

Village of Carol Stream

Special Meeting of the Village Board Budget Workshop #2 – General Fund

Gregory J. Bielawski Municipal Center
500 N. Gary Avenue, Carol Stream, IL 60188
February 19, 2013
6:00 p.m. – 6:55 p.m.

Meeting Notes

ATTENDANCE: Mayor Frank Saverino, Sr.
Trustee Matt McCarthy
Trustee Greg Schwarze
Trustee Tony Manzzullo
Trustee Mary Frusolone
Clerk Beth Melody
Trustee Don Weiss (Absent)
Trustee Pam Fenner (Absent)

Joseph E. Breinig, Village Manager
Robert Mellor, Asst. Village Manager
Chris Oakley, Asst. to the Village Manager
Phil Modaff, Dir. of Public Works
James Knudsen, Dir. Engineering Services
Robert Glees, Dir. of Community Dev.
Jon Batek, Finance Director
Kevin Orr, Police Chief
Caryl Rebholz, Employee Relations Dir.
Ed Sailer, Deputy Police Chief
Dawn Damolaris, Assistant Finance Dir.
Don Bastian, Asst. Dir. of Community Dev.

The meeting was called to order 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 McCarthy, Schwarze, Frusolone & Manzzullo
Absent: Trustees Weiss and Fenner

General Fund Budget

Director of Financial Services Jon Batek presented a summary of the Fiscal Year 2013 Budget year end projections and proposed Fiscal Year 2014 General Corporate Fund budget outlook. The following is a summary of the items discussed at this meeting:

Fiscal Year 2013 Year End Projection

- The Village Board adopted a balanced Fiscal Year 2013 Budget with projected revenues equaling expenditures of \$20,785,000.
- Current budget estimates project a surplus of approximately \$1.3 million by 4/30/13.
- The surplus is largely attributable to good performance in our two largest revenue sources (sales tax and income tax).

Fiscal Year 2013 Revenue Review

- Good news - Fiscal Year 2013 estimated revenues are projected to be \$1.1 million or 5.1% above budget. Why?
 - Largest 2 Revenues make up 52% of total.

- Sales Tax Revenues 5.5% above budget partly due to influx (6 months) of Zones sales tax revenue
 - Income Tax Revenues 13.7% above budget even with a lower per capita population
 - Better than last year - Performance is positive and nearly the same as last year, but gains this year are more directly attributable to economic growth as opposed to more “incidental” in nature as we saw last year with spikes in real estate transfer tax revenues.
 - Positive revenue growth in Fiscal Year 2013 is a key contributor (83%) to the projected 4/30/13 budget surplus.
- A history of sales and income tax revenues from Fiscal Year 2008 to Fiscal Year 2013 was reviewed showing increases in sales tax revenue beginning in Fiscal Year 2011 and increases in income tax revenue beginning in Fiscal Year 2012.
 - Estimated revenues and expenditures were reviewed for Fiscal Year ending 2013.

Fiscal Year 2013 YEAR-END BUDGET PROJECTION

Changes in Total Expenditures

- Fiscal Year 2013 estimated expenditures are projected to be 5.3% (\$1.035M) ahead of Fiscal Year 2012 actual expenditures and below Fiscal Year 2013 budget by 1.0%.
- Salaries & Wages are \$252,055 ahead of Fiscal Year 2012, driven by health and pension costs
- Contractual Services are \$657,384 ahead of Fiscal Year 2012 partly due to the following:
 - Emerald Ash Borer +\$252K
 - Contract Street Sweeping +85K
 - Mowing Contract Enhancement +60K
 - New Sales Tax Sharing Agreement +180K
- Capital \$145,838 ahead of Fiscal Year 2012 partly due to:
 - Timing of Scheduled Vehicle Replacements

Personnel Expenditures

- Gross Salaries (Personal Services) are lower than actual Fiscal Year 2012 expenditures due to:
 - Reorganization of Public Works Department
 - Retirements (replacing higher salary positions with more modest salaries and leaving some positions vacant)
 - Replacement full time with part time positions where able
 - Temporary Vacancies
- This is the 3rd consecutive year where Personal Services spending has declined
- Fiscal Year 2013 estimate of 9.6% or \$1,000,000 below Fiscal Year 2010 Actual Expenditures resulting from 20 fewer Full Time Equivalent positions
- Staffing headcount as low as we are likely to see and staffing enhancements will be proposed in the Fiscal Year 2014 Budget

New Year Fiscal Year 2014 Budget “Primer”

- The Village is turning a corner on economic recovery
- A balanced General Fund Budget will be presented
- First credible signs of potential for continued economic growth are being seen in Sales and Income Tax
- Fiscal Year 2014 sales tax revenues are projected to increase 6.3% and 5.9% for income tax revenues
- It has taken 6 years for the Village to recover from the great recession

- Some modest increases in organizational staffing will be proposed to address increased activity.
- Health Insurance – We are projecting no increase from Fiscal Year 2013 Budget
- Fiscal Year 2014 will be our largest investment ever in the Parkway Tree Program at over \$500,000 as Emerald Ash Borer tree removal and reforestation efforts hit the “top of the curve”.
- Opportunity now exists to complete some previously deferred items and aging equipment:
 - Comprehensive Plan (current Plan is over 30 years old)
 - Copiers
 - Live-scan Digital Fingerprinting Replacement
 - Customer-service upgrades (Finance and Community Development Department customer service area building modifications)
- New Tax Increment Financing Activity/Rebate Agreement begins.
- Motor Fuel Tax – Shifting some traditional MFT expenditures to the General Corporate Fund to eliminate bookkeeping and administrative difficulties (operating expenditures like salt and street light electricity versus capital improvements such as road projects which would remain in the MFT Fund).
- Alternate Revenue Proposal?
 - Discussion of replacing the Vehicle Sticker with an equivalent fee on the water and sewer bill. Growing trend in municipalities to eliminate the vehicle sticker (less than 1 in 3 DuPage County municipalities still have a vehicle sticker). Vehicle stickers are the most inefficient Village revenue stream, is distasteful to residents and difficult and time consuming to administer and enforce. The circuit court has also informed us that they will not issue warrants for vehicle sticker violations. Trustee McCarthy requested to know the amount of fine revenues the Village collects on vehicle sticker violations. Placing a surcharge on the water bill to raise approximately \$435,000 previously collected from vehicle sticker revenues could be implemented to fund General Corporate Fund operations and would be more efficient and free staff to do other jobs. The Finance Department could eliminate approximately \$40,000 in hard, non-labor costs of printing, postage, envelopes, stickers, etc. The Village Board questioned the equity of a vehicle sticker revenue source versus a replacement revenue placed on the water sewer bill and questioned whether the amount senior citizens would pay would be more or less than the current \$3 senior vehicle sticker. Staff was directed to prepare a recommendation for Village Board review.

Next Steps

- Monday March 4, 2013
 - 6:00 pm Special Village Board Workshop
 - FY13/14 Draft Budget Presentation – Part 1
 - General Fund
 - Alternate Revenue Discussion
- Monday, March 18, 2013
 - 6:00 pm Special Village Board Workshop
 - FY13/14 Draft Budget Presentation – Part 2
 - All Other Funds
 - Capital Improvement Program
- Monday, April 1, 2013
 - 6:00 pm Special Village Board Workshop
 - TENTATIVE – ONLY IF NEEDED
- Monday April 15, 2013, 2013
 - 8:00 pm Village Board Workshop
 - Budget Public Hearing
 - Budget Adoption
- May 1, 2013

• FY13/14 Begins

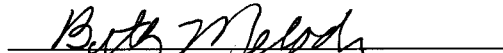
Consideration of an Increase in the Development Services Fee as Part of an Update to the Building Permit Fee Schedule

Staff is recommending that the Development Services Fee be increased by 10% from \$5.10 to \$5.61 per \$1,000 of project cost. The fee has remained unchanged since 1996. The Village Board concurred with the modest fee increase of \$.51/\$1,000 project cost and staff will incorporate the new fee amount into the updated fee schedule to be brought forward in April and go into effect on May 1, 2013.

There being no further business, a motion was made by Trustee Manzullo and seconded by Trustee McCarthy to adjourn the Special Board meeting. The meeting was adjourned unanimously at 7:25 p.m.


FOR THE BOARD OF TRUSTEES


Frank Saverino, Sr., Mayor


Beth Melody, Village Clerk

Minutes approved by the President and Board of Trustees on this

4th day of March, 2013.


Village Clerk