included in the Road Program figures are those that the Village was aware of in 2003.

**Richard Chay of 408 Bramble Lane** addressed the Board regarding the current financial picture of the Village; revenue producing opportunities available to the Village; the financial impact an increase in sales tax would have on Deer Park residents shopping in Deer Park; and how the Board will address funding the Road Program if the sales tax referendum is not approved.

Trustee Plautz arrived during Mr. Chay's comments at approximately 7:30pm.

Trustee Kizior confirmed that, as of the November 30, 2007 figures, the Village has \$1.6million in reserve; according to the Village auditors, \$1million in reserve is the minimum the Village should ever have; Trustee Kizior stated that he would be more comfortable with no less than \$2million in reserve, but the Village is above the technical minimum.

President Gifford confirmed that, according to state law, revenue generated by the Hotel Tax that will be imposed once the Hampton Inn is complete must also be segregated; that the revenue projection for the Hotel Tax is \$175,000 per year; and that, although the Board has not yet identified the items on which it will spend the Hotel Tax revenue, those revenues can only be used to fund items related to bringing tourism into the Village. The consensus of the Board was that the Road Program and Village drainage improvements are not items related to bringing tourism into the Village.

President Gifford confirmed that the only other source of revenue available to the Village that he was aware of that would provide for the ongoing and relatively permanent need to fund the Road Program and address the Village's drainage needs would be a property tax; a property tax would have to be approved by referendum. President Gifford stated that he was not in favor of a property tax and the consensus of the Board was the same.

President Gifford stated that the Vehe project was never intended to be a significant revenue producer for the Village; the primary purpose of the project was to provide a municipal campus and community center for the Village; a secondary opportunity was to rent it out; an Event Coordinator has been hired and the facility is being rented out.

President Gifford stated that if the sales tax referendum is not approved the Board will proceed through the regular budget process without that revenue source to consider. Trustee Kizior added that at its December meeting the Board approved a list of road projects for the Village Engineer to take out to bid and that he expects Trustee Kellermann to present those bids and his recommendations during the budget process.

Trustee Kellermann confirmed Trustee Kizior's expectations and added that he expects to get additional input on road and drainage issues from the residents who attend the public forum he has scheduled for January 28, 2008; he plans to use the information he gets at the forum along with the Village Engineer's input to help him prioritize the recommendations he makes to the Board during the budget process.

**John Lahr of 201 Rue Touraine** addressed the Board regarding the Illinois statute which details how sales tax is imposed on services.

Attorney Keller confirmed that the taxing of services in Deer Park would continue as is; if the referendum is approved, goods and services that are currently taxed at 6.5% will be taxed at 7%.

**Pat Winkelman of 21540 Inglenook Lane** addressed the Board regarding the amount of additional sales tax that would be paid by a resident who spends \$7,000 per year in Deer Park (\$500 per month, plus an additional \$1,000 during the holiday shopping season); the total additional sales tax would be \$35.00.

**Nancy Shepherdson of 24444 Middlefork Road** addressed the Board regarding the sales tax that is imposed on services as they pertain to her business.

**Caryn Tausend of 20708 Deerpath Road** addressed the Board regarding speed bumps asking the Board to confirm whether or not speed bumps are considered public infrastructure and whether or not funds from the sales tax referendum could possibly be used to fund speed bumps on Deerpath Road.

President Gifford confirmed that speed bumps are public infrastructure and that funds could from the sales tax referendum could possibly be used to pay for speed bumps.

## **5) ADJOURNMENT**

**MOTION:** by Trustee Kizior to adjourn. Upon a voice vote: YES: (5) / NO: (0) / ABSENT: (0). Motion carried 5/0

The special Board of Trustees Meeting was adjourned at 8:20p.m.

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H. Scott Gifford, Village President

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Susan Meyle, Village Clerk