

Village of Carol Stream

Special Workshop Meeting of the Village Board Budget Workshop #4 – General Fund

Gregory J. Bielawski Municipal Center
500 N. Gary Avenue, Carol Stream, IL 60188
Lower Level Training Room

March 3, 2014
6:00 p.m. – 7:16 p.m.

Meeting Notes

ATTENDANCE: Mayor Frank Saverino, Sr. (absent)
Mayor Pro Tem Matt McCarthy
Trustee Greg Schwarze
Trustee Don Weiss (absent)
Trustee Mary Frusolone
Trustee Rick Gieser
Trustee John LaRocca
Village Clerk Melody

Joseph E. Breinig, Village Manager
Robert Mellor, Asst. Village Manager
Chris Oakley, Asst. to the Village Manager
James Knudsen, Dir. Engineering Services
Jon Batek, Finance Director
Phil Modaff, Dir. of Public Works
Kevin Orr, Police Chief
Caryl Rebholz, Employee Relations Dir.
Bob Glees, Community Development Dir.
Ed Sailer, Deputy Police Chief
Dan Hoffman, Deputy Police Chief
Jeff Degnan, Police Commander
Tom Miller, Police Commander
John Jungers, Police Commander

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

Present: Mayor Pro Tem McCarthy and Trustees Schwarze, Frusolone, Gieser & LaRocca
Absent: Mayor Saverino and Trustee Weiss

Proposed FY14/15 Budget - General Funds

Director of Financial Services Jon Batek and staff presented the proposed FY14/15 Budget - General Fund budgets to the Village Board. The following are the highlights of the budget presentation and discussions.

General Corporate Fund Budget FY13/14 year-end budget projection

- Current year 2013/14 adopted budget was balanced, with a surplus budgeted at \$130,000.
- Current projections indicate a surplus of \$2.3 million by year-end.
- Here's how the surplus is projected to be generated:
 - Revenues expected to finish the year \$1.8 million or 8.1% above budget.
 - Sales Taxes (+9.0%) \$ 500,000
 - Home Rule Sales Taxes (+11.5%) 368,000
 - Real Estate Transfer Tax (+80.0%) 300,000
 - Utility Taxes (Gas, Electric, +5.8%) 140,000

○ Fines & Forfeits (7.9%)	127,000
○ Video Gaming	65,000
○ Permits (+10.5%)	55,000
○ All Other	<u>259,000</u>
○ Total	<u>\$ 1,814,000</u>

- Expenditures projected to end the year \$0.4 million or 1.6% below budget.
- Year End Transfer to Capital Projects Fund estimated at \$2.0 million.

Proposed General Corporate Fund Budget FY14/15 budget summary

- FY14/15 Budget is Balanced as Proposed

○ Projected Revenues	\$ 25,025,000
○ Proposed Expenditures	<u>23,638,800</u>
○ Budgeted Surplus	\$ 1,386,200
- Revenues have rebounded and are showing better stability.
 - 11.3% growth projected over FY13/14 budgeted revenues.
 - No other tax / fee increases proposed for FY14/15.
- Total proposed FY14/15 expenditures increase by 5.8% over FY13/14.
 - Net proposed addition of 3.75 FTE new employee positions.
 - Major focus on Village Board Objectives/Goals from Oct 2013 strategic planning exercise.
- 3 Year Financial Plan shows "sustainability".
 - Slow and controlled growth.
 - Budget continues to be sustainable without a Village property tax.

Proposed General Corporate Fund Expenditures by Type Fiscal Year 14/15 Beginning May 1, 2014

Total Proposed = \$23,638,800
 Salaries & Wages \$17,132,826 (72%)
 Contractual Services \$5,083,860 (21%)
 Capital Outlay \$864,360 (4%)
 Commodities \$557,754 (2%)

Draft General Corporate Fund Budget Expenditures FY14/15 Proposed Compared to FY13/14 Adopted

	Actual FY12/13	Adopted Budget FY13/14	Estimated FY13/14	Proposed Budget FY14/15	FY14/15 proposed to FY13/14 Budget	
Salaries & Wages						
Personal Services	\$ 9,986,852	\$ 10,202,025	\$ 10,399,845	\$ 10,994,775	792,750	7.8%
Overtime	722,285	807,950	803,815	797,700	(10,250)	-1.3%
Group Insurance	1,718,687	1,769,487	1,714,440	1,718,120	(51,367)	-2.9%
IMRF	698,647	700,124	706,335	746,977	46,853	6.7%
FICA	766,542	775,141	803,326	833,508	58,367	7.5%
WC/Unemp. Ins.	272,147	341,056	310,304	389,916	48,860	14.3%
Police Pension	<u>1,474,398</u>	<u>1,551,754</u>	<u>1,551,754</u>	<u>1,651,830</u>	<u>100,076</u>	6.4%
Total Salaries & Wages	15,639,558	16,147,537	16,289,819	17,132,826	985,289	6.1%
Contractual Services	4,493,938	5,370,330	4,738,261	5,083,860	(286,470)	-5.3%
Commodities	235,975	388,558	399,504	557,754	169,196	43.5%
Capital Outlay	<u>537,631</u>	<u>438,575</u>	<u>553,679</u>	<u>864,360</u>	<u>425,785</u>	97.1%
Total	<u>\$ 20,907,102</u>	<u>\$ 22,345,000</u>	<u>\$ 21,981,263</u>	<u>\$ 23,638,800</u>	<u>\$ 1,293,800</u>	5.8%

Although there has been considerable overtime in the Public Works Department due to snow clearing efforts this winter, there has been a corresponding decrease in overtime in other department, primarily in the Police Department.

The decline in Group Health Insurance is the result of plan changes and the elimination of the Preferred Provider option (PPO).

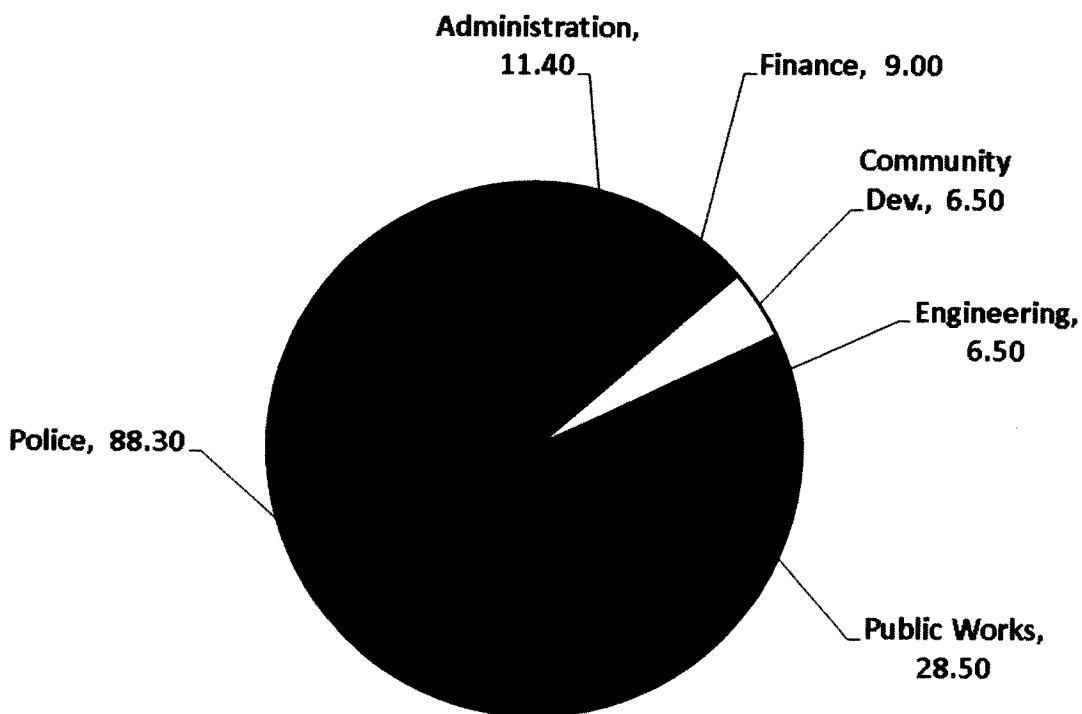
The Personal Services line item increase includes 3 ½ additional employees.

The decrease in Contractual Services is primarily the result of a decrease in the number of Ash trees removals from Emerald Ash borer infestation.

The increase in Commodities is primarily due to the increase in road salt purchase due to excessive snow this winter.

The Police Pension Fund exceeds \$35M in assets and is funded 100% year to year.

Proposed Regular Employee Staffing By Department Fiscal Year 14/15 Beginning May 1, 2014



- Administration includes Village Manager's Office, Information Systems, Municipal Building, Employee Relations and Village Clerk.
- Total Proposed Employees = 150.20

Changes in Proposed Village Staffing FY 14/15

FY13/14 Authorized Positions	146.45
• Finance	
➤ - PT Admin. Secretary Position (retirement)	(0.75)
• Engineering Services	

➤ + Civil Engineer II	1.00
• Public Works	
➤ - Assistant PW Director (vacant)	(1.00)
➤ + Management Analyst	1.00
➤ - PT Secretary (promotion)	(0.50)
➤ + Office Manager	1.00
• Police Department	
➤ + Police Officer (SOU)	1.00
➤ + RCFL Investigator	1.00
➤ + Crime Free Housing Coordinator	1.00
Proposed FY14/15 Authorized Staffing	150.20
Net Change from FY13/14	3.75
% Change from FY13/14	2.6%

Proposed Regular Employee Staffing By Department Fiscal Year 14/15 Beginning May 1, 2014

	FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15
Totals	170.20	162.70	150.95	143.50	142.88	146.45	150.20
% Change		-4.4%	-7.2%	-4.9%	-0.4%	2.5%	2.6%
5 Yr. Change							-11.8%

General Fund Budget Department Highlights

• **Administration**

- **Legislative Board** – Major expenditures include Meetings, Dues & Subscriptions (DuPage Mayors & Managers Conference), and the Audit.
- **Village Clerk** – Major expenditures include regular Village Code updates.
- **Administration**
 - Merged Management Services into Administration (Information Systems remains separate).
 - Consulting services to review Risk Management options.
- **Information Systems**
 - Maintenance costs for agenda management software included.
 - Expanded GIS services (NIU Intern). Consulting services to facilitate needs analysis and develop a plan for the future.
 - Telephone and voice mail upgrades planned.
 - Village Board Room A/V upgrades (partially grant funded).
- **Municipal Building**
 - Town Center light pole painting.
 - New Christmas tree (Town Center).
 - Municipal Center parking lot repairs.
 - Server room A/C upgrade/replacement.
 - Farmhouse siding repair/painting.
 - Cleaning Service – 3 to 5 days/wk.
 - Municipal Center Renovations
 - 10+ years since any significant updates/renovations.
 - Carpet, tile, restrooms, painting, entryways.
 - \$250,000 set aside in each of next 3 years. (if needed)
 - **Town Center**
 - Continued level of Thursday concert programming.
 - Expanded 4th of July Fireworks contribution (Joe Cotton donation).

- **Employee Relations**

- Supervisory/Managerial Training Program – Training was scaled back during the economic recession but is proposed to be modestly increased in the coming years.
- Additional funds budgeted in FY15/16 and FY16/17.
- Hiring line item increased to accommodate Police Chief recruitment. – Trustee Schwarze asked what this line item means. This line item includes the cost of a consultant to assist with the pending Police Chief recruitment. Trustee Frusolone asked whether this was a place holder in the event we need to go outside for a new Police Chief. Manager Breinig stated this leaves the door open for us to do that.
- Human resources software implementation.
- Consulting assistance to facilitate VB goal related to development of organizational culture/values project.
- Increase in well-being initiatives.

- **Financial Management**

- Overall 2.8% budget decrease from FY13/14.
- Decrease in staffing FTE of .75 (30 hours per week) Due to a retirement
- Administrative Secretary position (2013 retirement).
- Overtime increase for vehicle stickers.
- Financial system and utility billing software upgrades.
- Peer community financial update and revenue stability goal project.

- **Engineering Services**

- Add Civil Engineer II position – An increase in staff from 5 ½ to 6 ½ employees
- Assuming project management lead on:
 - Pavement patching.
 - Pavement marking.
 - Streetlight replacement program.
- Continued focus on Village infrastructure needs and key role in developing future GIS functionality.

- **Community Development**

- Implementation of web-based software solution for Development Services and Code Enforcement programs.
- Expansion of PT Seasonal Property Maintenance program to full-year activity – Will now include commercial/industrial properties
- Assessment of Economic Development initiatives.
- Comprehensive Plan.

- **Police Department**

- 3 New FT Positions Requested
- Police Officer (SOU)
 - Assigned to DEA Taskforce and picked by the Drug Enforcement Agency
 - 3 Year commitment – The Village would receive preferential treatment on DEA cases by virtue of our participation in this program.
 - OT and operating expenses paid by DEA (vehicle & cell phone)
 - Delivers expanded resources for large-scale drug investigations to Carol Stream
 - Carol Stream receives percentage of Taskforce seized funds
- RCFL Investigator
 - (Regional Computer Forensics Laboratory)
 - Civilian position trained and assigned to DOJ/FBI offices in Chicago.
 - 3 year commitment.
 - Our employee to receive specialized training in digital evidence, expanding department's skill set.

- Equipment, vehicle, gas, OT, monthly allowance, cellphone all provided by FBI (Village pays for base salary)
- Carol Stream gets priority on local investigations.
- Crime-Free Housing Coordinator
 - Civilian position – Point of contact with apartment managers who will track licenses and violations, identify rental units and create a database (5-7 month to setup).
 - PD to develop license ordinance and fee – Typically \$100/complex
 - Public information campaign for resident, apartment managers and homeowners.
 - Training to be coordinated by PD with apartment managers and homeowners.
 - Software to track licensees – Approximately \$500 to purchase the software
- EOC Improvement Grant (\$150,000) – To Fire Station #28, the Village's primary Emergency Operating Center
- The Police Department is currently down 2 Police Officers.

Public Works Department

- Department FY13/14 reorganization fully implemented by 5/1/14.
 - Garage Supervisor
 - Office Manager (new position)
 - Management Analyst (new position)
 - Supervisory training and development departmental strategic planning.
 - Expanded focus on:
 - Employee Safety Programs (Management Analyst)
 - Public Information (Management Analyst)
 - Training and Development
 - Budget Monitoring and Coordinated Purchasing (Office Manager)
 - Program Evaluation
- Snow & Ice
 - Experience in the winter of 2013-14 with limited salt supplies, coupled with IEPA demands for chloride reduction in waterway will lead to review of salting strategies prior to winter of 2014-15.
 - Rehabilitation of large dump truck (#67) rather than replacement – Rather than replace a vehicle that only has 25,000 miles staff would spend \$40K - \$50K to rehabilitate the existing vehicle versus spending \$120K - \$140K on a new vehicle.
- Street Maintenance
 - Expansion of sidewalk repair program – We would bring in a contractor 5-6/year versus 1-2/year for sidewalk raising projects and use our 6 employees trained to replace sidewalk squares where needed.
 - Skid steer and backhoe (#26) will be rehabilitated rather than replaced. Work will include replacement of hydraulic equipment, repair of controls, recoating of all equipment and interior cab.
- Signs & Lights
 - Phase III of the LED replacement program (CIP) will be completed in the Western Trails subdivision. The Village has over 1,700 street lights.
 - Year 3 of a 4 year sign upgrade will be completed to meet Federal requirements for retro-reflectivity.
- Buildings & Grounds
 - Public Works Center Improvements
 - Replacement of material storage bins
 - Replacement of security gate
 - Replacement of locker room sink and install electric hand dryers
 - Lightning detector (Town Center) with newer technology

- Storm Water Management
 - Work with Engineering to complete GIS layer for storm water & sanitary sewer infrastructure
- Parkway Trees
 - Complete EAB removal work (about 150 trees)
 - Remove an additional 150 trees (non-EAB) which are dead or diseased
 - Plant 1,200 replacement trees (600 spring, 600 fall 2014)
- Municipal Garage
 - A consultant will inspect and review the fuel storage and delivery system to provide a condition assessment and establish a replacement plan (current tanks are more than 25 years old)
 - Install a new floor surface in the mechanic's garage

Transfers & Agreements


- Lowes sales tax rebates conclude by April 30 – Village currently receives the 1st \$100K and 70% over \$100K thereafter. We would keep 100% of sales tax when rebate agreement expires.
- Zones rebates enter year 3 of 10.
- Sales tax transfers (50%) to North/Schmale TIF expected to begin with opening of Caputo's.

Another Looming Threat from Springfield

- Proposals beginning to circulate regarding possible threats to State Shared revenues.
- HB 4479 Decrease in Corporate Income Tax rate
 - From 7.0% to 3.5% retroactive to 1/1/14.
 - FY14/15 possible impact = \$9 per capita or \$357,000
 - FY15/16 possible impact = \$7 per capital or \$278,000
- SB3449 Transfer \$250 million from LGDF to Schools
 - To occur from August 1, 2014 to August 1, 2015.
 - Estimated impact = \$20 per capita = \$794,000 over FY14/15 and FY15/16.
- We will continue to monitor and report back to the Village Board if these bills or others progress.
- **Friday, March 21, 2014**
 - Distribution of Draft Budget Document to Village Board
 - Availability of Draft Budget for Public Review
 - Clerk's Office
 - Carol Stream Library
 - Village Website
- **Monday, April 7, 2014**
 - Budget Public Hearing and subsequent Adoption

There being no other business, Trustee LaRocca moved and Trustee Schwarze made the second to adjourn the Special Workshop meeting of the Village Board at 7:16 p.m. The motion to adjourn was unanimous.

FOR THE BOARD OF TRUSTEES



 Matt McCarthy, Mayor Pro Tem



 Beth Melody, Village Clerk

Minutes approved by the President and Board of Trustees on this

17th day of March, 2014.

Beth Malady
Village Clerk