

# Village of Carol Stream

## Special Meeting of the Village Board Carol Stream Financial Profile and Peer Comparison

Gregory J. Bielawski Municipal Center  
500 N. Gary Avenue, Carol Stream, IL 60188

October 6, 2014  
6:00 p.m. – 7:15 p.m.

### Meeting Notes

#### ATTENDANCE:

Mayor Frank Saverino, Sr.  
Trustee Matt McCarthy  
Trustee Mary Frusolone  
Trustee Rick Gieser  
Trustee John LaRocca  
Clerk Beth Melody

Joseph E. Breinig, Village Manager  
Robert Mellor, Asst. Village Manager  
Chris Oakley, Asst. to the Village Manager  
Ed Sailer, Acting Chief of Police  
James Knudsen, Dir. Engineering Services  
Robert Glees, Dir. of Community Dev.  
Jon Batek, Finance Director  
Phil Modaff, Director of Public Works  
Caryl Rebholz, Dir. of Employee Relations  
Tom Miller, Commander, Police Dept.  
John Jungers, Commander, Police Dept.

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

Present: Mayor Saverino, Trustees LaRocca, Gieser, Frusolone, and McCarthy

Absent: Trustee Weiss and Schwarze

### Carol Stream Financial Profile and Peer Comparison

Finance Director Jon Batek presented a powerpoint presentation on the Village of Carol Stream Financial Profile and Peer Comparison which consisted of the following:

#### INTRODUCTION & EXECUTIVE SUMMARY

Finance Director Batek commented that the Financial Profile and Peer Comparison Workshop is not intended to say why we are better or worse than comparable communities, but as a comparison of how we and our peers have come out of the recession. Nine (9) peer communities were used for comparison based on selected criteria.

- *Purpose*

Information presented on demographics, revenues, expenditures, financial results and financial position

Framework for understanding Carol Stream's financial performance in the context of:

Historical results

Peer performance

Basis for establishing guideposts for future planning and decision making

Communications tool to aid public discussion

- ***Scope***

Includes activities of all Governmental Fund types

i.e. Those functions traditionally funded by general taxation.

General Fund, MFT and Capital Projects Fund, TIF Funds

Excludes enterprise operations

i.e. Those functions primarily supported by user fees

Water/Sewer Utilities

Golf Courses

Parking Systems

Update of previous analysis presented in February 2011 which used data primarily from FY2010

Current look 3 years later using financial data from FY2013 (most currently available)

Identification of any changing trends

A refreshed view of financial data and indicators as we emerge from the Great Recession

Source data derived from audited financial statements (CAFRs), budgets, US Census Bureau, County data.

- ***General Observations***

Carol Stream fits well in the selected peer group in terms of its size and demographics (population, area, income, home values) which forms a good basis for making comparisons.

The composition of property values in CS are slightly more commercial/industrial in nature when compared to the mean of the peer group.

Long-term property assessed values in CS have generally grown more slowly than most in the peer group

- ***Village Revenues***

Finance Director Batek stated in 2010 was the Village of Carol Stream's lowest point in revenue collections. Eighty percent (80%) of the Village of Carol Stream's property tax bill attributed towards schools.

From a long-term perspective, Carol Stream's average annual governmental revenue growth over the past 10 years is the slowest among the peer communities. Revenues generated on a per capita basis are also at the low end of the peer group. While this has presented challenges for Carol Stream in the past, from the taxpayer's perspective, the Village can provide quality core services at costs which are lower compared to our peers.

Considering a shorter-term perspective, Carol Stream's recovery in total governmental fund revenues following the Great Recession (since 2010) is among the leaders in the peer group.

Carol Stream remains unique in that its lack of a property tax increases its vulnerability to economic downturn.

- ***Village Revenues-Property Tax***

Carol Stream is singularly unique among the peer group in that it does not impose a local municipal property tax. Property tax revenues generated by peers ranged from \$50 to \$401 per capita in FY2013.

Property taxes are a significant source of income within the peer group, averaging 31% of total governmental tax revenues.

Considering total community property tax rate, Carol Stream falls in the middle, having a Village-wide rate about 2.7% below the peer average. This is slightly lower when compared to the FY10 study.

- ***Village Revenues-Sales Tax***

9 out of 10 peer communities impose some form of home rule sales tax. Carol Stream remains competitive with peers and surrounding communities with respect to total sales tax rate.

Carol Stream's local sales taxes per capita fall slightly below the average of the peer group and is in the lower 1/3 when considering revenues per value of commercial/industrial EAV.

The FY2010 study showed that Carol Stream consistently ranked in the bottom 1/3 of the peer group in terms of growth in sales taxes, both long and short-term. This has improved significantly. The FY2013 review shows that Carol Stream ranked 9th of 10 for 1 year and 4 year increase in sales tax revenues. This is attributable to both rate increase and growth.

- ***Village Expenditures***

Similar to its low revenue production per capita, Carol Stream ranked among the leanest spenders over the long-term, with average annual spending increasing by 3.1%, which is 24% below the mean value of 4.1%.

Governmental expenditures on a per capita basis ranked 3rd lowest out of 10, 19% below the average value of \$781 per capita.

Further supporting its lean spending, Carol Stream's total staff to population ratio also ranks among the lowest, ranking 3rd lowest of the 10 communities studied.

General Government Employees = 2nd lowest of 10

Police Department Employees = 7th of 10 (slightly above the average)

Public Works Employees = 1st of 10 (LOWEST)

- ***Long-Term Liabilities & Fund Balances Pensions***

Carol Stream has responsibly funded its pension obligations over the years as evidenced by its funded ratio of 70.9% (police), which ranks 9th of 10 in the peer group. IMRF ranked only 3rd of 10 in funded ratio, however the Village has consistently met its funding obligations.

Funded status remains below that of 5 years ago for all communities in the peer group.

Total unfunded pension liabilities on a per capita basis shows Carol Stream having the 2nd to lowest obligation.

On a per capita basis, Carol Stream's annual pension costs are 3rd lowest.

- ***Long-Term Liabilities & Fund Balances Debt***

Carol Stream is unique among the peer group in that it has no outstanding general obligation debt.

- ***Fund Balances***

Total Governmental Fund Balances are at 64% of total expenditures at the conclusion of FY2013.

Carol Stream ranks 9th of 10 in highest total fund balances per capita and as a percentage of total expenditures. This is important as Carol Stream is the only community which funds all programs on a pay-as-you-go basis.

## **PEER COMMUNITIES**

- ***Selection Criteria***

Population, Footprint, EAV, Demographics

Included in labor market comparisons

Often considered along with Carol Stream by new home buyers

- ***Nine Peers Selected***

(All are Home Rule communities)

Addison

Bartlett\*

Bloomington

Glendale Heights

Hanover Park\*

Streamwood

Wheaton

Wheeling\*

Woodridge\*

(\* Multi-County)

- ***Peer Comparisons Can Be Tricky***

Different sizes

Different service offerings

Municipal Fire Departments in Hanover Park, Streamwood, Wheaton, Wheeling

Parks & Recreation included in Glendale Heights

Varying accounting practices, fund and department structures

Different mix of residential and commercial property

Different methods for calculating property taxes

Different real estate values

Different fiscal periods

## **GENERAL DEMOGRAPHIC INFORMATION**

A summary of charts presented include:

Population

Footprint-square miles

Median Family Income

Median Home Value-owner occupied

Total Equalized Assessed Value (EAV) 2012-in billions

Average Annual Growth in EAV 2003-2012

Residential Property % of total EAV 2012

## **REVENUE**

A summary of charts presented include:

Key Revenue Matrix-4/30/13

Average Annual Revenue Growth-FY2004 to FY2013

3 Year Change in Total Revenues-FY2010 to FY2013

Governmental Fund Revenues per capita FY2013

Governmental Fund Revenues per capita (adjusted)-FY2013

All Governmental Fund Revenues by Type-FY15

Governmental Fund Tax Revenues by Type-FY15

Estimated Municipal Property Tax Bill \$248,100 Home Market Value

Property Tax as a % of Total Governmental Revenues-FY2013

Total 2012 Community Property Tax Rate

Estimated Total Property Tax Bill \$248,100 Home Market Value  
State Income Tax as a % of Total Governmental Revenues-FY2013  
Current Sales Tax Rates as of April 30, 2013  
Sales Tax as a % of Total Governmental Revenues-FY2013  
Sales Tax Revenue per capita-Calendar Year 2013  
Sales Tax Revenues-1 year change-CY 2012 to 2013  
Sales Tax Revenues 4 year change –CY 2009-2013  
Sales Tax Revenue per \$100 of Commercial/Ind. Property assessed value-Calendar Year 2013;

## **EXPENDITURES**

### ***• Expenditure Categories***

General Government

Village Management, Finance, HR, IT, Legal, Planning & Development, Building Maint., and all others not included elsewhere.

Police

Public Works (operations [including Engineering], capital spending and debt service)

(Non-comparable services were excluded where relevant/feasible)

A summary of charts presented include:

Average Annual Expenditure Growth FY2004 to FY2013

Total Expenditures per capita FY2013

General Government Expenditures per capita FY2013

Police Expenditures per capita FY2013

Public Works/Capital/Debt-Expenditures per capita FY2013

## **LONG-TERM LIABILITIES AND FUND BALANCES**

A summary of charts presented include:

Police Pension Funding Status FY2013

IMRF Funding Status FY2013

Change in Pension Funding Status FY2013 vs 5 years ago

Pension Fund Liability (UAAL) per capita FY2013

Net Police Pension Obligation (asset) FY2013

Required Pension Contributions per capita FY2013

General Obligation Debt per capita FY2013

GO Debt to Equity (fund balance) FY2013

Fund Balance per capita FY2013

Unreserved Fund Balances as a % of Total Expenditures-FY2013

## **STAFFING**

A summary of charts presented include:

Total Employee per 1,000 Residents FY2015

General Government Employees per 1,000 residents-FY2015

Police Department Employees per 1,000 Residents-FY2015

Public Works Employees per 1,000 Residents-FY2015.

## **SUMMARY RECAP**

The Village provides service to the community in an efficient manner and at an excellent value to residents (no property tax!, no debt!), and in most cases, at a lower cost than peer group communities.

Carol Stream has emerged from the Great Recession in as good, if not better, financial condition than in FY2010.

Recovery in Carol Stream's governmental fund revenues, particularly sales tax generation has been more pronounced than many of its peer communities.

Reserve balances continue to be strong, and are near the healthiest compared to our peers on both a per capita basis and as a percentage of annual expenditures.

The Village continues to responsibly meet its long-term pension obligations without funding holidays.

Village staffing levels are among the leanest among the peer group while still meeting the needs of the community.

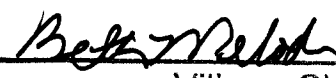
There being no further business, a motion was made by Trustee McCarthy and seconded by Trustee Frusolone to adjourn the Special Board meeting. The meeting was adjourned unanimously at 7:15 p.m.

FOR THE BOARD OF TRUSTEES

  
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Frank Saverino, Sr., Mayor

  
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Beth Melody, Village Clerk

Minutes approved by the President and Board of Trustees on this  
20<sup>th</sup> day of October, 2014.

  
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Village Clerk