

MINUTES OF THE SPECIAL JOINT MEETING OF THE MUNICIPAL SERVICES COMMITTEE, THE FINANCE & ADMINISTRATION COMMITTEE AND THE PUBLIC SAFETY COMMITTEE OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY, FEBRUARY 27, 2012 AT 5:00 P.M. IN THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, ILLINOIS.

1. CALL TO ORDER

The meeting was called to order by Trustee Mistele at 5:05 p.m.

2. ROLL CALL

Those present at roll call were Trustees Terry Kelly, Mike Mistele, Umberto Davi, Frank Trilla, Sue Berglund, Village Administrator Tim Halik, Chief of Police Mark Shelton, Deputy Chief of Police Paul Oggerino, Interim Finance Director Carrie Dittman, Parks & Recreation Superintendent Kristin Violante and Management Analyst Garrett Hummel.

3. REVIEW - Fiscal Year 2012/13 Budget

Administrator Halik began the meeting by calling attention to the upcoming budget schedule. The next meeting on the budget schedule would be the Board Budget Workshop I scheduled for March 19, 2012.

Next Administrator Halik touched upon the cover letter memo which highlighted the major points of the upcoming presentation. The Village's General Fund surplus is approximately \$766,000 which provides for a proposed fund balance of 140 operating days. Administrator Halik also commented that the Village has been able to trim its average operating day expense from \$27,000/day to \$19,000/day.

Administrator Halik began the presentation by stating the proposed budget maintains all existing services and programs. Administrator Halik reiterated that the Village had 140 days in reserve with 1 "day" currently equaling roughly \$18,880. Trustee Berglund inquired as to the importance/significance of reserve days and the specific number. Administrator Halik explained that the Village has received many different opinions with regard to the number of days in reserve that should be maintained but currently the Village Board has been using 120 days as their baseline. Finally, Administrator Halik called attention to the fact that the Five-Year Plan has been developed to include conservative spending with no new or expanded services.

Administrator Halik restated that the Village had a surplus of roughly \$766,000. A large portion of the surplus is due to the retirements within the police department commander rank. Administrator Halik explained the proposed budget does not include salary increases for non-union employees. Increases in the contribution to the Police Pension and IMRF Pension were 15.2% and 6.9% respectively. Administrator Halik noted an estimated 10% increase in health care insurance is possible although he said the actual increase has been tracking at a lower rate (near 6%).

Finance Director Dittman explained the breakdown of the Village's

surplus using a departmental table. Director Dittman continued with the highlights from the General Fund commenting that sales tax was up over \$275,000 most likely due to the fact that the Town Center is full and has been doing well. Director Dittman followed with an explanation of the revenue assumptions for the upcoming year stating that assumptions have been tough to make because the various revenue lines have been extremely volatile.

Administrator Halik called the group's attention to personnel/staffing highlights explaining that the number of full-time employees for the Village has gone from 45 in 2007 to 33 in 2012. This represents almost a 27% reduction in staffing. Trustee Mistele inquired whether staff was ok with the increased workload or if additional help was needed. Administrator Halik responded that staff was keeping up with the workload. Administrator Halik clarified by saying staff was handling their current workload but the addition of any new large projects would be difficult and would likely require outsourcing. He referenced the recent electric aggregation referendum project as one that he would have likely recommended a consultant to complete, if the Board had decided to move forward with it at this time.

Administrator Halik next spoke on the topic of pension costs. Police pension costs increased by 15.2% or \$76,562 while IMRF increased 6.9% or \$10,150. Administrator Halik stated a more comprehensive review of pension systems would be included during the Board Budget Workshop on March 19.

Administrator Halik next touched on the topic of water rate increases. He explained that the Village had increased its water rates by 20% effective March 1, 2012 due to a 30% increase (25% by the City of Chicago) by the DuPage Water Commission (DWC). Administrator Halik also commented that the Village had approved a discounted water rate (6%) for residents who use the minimum amount of water within a given quarter. The measure was targeted at seniors who are on a fixed income but also serves to promote the conservation of resources. Finally, Administrator Halik explained the Village's water towers are due for maintenance in the coming years and the Village is hoping to fund the service without a bond issue. Administrator Halik concluded by saying the Village Board will have to revisit the water rate issue in the coming year because additional rate increases have been voted by DWC.

Administrator Halik stated the Village's Roadway Maintenance Program for 2012 includes the rehabilitation of five (5) Village streets and the replacement of worn pavement markings in various locations as well as the seal coating of Village owned parking facilities. There will be approximately \$186,000 available in the Motor Fuel Tax (MFT) Fund for use in the FY 12/13 Road Program. The engineers estimate for this year's program is \$206,911. Administrator Halik suggested the additional \$21,000 be provided from the General Fund in an effort to complete the entire program.

Director Dittman began the explanation of the financial section of the presentation. Director Dittman clarified the reason a deficit of

nearly \$3 million appears in the table is because of the Village's decision to transfer funds into the Land Acquisition, Facility Expansion and Renovation (LAFER) Fund. The LAFER Fund was created for the possible future purchase of park land. Director Dittman clarified that there are no planned expenditures from the LAFER Fund at this time, so the monies can be moved if necessary.

Director Dittman spoke on 2 indicators which help define an entity's financial condition: operating days in reserve and having a balanced budget. Director Dittman explained the Village has \$2,652,125 in reserve which would fund 140 days of operating. This number is above the Village's goal of 120. Also the budget being presented at this meeting represents a balanced budget which means the Village is not operating at a deficit. Director Dittman followed up her comments on financial health with graphs representing the Village's FY 12/13 revenues (\$11,874,111) and expenditures (\$10,956,892). Director Dittman called the group's attention to the fact that sales tax and income tax account for over half of the Village's General Fund. Both of these items are state shared funds which is why the Village fights the state so much about not changing them.

Director Dittman presented the financial reports on the Village's major revenue sources: Sales Tax, Income Tax, Utility Tax, Places of Eating Tax, Red Light Fines, and Building Permits.

- Sales tax receipts - \$2,624,308 up 6.96% from the prior year
- Income Tax receipts - \$506,828 down 2.49% compared to the prior year
- Utility tax receipts - \$849,771 down 3.57% from the prior year
- Places of Eating Tax receipts - \$334,796 up 6.48% compared to the prior year
- Red Light Fines - Collected \$475,305 down 12.56% compared with the prior year
- Building Permit receipts - \$120,248 down 28.52% compared with the prior year

Trustee Trilla commented that he felt the Village should have a way to recoup costs from the red light camera company when the cameras are not working. Chief Shelton explained that the contract with ATS ends March 2013 and at that point the Village could look at negotiating a penalty for inoperable cameras. Currently, when the cameras are down the Village simply did not have to pay for the use during the period in which the cameras were down. Trustee Trilla inquired as to the possibility of the Village purchasing the red light camera equipment. Chief Shelton said he would look into it.

Director Dittman next explained several graphs which depict the Village's operating days in reserve over a 5 year period. Under the

current plan the Village would be sitting and 98 days and would gradually decrease thus not allowing the Village to reach its goal of 120 days reserve. The proposed budget would allow the Village to begin at 140 days reserve and following the trend line the Village would have roughly 171 days by FY 15/16. Administrator Halik further explained the 15 year operating days in reserve graph. He stated that 2 years ago the Village was falling below the 120 day reserve line in FY 12/13. With all of the cut-backs made by the Board the Village has pushed out that date until FY 22/23. Administrator Halik stressed this graph is dependent on a wide variety of variables any of which could drastically influence the time in which the budget line falls below the 120 day goal.

Water sales revenue for the year is at \$1,442,668 which is up 1.54% from the previous year. Director Dittman stated the Village plans to purchase roughly 1.2 million gallons of water next year. Trustee Davi asked if the Village had considered maintaining its wells when the Village converted to Lake Michigan water. Administrator Halik answered by saying the Village had considered it but our back-up well failed an EPA inspection and the cost to make repairs were cost prohibitive so the decision was made to seal the well.

Director Dittman presented the finance department's budget stating that it is up 9.5% from the previous year. The reasoning for this is because audit fees have gone up 15% as well as increases in expenditures in the area of Information Technology. Director Dittman recommended that the Village consider a long-range plan for the current software system that is being used by the department. She indicated that it was her understanding that the current vendor is an independent, and she would be concerned if he were no longer available to maintain the software. Trustee Davi suggested the Village look into the purchase of a new financial software system. Administrator Halik agreed that staff needs to develop a long-range plan for the system and will review available options.

Director Dittman explained the increase in expenditures for the Hotel/Motel Tax Fund was due to the inclusion of a DuPage County Advertising brochure.

Director Dittman commented on the TIF Fund by saying the TIF is 100% funded from property tax within the TIF. The TIF closes in 2013 while the SSA was believed to be over in 2027.

Director Dittman stated the Village's 2008 Bond Fund is for the debt service on the Village's Public Works Building.

Trustee Mistele asked whether the budget being presented included raises for the non-union employees. Administrator Halik responded it did not. Trustee Mistele commented he would like a budget presented at the Board Budget Workshop which includes a 5% increase for non-union employees. Administrator Halik advised that a potential wage increase for non-union employees would be discussed at the personnel session of the Board Budget Workshop. Costs of providing a wage increase to non-

union personnel will be shared at that time.

(Director Dittman left the meeting at 6:10 PM)

Trustee Trilla inquired as to why there is \$1,000 included in the Board's budget for public relations. Administrator Halik responded that the money is used for a variety of situations such as sending flowers to funerals or the purchase of bunting when a previous elected official passes away.

Administrator Halik explained the Board of Police Commissioners will need \$8,000 for officer assessment exams to create a new hiring eligibility list.

Administrator Halik stated the reason for the large disparity between the FY 11/12 administration department budget and FY 12/13 Administration department budget was the creation of the LAFER fund. Funding was also included for new window treatments in the Council Chambers.

Administrator Halik explained the \$25,000 decrease in the planning & economic development department was due to the completion of the zoning code update during the previous year.

Superintendent Violante presented the parks & recreation budget as having very little changes only a decrease of 1.85% over the previous year. Superintendent Violante stated the budgets for the winter, fall and summer increased due to increased levels of program promotion but she expects there will be a corresponding increase in the level of revenue brought in.

Chief Shelton presented the police department budget which has a decrease of 6.08% over the previous year's budget. Chief Shelton highlighted the major changes in the department as being the need for additional funding for a new report writing system because the current system is from 1995. Chief Shelton also indicated the telecommunication line item decreased due to the retirements of several commanders.

Administrator Halik provided the details for the municipal services department. Overall, the municipal services department will have a 1.67% decrease over the prior year's budget. The main highlights from the FY 12/13 budget include a new snow plow for \$4,600 and the sealcoating and re-stripping of Village owned parking lots. No new vehicles or equipment are scheduled to be purchased.

Building and zoning department expenses will be going up 2.45% compared to last year's budget. Administrator Halik commented that revenues will also increase.

Administrator Halik explained the water fund expenses will increase 14.24% over last year. The reasoning for this was the increased water rates imposed by the DWC. Administrator Halik also explained that the

Village looks to replace its old obsolete fire hydrants at a rate of 6-12 a year. Administrator Halik remarked that the Village received a great price to conduct a fire hydrant valve exercising program, so the project is included in the budget at a total cost of \$23,100.

Administrator Halik concluded the presentation by calling the group's attention to the budget highlight sheets located at the end of each packet. He advised each committee member to review these sheets and contact him with any questions.

4. VISITOR'S BUSINESS

There were no visitors present at the meeting.

5. ADJOURNMENT

Motion to adjourn was made by Trustee Davi. Trustee Mistele seconded the motion.

The meeting was adjourned at 6:25 p.m.

(Minutes transcribed by: Garrett Hummel)