

Village of Carol Stream
Special Meeting of the Village Board
FY 19 Budget Workshop-General Fund/Other Funds

Carol Stream Fire Protection District – Fire Station 28
365 Kuhn Road, Carol Stream, IL 60188

February 20, 2018
6:00 p.m. – 7:11 p.m.

Meeting Notes

ATTENDANCE:

Mayor Pro Tem Matt McCarthy
Trustee Greg Schwarze
Trustee David Hennessey
Trustee Rick Gieser
Trustee John LaRocca
Trustee Mary Frusolone
Village Clerk Laura Czarnecki

Joseph E. Breinig, Village Manager
Bob Mellor, Assistant Village Manager
Tia Messino, Asst. to the Village Manager
Jon Batek, Finance Director
Jim Knudsen, Engineering Director
Phil Modaff, Public Works Director
Ed Sailer, Police Chief
Don Bastian, Community Dev. Director
Caryl Rebholz, Emp. Relations Dir.
Marc Talavera, IT Director

ABSENT:

Mayor Frank Saverino, Sr.

The meeting was called to order at 6:00 p.m. by Mayor Pro Tem Matt McCarthy and the roll call read by Village Clerk Laura Czarnecki. The result of the roll call vote was as follows:

Present: Mayor Pro Tem McCarthy, Trustees Hennessey, LaRocca, Gieser, Frusolone and Schwarze

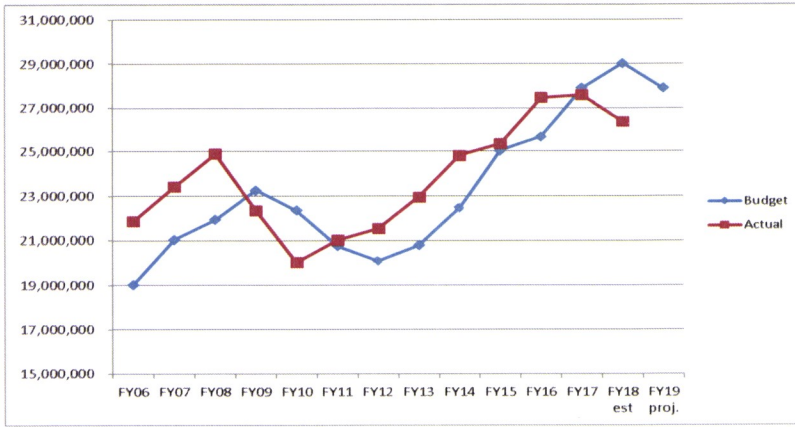
Absent: Mayor Frank Saverino, Sr.

Trustee Gieser departs at 6:35 p.m.

FY 19 Budget Workshop-General Fund/Other Funds

Finance Director Jon Batek discussed General Fund Revenues and Expenditures and proposed departmental budgets. Each department presented their budgets to the Village Board.

General Fund Revenues – Budget vs Actual



General Fund

FY19 Revenue Projections

- Total GF revenues for FY19 projected to increase by 5.8% over the FY18 estimated actual revenues (\$1,521,300).
- Most of this revenue growth comes from proposed increase in Home Rule Sales Tax from 0.75% to 1.00% eff. July 1, 2018.
- Base sales tax revenues remain significantly below FY18 budget due to loss of major retailers during FY18. To be presented to the Village Board at the March 5, 2018 Board meeting.

	<u>FY17</u>	<u>FY18</u>	<u>FY18</u>	<u>FY19</u>	<u>FY19</u>	<u>FY19</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Projected</u>	<u>Over/</u>	<u>Over/</u>
					<u>(Under)</u>	<u>(Under)</u>
					<u>FY18 Budget</u>	<u>FY18 Est.</u>
Sales Tax	\$ 7,688,493	\$ 8,400,000	\$ 7,202,000	\$ 7,418,000	\$ (982,000)	216,000
State Income Tax	3,753,675	3,865,000	3,635,000	3,345,000	(290,000)	0
Home Rule Sales Tax	4,533,481	4,872,000	4,078,000	5,367,000	495,000	1,289,000
Utility Tax - Telecomm.	1,128,321	1,085,000	1,070,000	974,000	(111,000)	(96,000)
Utility Tax - Electricity	1,884,848	1,870,000	1,853,000	1,870,000	-	17,000
Natural Gas Use Tax	536,590	570,000	580,000	570,000	-	(10,000)
Real Estate Transfer Tax	679,592	825,000	1,167,000	900,000	75,000	(267,000)
Hotel Tax Receipts	337,907	346,000	313,000	355,000	9,000	42,000
Other Taxes	<u>1,520,493</u>	<u>1,544,500</u>	<u>1,565,200</u>	<u>1,626,500</u>	<u>82,000</u>	<u>61,300</u>
Total Taxes	22,063,400	23,377,500	21,343,200	22,885,500	(492,000)	1,542,300
Licenses and Permits	1,264,459	1,704,200	1,156,300	1,220,500	(483,700)	64,200
Grants	101,658	122,600	120,000	100,000	(22,600)	(20,000)
Charges for Services	1,786,542	1,699,700	1,728,300	1,774,000	74,300	45,700
Fines and Forfeitures	1,401,056	1,457,000	1,443,000	1,381,000	(76,000)	(62,000)
Interest Income	39,914	45,000	89,000	140,000	95,000	51,000
Miscellaneous Revenue	<u>552,229</u>	<u>612,000</u>	<u>488,900</u>	<u>389,000</u>	<u>(223,000)</u>	<u>(99,900)</u>
Total Revenues	\$ 27,209,258	\$ 29,018,000	\$ 26,368,700	\$ 27,890,000	\$ (1,128,000)	\$ 1,521,300
					-4.1%	5.8%

General Fund Budget-FY19 BUDGET SUMMARY

Current Year FY18 Projected Surplus

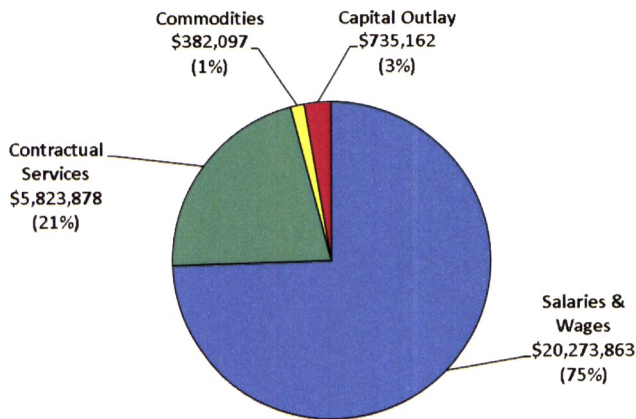
Estimated Revenues	\$ 26,488,700	9.1% below budget
Estimated Expenditures*	26,388,700	5.1% below budget
Projected Surplus	<u>\$ 165,000</u>	

FY19 Budget is Balanced as Proposed

Projected Revenues	\$ 27,430,000	5.8% growth over FY18 est.
Proposed Expenditures	27,215,000	4.1% growth over FY18 est.
Budgeted Surplus	<u>\$ 445,000*</u>	

* Compensation adjustments included in this total.

*Proposed General Corporate Fund Expenditures by Type
Fiscal Year 19 Beginning May 1, 2018*



*Draft General Corporate Fund Budget Expenditures
FY19 Proposed Compared to FY18 Budget*

	Actual FY 16/17	Revised Budget FY 17/18	Estimated FY 17/18	Proposed Budget FY 18/19	FY18/19 Proposed to FY17/18 Budget	
Personal Services	\$ 11,782,731	\$ 12,824,903	\$ 12,313,211	\$ 12,876,965	\$ 52,062	0.4%
Seasonal Help	53,731	59,695	46,510	50,574	(9,121)	-15.3%
Court Time	124,016	142,000	126,200	147,200	5,200	3.7%
Overtime	642,009	789,585	693,946	717,450	(72,135)	-9.1%
Group Insurance	1,506,335	1,795,414	1,795,414	1,857,241	61,827	3.4%
IMRF	877,502	907,174	855,050	883,817	(23,357)	-2.6%
FICA	907,541	977,798	958,583	983,506	5,708	0.6%
Work Comp	310,122	312,132	312,132	312,132	-	0.0%
Unemployment	10,910	10,000	2,500	10,000	-	0.0%
Police Pension	1,833,135	2,072,751	2,072,751	2,434,978	362,227	17.5%
Total Salaries & Wages	18,048,032	19,891,452	19,176,297	20,273,863	382,411	1.9%
Contractual Services	5,245,339	6,124,658	5,745,663	5,823,878	(300,780)	-4.9%
Commodities	306,038	421,599	287,780	382,097	(39,502)	-9.4%
Capital Outlay	1,218,165	1,105,862	928,960	735,162	(370,700)	-33.5%
Subtotal	\$ 24,817,574	\$ 27,543,571	\$ 26,138,700	\$ 27,215,000	\$ (328,571)	-1.2%
Other - Transfer to Capital	2,000,000	1,474,429	-	675,000		
Total	\$ 26,817,574	\$ 29,018,000	\$ 26,138,700	\$ 27,890,000		

*Changes in Proposed Village Staffing
FY19*

FY18 Authorized Positions 163.90

Information Technology

+ IT Technician
(staff costs fully reimbursed by Library) 1.00

Police Department

- Eliminate Vacant PT Records Clerk (0.50)
- Crime Free Housing Coordinator (1.00)
+ Public Information Specialist 1.00
(assumes duties of Crime Free Housing Coord.)

Public Works

+ WSE II (Water and Sewer Fund) 1.00

Proposed FY19 Authorized Staffing 165.40

Net Change from FY18 1.50
% Change from FY18 0.9%

Proposed FY19-General Fund Budget

DEPARTMENT HIGHLIGHTS

Administration – Misc. Smaller Budgets

- Legislative Board (\$135K)
 - 15% (\$22K) reduction from FY18 Budget.
 - Goal Setting Workshop – “off” year (scheduled FY20 - \$6K)
 - Eliminated Senior Council contrib. (\$10K) – to be reconsidered in FY20
 - No Single Audit (based on grants) required for next year (\$3K)
 - CATV/PEG Expense (\$32K) to account for use of PEG fees.
- Legal Services (\$290K)
 - General Counsel – Village Attorney
 - Labor Counsel
 - Village Prosecutor (DUI and Ord. Violations)
- Emergency Services
 - \$29K set aside for emergency management function.
- Administration (\$890K) Salaries & Ins. Costs/Deductibles
 - Funds included for videographer.
- Municipal Building (\$687K) TC M&R, Janitorial, MC M&R (after 2 yr. warranty), MC move back & room amenities.
 - Town Center
 - Fountain motor/pump repairs – systematic replacement of aging mechanical components (\$8,000)
 - Paint/stain/wood replacement – Town Center (\$15,900)
 - Municipal Center
 - Expanded investment in janitorial services for renovated Municipal Center (pro-rated based on December 2018 projected move-in)
 - Rent at 505 E. North Ave. FY19 expense reduced by \$105,000 reflecting 8 months of occupancy. Additional \$210,000 expense reduction into FY20.
 - Reduced maintenance costs in FY19 based on renovation warranties.
 - Full move-back costs budgeted (\$32,500)
 - Additional allotment for non-project related new office expenses (\$60,000) (e.g. chair mats, desktop amenities, supplies, etc.)

Information Technology

- New IT Technician (Library IGA, fully reimbursed) *Cost Neutral Proposition
- Website Redesign – Implementation (\$35,000) Year 2 Cost-Year 1 \$11K
- GIS Program (\$193,200)
 - Centrally located under Information Technology. Cost-shared with Water and Sewer Fund
- Comcast Data and Voice Service (\$54,000)
 - In the coming year an evaluation of a microwave infrastructure to interconnect the buildings will be considered as a Comcast alternative.
- Disaster Recovery / Business Continuity Site (\$20,000) with DuPage County at no cost to VOCS
- Replacement Core Server Equipment
- New Phone System - deferred to FY20
- Network Switching Equipment
- Cellphone Repeater/Amplifier Equipment
- Police Radio Antenna Replacement
- Police Voice Logger
- Data and Voice Service Restoration
- Wireless Networking Infrastructure

Human Resources

- Consultant – Continuation of leadership development/ training.
- Continuation of Wellness Program initiatives.
- Employee engagement initiatives.

Financial Management

- Reassigning contract clerical assistance to Water/Sewer Fund for proposed Automated Meter Reading (AMR) replacement program.
- Cash receipting software upgrade (MUNIS financial system) to integrate credit card processing and possible e-commerce solutions (\$30,000). (using seamless docs)

Engineering Services

- Continued integration of new Asset and Operations Management software. (cartograph)
- Added preparation of Elevation Certificates for flood plain properties to meet NFIP requirements.
- Complete bridge and culvert inspections delayed from last year.
- Purchase 6 stream level sensors to collect data for optimizing the Gary – Kehoe Flood Control Reservoir, determining bank full conditions for detention basin rehabilitations and monitoring chloride concentrations.
- Stream cleaning to remove flow obstructions. (\$25K) as needed.

Community Development

- **Building Code Adoption** – Purchase, review and prepare local amendments to the 2018 ICC series of codes and the 2017 NEC. Includes consultant assistance w/local amendments and a new codes open house (\$9,000).
- **Unified Development Ordinance (UDO)** – Begin two year project, led by CMAP (as a lower cost option to completing on our own), to update the Zoning Code (1987), Subdivision Code (1979) and Sign Code (1992), incorporating all three codes into a user-friendly UDO (\$25,000 local match paid out of FY17/18 budget).
- **Contract Property Maintenance Inspector** – Continue use of contract services for seasonal (May to September) proactive property maintenance inspections (\$14,000).
- **Economic Development** – Pursue annexation of strategic properties near or adjacent to corporate limits.

Police Department

- 2 Police Officer positions held until Oct 31.
- Crime Free Housing Coordinator position duties absorbed into new Public Information Specialist position.
- Continued significant focus on training.
- Report writing software replacement.
- Deferral of 2 squad replacements (reduced from 5 to 3 next year) (\$90K)

Public Works Department

- Facilities Technician approved in FY18
 - Vacant and frozen for now but remains in FY19 budget.
- Rehabilitation of two trucks
 - One small dump truck (\$40,500)
 - One large dump truck (\$68,000)
 - Defer one scheduled large dump truck rehab to FY20.
- Remove underground fueling system and add small above ground diesel tank for tractors and mowers.
- Replacement of floor scrubber/pressure washer.
- Replace aerator in east lake of Town Center.

NORTH AVENUE / SCHMALE ROAD TIF FUND

- TIF Structure
 - Non-monetized Village note of \$3.5M.
 - Secured by 100% of incremental property taxes + 50% of sales taxes for a period of 13 years (2027). 2 year extension (to 2029) if total principal not paid (incremental property taxes ONLY).

- Caputo's note began October 28, 2014.
- First property tax increment not received until 20 months later (June, 2016). Result has been a slow start, and interest deficiencies thru 4/30/17.
- FY18 – Interest deficiencies covered in full + \$48K of first principal payments made on the note.
- FY18 - \$491,631 paid in P&I on note through 4/30/18.
- FY19 projected principal payments = \$85K

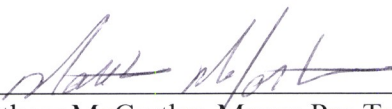
POLICE PENSION FUND

- Funding comes from three (3) sources:
 - Officer Contributions (9.91% of Base Pay)
 - Interest Earned on Investment Portfolio
 - Actuarial Contribution Made by the Village
- \$44.3 million in net assets at April 30, 2017.
 - Officer + Village Contributions covering benefits at 1:1 ratio through first 8 months of FY18.
 - \$3.0 million in new value through first 8 months of FY19. >10% annualized return.
 - Asset Value at 12/31/17 = \$47.3 million
- 61.7% funded as of April 30, 2017 vs 59.4% last year.
- Village contribution increases by \$362,227 or 17.5% in FY19 over FY18. FY19 contrib. = \$2.435M.
 - Includes reduction in interest rate assumption from 7.25% to 7.00%

The Village Board generally felt the General Fund budgets were appropriate.

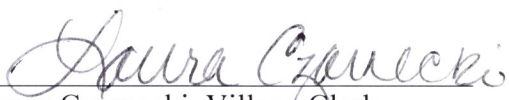
There being no further business, Trustee Frusolone moved and Trustee Hennessey made the second to adjourn the Special Board meeting. The meeting was adjourned unanimously at 7:11 p.m.

FOR THE BOARD OF TRUSTEES



 Matthew McCarthy, Mayor Pro Tem

ATTEST:



 Laura Czarnecki, Village Clerk