

Village of Carol Stream

SPECIAL WORKSHOP MEETING

MONDAY, JANUARY 6, 2014

6:00 P.M.

GREGORY J. BIELAWSKI MUNICIPAL CENTER

500 N. GARY AVENUE

CAROL STREAM, ILLINOIS 60188


LOWER LEVEL TRAINING ROOM


AGENDA

1. CALL TO ORDER
2. ATTENDANCE
3. MEDICAL MARIJUANA
4. FY13/14 BUDGET – YEAR END PROJECTION
FY14/15 BUDGET OUTLOOK
5. OTHER BUSINESS
6. ADJOURNMENT

Village of Carol Stream
Interdepartmental Memo

TO: Joseph E. Breinig, Village Manager

FROM: Donald T. Bastian, Assistant Community Development Director 

THROUGH: Robert J. Glees, Community Development Director 

DATE: January 2, 2014

RE: **Agenda Item for the January 6, 2014, Village Board/PCZBA Workshop –
*Compassionate Use of Medical Cannabis Pilot Program Act***

The *Compassionate Use of Medical Cannabis Pilot Program Act*, which went into effect on January 1, 2014, is intended to provide access to medical cannabis to qualifying patients having debilitating medical conditions via licensed dispensing facilities. Beginning January 1, 2014, several State of Illinois Departments have 120 days to develop the draft rules and procedures overseen by their Department in relation to the administration of the Pilot Program.

As intended under the Pilot Program, medical cannabis cultivation centers would be established in which medical cannabis would be cultivated, packaged and distributed to medical cannabis dispensing organizations. Medical cannabis cultivation centers and dispensing organizations would need to demonstrate compliance with local zoning regulations as part of their State of Illinois application and licensing process.

The purpose of the workshop is to update the Village Board and Plan Commission/Zoning Board of Appeals about the status Pilot Program, as well as to provide information about some zoning code text amendments that we are recommending to further regulate medical cannabis cultivation centers and dispensing organizations in the event that either would locate in Carol Stream. Attached for your review are the following:

- The PowerPoint presentation that will be reviewed at the workshop on January 6; and
- The DuPage Mayors and Managers Conference's Medical Marijuana Working Group Report.

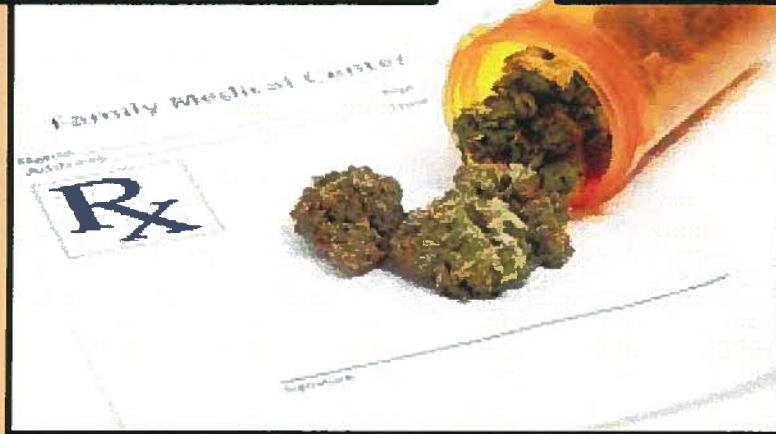
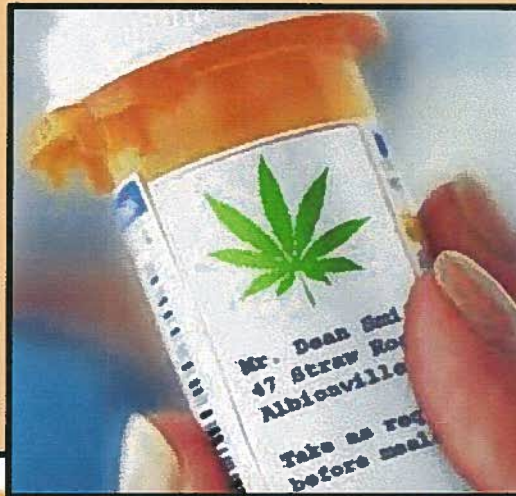
We will be prepared to answer any questions you may have at the workshop on January 6.

DTB:db

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

January 6, 2014



Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

AGENDA

- I. Overview of the Compassionate Use of Medical Cannabis Pilot Program Act
- II. Status of the Compassionate Use of Medical Cannabis Pilot Program
- III. DuPage Mayors and Managers Conference Report
- IV. Regulation through Zoning
- V. Recommended Zoning Changes for Carol Stream
- VI. Village Board/PCZBA Feedback and Questions

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

I. Overview – Compassionate Use of Medical Cannabis Pilot Program Act

- Act was signed by Governor Quinn on August 1, 2013.
- Act became effective January 1, 2014.
- Illinois is the 20th state to legalize medical cannabis.
- Act allows 22 medical cannabis **cultivation centers** to be established within the state, with not more than one cultivation center in each State Police District.
- Act allows up to 60 medical cannabis **dispensing organizations** to be established in the state, not geographically limited by State Police District.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

I. Overview – Compassionate Use of Medical Cannabis Pilot Program Act

- Per the Act, medical cannabis **cultivation centers** may not be located within **2,500 feet** of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, part day child care facility, or an area zoned for residential use.
- Per the Act, medical cannabis **dispensing organizations** may not be located within **1,000 feet** of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home or part day child care facility, and may not be located in any area zoned for residential use.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

I. Overview – Compassionate Use of Medical Cannabis Pilot Program Act

- Only cannabis grown in an Illinois licensed and regulated cultivation center will be allowed to be dispensed in Illinois. Cannabis may not be brought in from out of state.
- Only Illinois residents meeting program requirements can participate in the program. There is no reciprocity with programs in other states.
- As a Pilot Program, the Act was created with a sunset provision, meaning that if the legislature does not renew the program or create a new law, the Program will cease to exist four years after it went into effect (January 1, 2018).

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

I. Overview – Compassionate Use of Medical Cannabis Pilot Program Act

Various State agencies have roles in implementing the Act and administering the Pilot Program:

- Illinois Department of Agriculture (IDOA) – Licensing and regulating cultivation centers as allowed within the Act
- Illinois Department of Financial & Professional Regulation (IDPFR) – Licensing and regulating the dispensing organizations as allowed within the Act
- Illinois Department of Public Health (IDPH) – Creating a system for issuing registry identification cards to qualifying patients, and a system for physicians to recommend patients for inclusion into the registry

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

I. Overview – Compassionate Use of Medical Cannabis Pilot Program Act

- To become a Qualifying Patient, a person must be diagnosed by a physician with a current Controlled Substances License as having a debilitating medical condition as defined in the Act.
- The Act lists approximately 40 illnesses as debilitating medical conditions, and a process exists for petitioning the IDPH to add new debilitating conditions.
- Qualifying Patients may obtain up to 2.5 ounces of medical cannabis every 14 days from a licensed dispensing organization.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

II. Status of the Compassionate Use of Medical Cannabis Pilot Program

- Beginning January 1, 2014, the Illinois Department of Agriculture, Illinois Department of Financial & Professional Regulation and Illinois Department of Public Health have **120 days** to file the draft administrative rules and procedures relative to their role in implementing the Act with the **Joint Committee on Administrative Rules (JCAR)**.
- Once draft rules are filed, there will be a minimum 45-day First Notice period for public review and comment, after which there will be a 45-day Second Notice period, with the possibility of a 45-day extension.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

II. Status of the Compassionate Use of Medical Cannabis Pilot Program

- Upon adoption of the administrative rules, each state agency will process applications relative to their role in the Act.
- As noted on their website (www.agr.state.il.us/mcpp), the IDOA does not anticipate that it will begin accepting applications for cultivation center licenses until Fall 2014.
- It is not known how long it will take to license an Illinois cultivation center; however, with only Illinois-cultivated cannabis allowed to be dispensed in Illinois, it may very well be 2015 before medical cannabis is available for dispensing in Illinois.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

III. DuPage Mayors and Managers Conference Report

- This Fall, the DMMC Managers Committee directed that a Medical Marijuana Working Group be established to study the implications of the Act on DuPage County municipalities.
- The Working Group, led by Village Manager Breinig, included municipal staff with legal, administrative, employee relations and land use/zoning backgrounds.
- The Working Group's draft report, "*Medical Marijuana – What You Need to Know*", was transmitted to you in advance of this workshop.
- The report includes sections on land use and zoning regulation, police enforcement activities, and human resources related procedures and actions.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

IV. Regulation through Zoning

- The Medical Marijuana Working Group surveyed municipalities to find out whether they were considering zoning code amendments related to cultivation centers or dispensing organizations.
- 11 out of the 20 responding municipalities reported that they either had approved, or were contemplating, zoning code amendments aimed at addressing medical cannabis facilities.
- Other DuPage municipalities that did not respond to the survey (Bartlett, Downers Grove and Lombard) have approved zoning code changes to further regulate medical cannabis facilities.
- **IDFPR will require applicants for dispensing organization licenses to submit proof of compliance with local zoning laws.**

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

IV. Regulation through Zoning

Land Use and Municipal Attorneys offer (at least) two perspectives on the need to impose further regulation of medical cannabis cultivation centers and dispensing organizations through zoning.

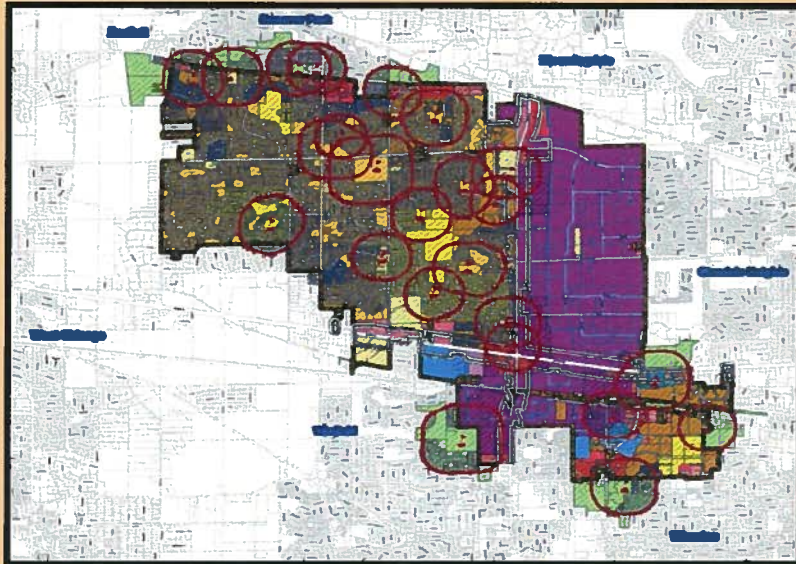
Perspective #1: Municipalities may enact reasonable zoning regulations that do not conflict with the Act or its regulations; however their home rule authority is pre-empted. An outright ban on cultivation centers or dispensing organizations would not likely survive a legal challenge.

Perspective #2: Dispensing marijuana is a federal crime under the Federal Controlled Substances Act. A good argument can be made that the Federal Controlled Substances Act preempts state law. If the zoning code prohibits uses that violate federal law, then the municipality can deny the use.

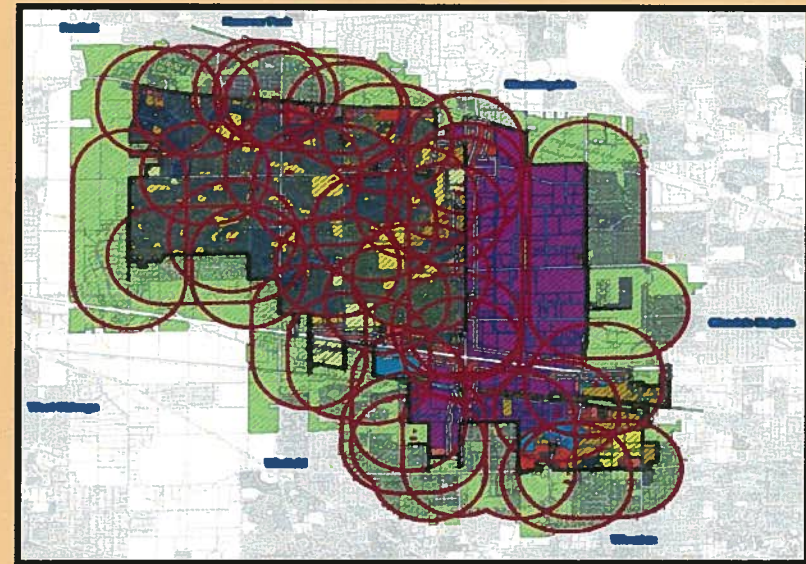
Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

IV. Regulation through Zoning



Areas where dispensaries would be prohibited



Areas where cultivation centers would be prohibited

By applying the separation buffers set forth in the Act, it is possible to identify the areas of the Village where a cultivation center or dispensing organization could conceivably locate, absent any further regulation through local zoning.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

IV. Regulation through Zoning

- Several DuPage County municipalities have recently amended their Zoning Codes to specifically list *medical cannabis cultivation center* and *medical cannabis dispensing organization* as allowable permitted or special uses in various business or industrial zoning districts.
- In review of the permitted and special use lists of Carol Stream's Zoning Code, there are presently no listed uses that are synonymous or nearly synonymous with *cannabis cultivation center* or *cannabis dispensing organization*.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

IV. Regulation through Zoning

- Since the Zoning Code does not list *cannabis cultivation center* or *cannabis dispensing organization* as allowable uses in any zoning district, the uses are expressly prohibited in accordance with Section 16-5-2(B) of the Code.
- We are not aware of any DuPage County municipality that intends to entirely prohibit *cannabis cultivation centers* or *cannabis dispensing organizations*.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

V. Recommended Zoning Changes for Carol Stream

- Based on available information, staff believes it would best to add *medical cannabis cultivation center* and *medical cannabis dispensing organization* as allowable uses in the Zoning Code, since an outright ban of these facilities is viewed as not being likely to survive a legal challenge.
- Staff believes the characteristics of each use, and the potential impacts associated with each use, should be considered in recommending the zoning district or districts in which the uses should be listed.
- The characteristics and potential impacts of each use should also be considered in deciding whether the use should be a permitted or special use.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

V. Recommended Zoning Changes for Carol Stream

Cultivation Centers:

- A *medical cannabis cultivation center* would primarily involve the use of raw materials to produce a product that would be packaged and distributed to the market.
- Based on these use characteristics, staff believes a *medical cannabis cultivation center* would most appropriately be located in the I Industrial District.
- After applying the separation buffers provided in the Act, only a few properties in the Industrial District would remain eligible for a cultivation center. However, this could change if a neighboring community rezoned property adjacent to Carol Stream, or if the State of Illinois modified the buffer distance set forth in the Act.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

V. Recommended Zoning Changes for Carol Stream

Cultivation Centers:

- Per the Act, only one cultivation center is allowed in each State Police District. Carol Stream is in State Police District 2, which includes DuPage, Kane, Lake, McHenry and DeKalb Counties. As such, it is unlikely a cultivation center will locate in Carol Stream.
- Security issues are a unique concern related to the *medical cannabis cultivation center* use.
- Based on nature of the use and the security concerns, staff recommends a zoning code text amendment to list ***medical cannabis cultivation center*** as a **Special Use** in the **I Industrial District**.
- A definition for the use would also be added to the code.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

V. Recommended Zoning Changes for Carol Stream

Dispensing Organizations:

- A *medical cannabis dispensing organization* would primarily consist of an office operation serving as the distribution point for a medical product.
- The Village's B-4 Office, Research and Institutional Building District lists *medical offices, including clinics* as a permitted use. As such, staff believes that the B-4 District is the most appropriate zoning district to add *medical cannabis dispensing organization* as an allowable use.
- After applying the separation buffers provided in the Act, some B-4 District properties would be eligible for a *medical cannabis dispensing organization*.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

V. Recommended Zoning Changes for Carol Stream

Dispensing Organizations:

- As currently provided for in the Act, 60 dispensing organizations will be allowed statewide, with no State Police District geographic limitations as is the case for cultivation centers.
- Security issues are a unique concern related to the *medical cannabis dispensing organization* use.
- Based on nature of the use and the security concerns, staff recommends a zoning code text amendment to list ***medical cannabis dispensing organization*** as a **Special Use** in the **B-4 Office, Research and Institutional Building District**.
- A definition for the use would also be added to the code.

Village Board/PCZBA Workshop

Medical Cannabis Pilot Program Act

VI. Village Board/PCZBA Feedback and Questions...

- Questions...comments...?

<http://www.idph.state.il.us/HealthWellness/MedicalCannabis/faq.htm>

http://www.idfpr.com/FAQ/DPR/IDFPR_MC_PilotProgram.asp

<http://www.agr.state.il.us/mcpp/>

- Staff will monitor progress of the development of the administrative rules and procedures.
- With your concurrence, staff will prepare draft zoning code text amendments along the lines of what we have discussed this evening for formal review and action in the coming months.
- Other changes to Village Codes and/or policies will also be necessary in the areas of law enforcement and employee relations...stay tuned.



DuPage Mayors and Managers Conference
Medical Marijuana and Local Government: What You Need to Know
Effective Date: December 31, 2013

Disclaimer: Information provided in the following material is meant only to give general guidance. The information is not meant to replace statutory language and should not be considered legal advice.

Medical Marijuana Background

Effective January 1, 2014, the Compassionate Use of Medical Cannabis Pilot Program Act (Public Act 98-0122, the Act) will provide for the lawful use of marijuana by qualifying state residents and establish a process for the licensing and operation of cultivation centers (where marijuana will be grown) and dispensaries (where marijuana will be sold) throughout the state.

Under the Act, twenty-two cultivation centers are allowed (not more than one in each State Police district). Sixty dispensing organizations are permitted throughout the state and are not limited in number in each State Police district.

Four state agencies have responsibility for implementing the Act. The Illinois Department of Agriculture (IDOA) is charged with licensing and regulating the twenty-two cultivation centers allowed under the Act. The Illinois Department of Financial & Professional Regulation (IDPFR) is charged with licensing and regulating dispensing organizations. The Illinois Department of Public Health (IDPH) is charged with creating one system for issuing registry identification cards to Qualifying Patients and another system for physicians (who act as the gatekeepers for access to medical marijuana) for recommending patients for inclusion in the registry.

Each state agency is currently developing the administrative rules needed to implement its section of the Act. These administrative rules are to be filed with the Joint Commission on Administrative Rules (JCAR) within 120 days of the effective date of the Act. The review and approval process followed by JCAR is defined by state law. The process can take three to four months. During that period, an opportunity will be provided for public comment on the proposed rules. IDOA has advised on its website that it does not anticipate accepting applications for cultivation centers until the fall of 2014. IDPFR and IDPH will be similarly

unable to act until their respective rules are finalized. Communities are encouraged to track the development of the proposed rules and comment as they feel appropriate.

1. Qualifying Patient Information

Qualifying Patients may obtain up to 2.5 ounces of medical marijuana in a 14 day period from an authorized dispensary. IDPH may grant a waiver allowing the possession of more than 2.5 ounces in a 14 day period. Marijuana used in marijuana infused products is counted toward the limit on the total amount of marijuana a Qualifying Patient may possess at one time.

To become a Qualifying Patient, an individual must be diagnosed by a physician as having a debilitating medical condition. Debilitating medical conditions are defined in the Act. An individual may petition IDPH for the addition of new debilitating conditions or treatments. IDPH will develop a process for considering these petitions. It should be noted that legislation has already been introduced to modify the list of debilitating medical conditions articulated in the Act. Under the Act, a physician is limited to a doctor of medicine or osteopathy with a current controlled substances license. No other licensed profession, including dentists, may recommend a patient for medical marijuana.

Only Illinois residents meeting the program requirements can participate in the program. There is no reciprocity with programs in other states.

IDPH will issue registry cards to Qualifying Patients and maintain a registry of Qualifying Patients. The infrastructure to implement this part of the Act is under development with the administrative rules. The registry will be accessible to each police department in the state through the LEADs database. In addition, IDPH is to notify the Secretary of State of card holder status for inclusion into the driving records of Qualifying Patients.

2. Land Use and Zoning Regulations

What You Need to Know

- "Cultivation center" is a facility operated by an organization or business that is registered by the Department of Agriculture to perform necessary activities to provide only registered medical cannabis dispensing organizations with usable medical cannabis. Cultivation centers may not be located within 2,500 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home, or part day child care facility, or an area zoned for residential use.
- "Dispensary" is a facility operated by an organization or business that is registered by the IDFPR to acquire medical cannabis from a registered cultivation center for the purpose of dispensing cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients. Dispensaries may not be located within 1,000 feet of the property line of a pre-existing public or private preschool or

elementary or secondary school or day care center, day care home, group day care home or part day child care facility and may not be located in any area zoned for residential use.

- Communities may enact reasonable zoning ordinances or resolutions that do not conflict with the Act or its regulations; however, their home rule authority is pre-empted. Cultivation centers and dispensaries must demonstrate compliance with local zoning prior to authorization by the respective state agencies.
- An outright ban on either cultivation centers or dispensaries is not likely to survive a legal challenge.

What You Should Do

- Identify and map the schools, day care facilities, child care facilities, and residential land uses in your municipality to determine where cultivation centers and dispensaries may be sited.
- Contact the Illinois Department of Children and Family Services for information on licensed day care facilities in your municipality.
- Familiarize yourself with schools, day care facilities, child care facilities, and residential land uses in adjoining communities and map the statutory setbacks for those facilities and uses.
- Determine whether the cultivation center or dispensary uses should be identified as permitted, special, or conditional uses under their zoning ordinance. Designation as a permitted use will likely result in one text amendment and no opportunity for future public comment, whereas a special or conditional use will require petitions or applications to be handled on a case-by-case basis and allow for continued public comment.
- Consider defining these specific uses in the zoning ordinance versus drawing analogies or comparisons to other uses such as drug stores.
- In assessing petitions from a cultivation center or dispensary to locate within an allowable zoning district, consider the impact of other activities on the premises. Paraphernalia, for example, may be sold in an establishment as a means for the delivery of the medical marijuana to the patient. Reasonable restrictions on floor area for other activities such as retail sales or prohibitions on sales from stock rooms might also need evaluation and consideration.
- Tracking development of the state's administrative rules being developed for cultivation centers and dispensaries will help inform municipalities on the timeframe within which municipalities must take action, especially in regard to zoning. The state departments have up to 120 days after January 1, 2014 to propose their respective rules. Some municipalities are considering moratoria on accepting applications for these facilities; the DMMC Managers Committee makes no recommendation or analysis of the enforceability of such an action. However, it seems clear that the lag in adoption of state rules gives additional time for municipalities to consider what actions they will take.

3. Police Enforcement Activities

What You Need to Know

- Qualifying Patients must be 18 years of age or older.
- Qualifying Patients are limited in the locations in which they can smoke. Smoking is prohibited in any indoor place where smoking is prohibited by the Smoke-free Illinois Act, in motor vehicles, on school grounds, and in any public place where a patient could be observed by others.
- Employers may prohibit the use of medical marijuana on their premises.
- Neither the driver nor any passenger can use medical marijuana while operating motor vehicle on a highway. If there is a suspicion of driving under the influence of medical marijuana, impairment will need to be shown through standardized field sobriety tests. No objective standard akin to the 0.08% blood alcohol content for alcohol exists for marijuana impairment. Possession of a registry card alone does not constitute reasonable suspicion of impairment.
- Medical marijuana must be stored in a sealed, tamper evident container while in a motor vehicle.

What You Should Do

- Examine your existing ordinances for paraphernalia it relates to medical marijuana sales, possession and use.
- Evaluate existing training programs and consider modifications to address the presence of medical marijuana in the community.

4. HR Procedures and Actions

What You Need to Know

- Employers cannot discriminate against employees for being a Qualified Patient.
- As noted previously, employers may prohibit the use of medical marijuana on their premises. Provided that the policy is applied in a non-discriminatory manner, employers can enforce a drug free workplace policy. Employers who do not prohibit the use of medical marijuana may adopt reasonable regulations concerning the consumption, storage or timekeeping requirements for Qualified Patients.
- Employers can discipline an employee for failing a drug test if failing would put the employer in violation of federal law or cause it to lose a federal contract or funding. Employers are encouraged to review grant agreements and other contracts for provisions addressing drug use in the workplace. Employees can be disciplined for violating a workplace drug policy. The Act does not exempt holders of CDL licenses from random drug testing, nor does it protect them from the consequences of failed tests. Qualified Patients can be disciplined in a non-discriminatory manner.

- Qualifying Patients will test positive. No objective standard exists for marijuana impairment.
- The Act does not create a cause of action for:
 - Actions based on the employer’s good faith belief that a registered Qualifying Patient used or possessed marijuana while on the employer’s premises or during the hours of employment;
 - Actions based on the employer’s good faith belief that a registered Qualifying Patient was impaired while working on the employer’s premises during the hours of employment; or
 - Injury or loss to a third party if the employer neither knew nor had any reason to know that the employee was impaired.
- The above immunities are not absolute nor have they been tested in court.
- Implications of the Act with respect to the Family Medical Leave Act (FMLA), Americans with Disabilities Act (ADA) and other employment related laws are yet to be determined. For example, the relationship between a “serious health condition” under the FMLA and “debilitating medical condition” in the Act is unclear.

What You Should Do

- Employers should evaluate existing policies for drug use in the workplace and make revisions as necessary to address medical marijuana concerns including, but not limited to on premises use, on premises possession, workplace impairment, circumstances for testing, and workplace safety. Policies should be placed in writing and incorporated into personnel rules and negotiated into collective bargaining agreements.
- Since there is no objective standard for marijuana impairment, employers should rely upon objective, observable factors when addressing suspected impairment. These factors will likely be similar to those for impairment due to alcohol or prescription or illegal drug use.
- Employers can require employees to provide notification of medical marijuana use; however employees cannot be penalized solely for being a Qualified Patient.
- Since implications of the Act with respect to the FMLA, ADA, and other employment related laws are yet to be determined, employers are urged to consult their legal counsel when confronted with employment related matters concerning medical marijuana.
- No insurance provider has yet been identified that plans to consider medical marijuana as a covered expense, but employers may wish to consult their medical insurance providers in this regard.
- Employers are advised to develop policies related to how medical marijuana will be addressed in any self-managed flexible spending account or other similar medical expense payment system.



Village of Carol Stream

FY 14/15

Budget Workshop #1

GENERAL FUND

January 6, 2014



Agenda

- **FY13/14 Budget - Year End Projection**
 - Bottom Line (Compare to FY12/13)
 - Revenue Summary and Review
 - Expenditure Projection
- **FY14/15 Budget “Primer”**
 - Revenue Outlook
 - Significant Program/Service Areas
- **Next Steps**

Village of Carol Stream

FY13/14 Budget Status Update - General Fund

Projected FY13/14 Revenues & Expenditures

	FY12	FY13	FY14	FY14	Over/ (Under)	Over/ (Under)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>FY13</u>	<u>Budget</u>
Total Revenues	21,535,381	22,969,585	22,475,000	24,101,000	1,131,415 4.9%	1,626,000 7.2%
Total Expenditures	<u>(19,532,590)</u>	<u>(20,907,102)</u>	<u>(22,345,000)</u>	<u>(21,684,300)</u>	<u>777,198</u> 3.7%	<u>(660,700)</u> -3.0%
Net Increase / (Decrease)	<u>\$ 2,002,791</u>	<u>\$ 2,062,483</u>	<u>\$ 130,000</u>	<u>\$ 2,416,700</u>	<u>\$ 354,217</u>	<u>\$ 2,286,700</u>
Other - Transfer to Capital	\$ 5,000,000	\$ 2,100,000				



FY13/14 Year End Projection

Bottom Line

- Adopted FY13/14 Budget included a small surplus of \$130,000.
- Current estimates project a surplus of approximately \$2.4 million by 4/30/14 (we are +\$1.1M as of Nov. 30th).
- Largely attributable to excellent performance in our largest revenue source (sales tax) as well as continued recovery in many other revenue sources due to the improved economic climate.
- Projected surplus is generated from better than anticipated revenues (70%) and expenditures lower than budgeted (30%).

FY13/14 Year End Projection

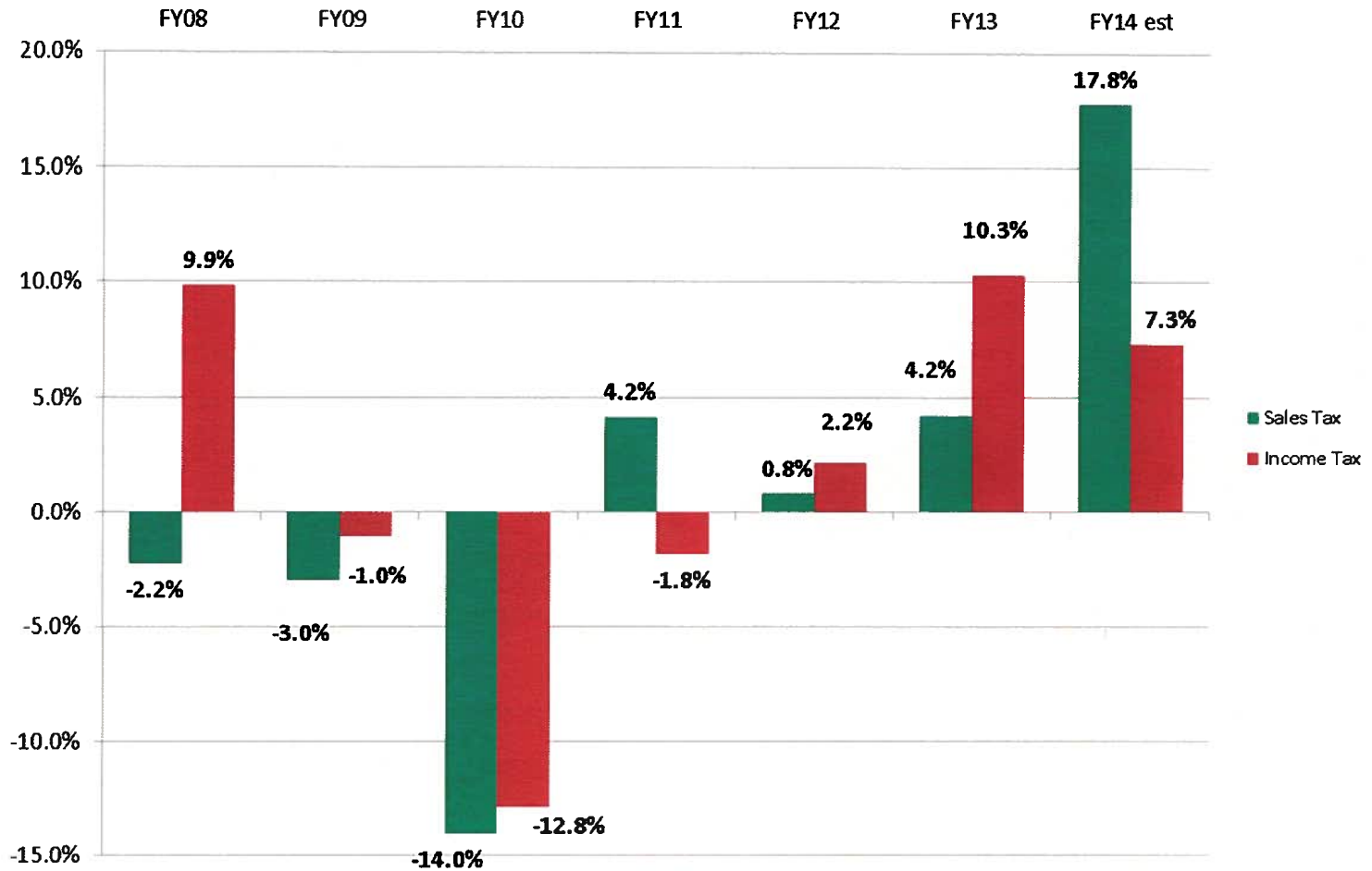
Revenue Review

- Continued revenue growth in FY13/14.
- FY13/14 estimated revenues are **\$1.6 million** or **7.2% above budget.**
- **Sales Tax + Income tax = 56% of all GF revenues.**
- Growth in **Sales Taxes** (1% and HRST) accounts for \$909,000 or 56% of the \$1.6M favorable revenue variance.
- State-shared revenues (**Income Tax**) continue to be stable, growing 7.3% from FY12/13 and meeting FY13/14 original budget projection, but slowing into next year.

Village of Carol Stream General Fund Revenues 4/30/14 Estimated Revenues

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Actual</u>	<u>FY14</u> <u>Budget</u>	<u>FY14</u> <u>Estimate</u>	Over/ (Under) <u>FY13</u>	Over/ (Under) <u>Budget</u>
Sales Tax	\$ 4,881,599	\$ 5,411,060	\$ 5,525,000	\$ 6,050,000	\$ 638,940	\$ 525,000
State Income Tax	3,244,566	3,578,776	3,785,000	3,840,000	261,224	55,000
Home Rule Sales Tax	2,820,612	3,155,990	3,205,000	3,589,000	433,010	384,000
Utility Tax - Telecomm.	1,684,908	1,517,503	1,450,000	1,460,000	(57,503)	10,000
Utility Tax - Electricity	1,815,206	1,885,171	1,820,000	1,875,000	(10,171)	55,000
Natural Gas Use Tax	502,232	583,189	575,000	590,000	6,811	15,000
Real Estate Transfer Tax	690,164	485,937	375,000	550,000	64,063	175,000
Hotel Tax Receipts	269,610	281,670	305,000	272,000	(9,670)	(33,000)
Other Taxes	<u>956,873</u>	<u>1,001,606</u>	<u>1,008,800</u>	<u>1,080,500</u>	<u>78,894</u>	<u>71,700</u>
Total Taxes	16,865,770	17,900,902	18,048,800	19,306,500	1,405,598	1,257,700
Licenses and Permits	1,179,724	1,154,156	1,119,000	1,206,300	52,144	87,300
Grants	204,254	113,867	111,000	98,000	(15,867)	(13,000)
Charges for Services	1,353,486	1,319,872	1,320,700	1,365,200	45,328	44,500
Fines and Forfeitures	1,591,296	1,609,373	1,617,000	1,744,000	134,627	127,000
Interest Income	33,992	36,093	35,000	35,000	(1,093)	-
Miscellaneous Revenue	<u>306,859</u>	<u>835,322</u>	<u>223,500</u>	<u>346,000</u>	<u>(489,322)</u>	<u>122,500</u>
Total Revenues	\$ 21,535,381	\$ 22,969,585	\$ 22,475,000	\$ 24,101,000	1,131,415	1,626,000
	2.4%	6.7%		4.9%	4.9%	7.2%

Village of Carol Stream History of Sales and Income Tax Revenues FY07/08 to FY13/14



Village of Carol Stream General Fund Expenditures 4/30/14 Estimated Expenditures

	<u>FY13</u> <u>Actual</u>	<u>FY14</u> <u>Budget</u>	<u>FY14</u> <u>Estimate</u>	Over/ (Under) <u>FY13</u>	Over/ (Under) <u>Budget</u>
Personal Services	\$ 9,955,782	\$ 10,158,625	\$ 10,354,945	399,163	196,320
Seasonal Help	31,070	43,400	42,700	11,630	(700)
Court Time	119,266	145,500	104,795	(14,471)	(40,705)
Overtime	603,019	662,450	635,770	32,751	(26,680)
Group Insurance	1,718,687	1,769,487	1,714,440	(4,247)	(55,047)
IMRF	698,647	700,124	706,335	7,688	6,211
FICA	766,542	775,141	803,326	36,784	28,185
Work Comp	260,042	306,056	305,304	45,262	(752)
Unemployment	12,105	35,000	5,000	(7,105)	(30,000)
Police Pension	<u>1,474,398</u>	<u>1,551,754</u>	<u>1,551,754</u>	77,356	-
Total Salaries & Wages	15,639,558	16,147,537	16,224,369	584,811	76,832
Contractual Services	4,493,938	5,370,330	4,725,341	231,403	(644,989)
Commodities	235,975	388,558	331,899	95,924	(56,659)
Capital Outlay	<u>537,631</u>	<u>438,575</u>	<u>402,691</u>	(134,940)	(35,884)
Total	<u>\$ 20,907,102</u>	<u>\$ 22,345,000</u>	<u>\$ 21,684,300</u>	<u>\$ 777,198</u>	<u>\$(660,700)</u>
				3.7%	-3.0%
Transfer to Capital Fund	2,100,000				

FY13/14 Year End Projections

Changes in Total Expenditures

- FY13/14 estimated expenditures projected 3.7% (\$777K) ahead of FY12/13 actual expenditures and below FY13/14 budget by 3.0% (\$661K).
- **Salaries & Wages** \$584,811 or 3.7% ahead of FY12/13, driven by salary increases and new positions (3.5FTE)
- **Contractual Services** \$231,403 or 5.1% ahead of FY12/13
 - Full year of new Sales Tax Sharing Agreement
- **Commodities** \$95,924 or 40.7% ahead of last year
 - MFT items (road salt, streetlight power, etc.) moved to GF.
- **Capital** \$134,940 or 25.1% less than FY12/13
 - Timing of Scheduled Vehicle Replacements



New Year FY14/15 Budget “Primer”

- Continued revenue growth anticipated into FY14/15 along with overall economic growth and recovery.
- A balanced General Fund Budget will be presented without compromising continued capital and infrastructure reinvestment.
- Revenue climate should allow for some additional operational growth to address community needs and Village Board strategic goals / focal areas identified in October 2013 planning retreat.



REVENUE SUMMARY

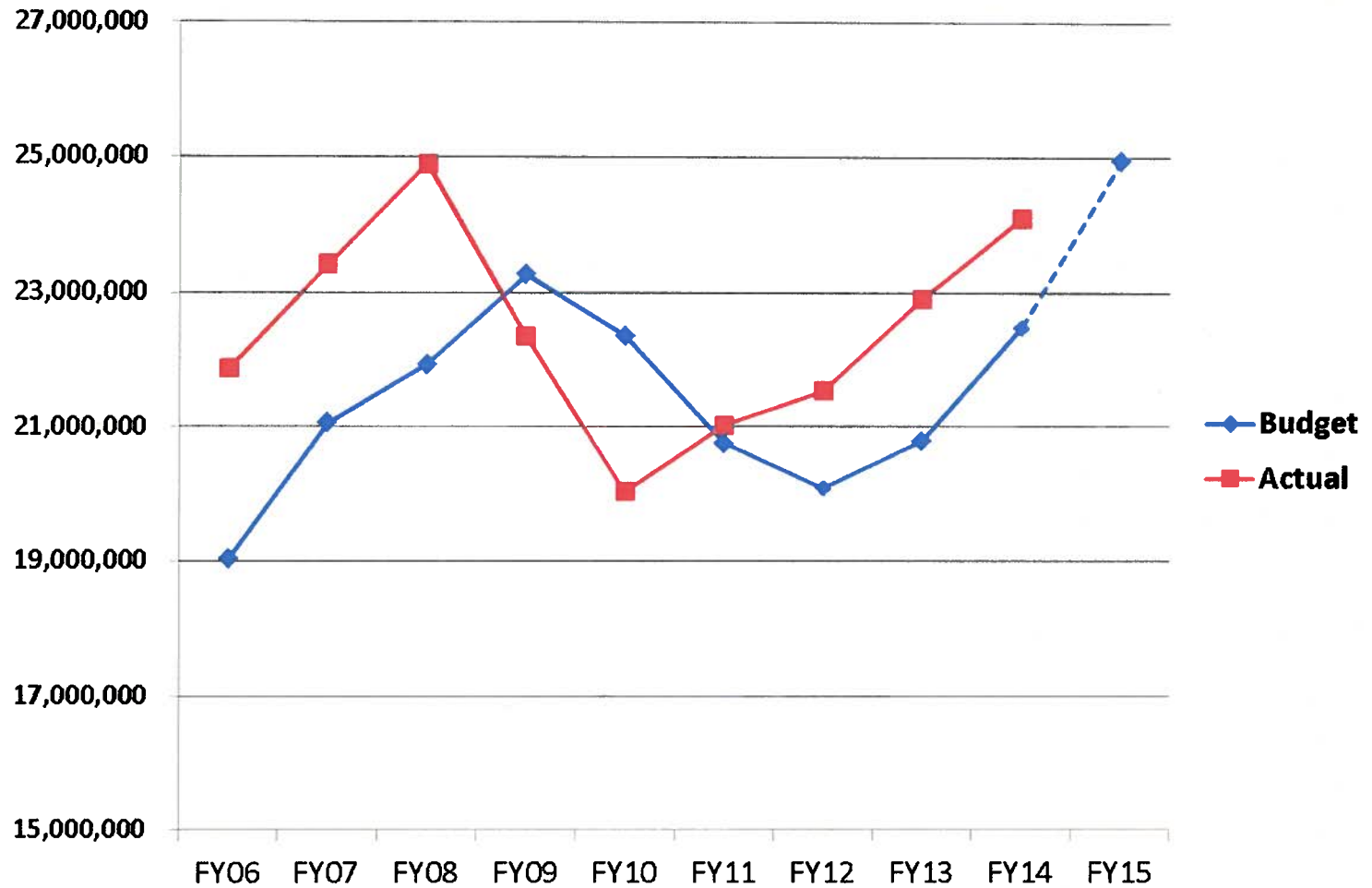


Village of Carol Stream

REVENUE SUMMARY – General Fund

- **FY14/15 Projected Revenues = \$24,945,000**
 - 11.0% ABOVE FY13/14 Budget (+\$2.47 M)
 - 3.5% ABOVE FY13/14 Est. Year-End Actual (+\$844K)
- **Revenue History**
 - FY07/08 Revenues Peak at \$24.9M
 - FY08/09 Recession Hits - 10% Loss
 - FY09/10 Additional 10% Loss - "Hit Bottom" at \$20.0M
 - FY10/11 Increase in HRST, Tow Fee counter "free fall"
 - FY11/12 Stagnation, but no further loss
 - FY12/13 Actual Growth = 6.7%
 - FY13/14 Est. Growth = 4.9%
 - FY14/15 Projected Growth = 3.5%
- **Signs of a continued recovering economy**
 - Sales Tax FY14/15: + 7.4% over FY13/14 EST (20.9% 2 year incr.)
 - Use Tax FY14/15: + 5.6% over FY13/14 EST
 - Transfer Tax FY13/14: + 13.2% over FY12/13 Actual
SFH Sales continue to increase (2 consecutive years)

Village of Carol Stream REVENUE SUMMARY – General Fund



Village of Carol Stream

FY14/15 Revenue Highlights

	FY14 <u>Budget</u>	FY14 <u>Estimate</u>	FY15 <u>Projected</u>	Chg. From <u>FY14 Budget</u>	Chg. From <u>FY14 Est.</u>
Sales Tax	\$ 5,525,000	\$ 6,050,000	\$ 6,512,000	\$ 987,000	\$ 462,000
State Income Tax	3,785,000	3,840,000	3,760,000	(25,000)	(80,000)
Home Rule Sales Tax	3,205,000	3,589,000	3,843,000	638,000	254,000
Utility Tax - Telecomm.	1,450,000	1,460,000	1,425,000	(25,000)	(35,000)
Utility Tax - Electricity	1,820,000	1,875,000	1,850,000	30,000	(25,000)
Natural Gas Use Tax	575,000	590,000	585,000	10,000	(5,000)
Real Estate Transfer Tax	375,000	550,000	515,000	140,000	(35,000)
Hotel Tax Receipts	305,000	272,000	280,000	(25,000)	8,000
Other Taxes	<u>1,008,800</u>	<u>1,080,500</u>	<u>1,157,400</u>	<u>148,600</u>	<u>76,900</u>
Total Taxes	18,048,800	19,306,500	19,927,400	1,878,600	620,900
Licenses and Permits	1,119,000	1,206,300	1,211,800	92,800	5,500
Grants	111,000	98,000	240,000	129,000	142,000
Charges for Services	1,320,700	1,365,200	1,381,300	60,600	16,100
Fines and Forfeitures	1,617,000	1,744,000	1,825,000	208,000	81,000
Interest Income	35,000	35,000	40,000	5,000	5,000
Miscellaneous Revenue	<u>223,500</u>	<u>346,000</u>	<u>319,500</u>	<u>96,000</u>	<u>(26,500)</u>
Total Revenues	\$ 22,475,000	\$ 24,101,000	\$ 24,945,000	\$2,470,000	\$ 844,000
		4.9%	11.0%	11.0%	3.5%



New Year FY14/15 Budget “Primer”

Significant Program/Service Areas

- Revenue growth has created capacity to restore some previous **staffing levels** to bolster delivery of core services.
- Revenues will also be available to assist in the implementation of **Village Board goals / priorities** identified in October 2013 planning retreat.
- **EAB** activities begin to wind down in FY14/15.
- New **TIF Activity / Rebate Agreement** begins.
- Another Rebate Agreement ends.



Next Steps

- **Tuesday, January 21, 2014**
 - 6:00 pm Special Village Board Workshop
 - **REVIEW OF DRAFT VILLAGE BOARD GOALS**

- **Monday, February 3, 2014**
 - 6:00 pm Special Village Board Workshop
 - **FY14/15 Draft Budget Presentation – Part 2**
 - **CAPITAL IMPROVEMENT PROGRAM**

- **Tuesday, February 18, 2014**
 - 6:00 pm Special Village Board Workshop
 - **FY14/15 Draft Budget Presentation – Part 3**
 - **GENERAL FUND**

Next Steps

- **Monday, March 3, 2014**
 - 6:00 pm Special Village Board Workshop
 - **FY14/15 Draft Budget Presentation – Part 4**
 - **ALL OTHER FUNDS**

Monday April 7, 2014

- 8:00 pm Regular Village Board Meeting
 - **Budget Public Hearing**
 - **Budget Adoption**
- **May 1, 2014**
 - FY14/15 Begins

QUESTIONS?