

Village of Carol Stream

Special Meeting of the Village Board

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

January 17, 2012
6:00 p.m. – 7:17 p.m.

Meeting Notes

ATTENDANCE: Mayor Pro Tem Pam Fenner

Trustee Matt McCarthy

Trustee Tony Manzullo

Trustee Don Weiss

Trustee Greg Schwarze

Trustee Mary Frusolone

Clerk Beth Melody

Mayor Frank Saverino Sr. (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

Ed Sailer, Acting Police Chief

Robert Glees, Dir. of Community Dev.

Jon Batek, Finance Director

Caryl Rebholz, Employee Relations Dir.

The meeting was called to order by Mayor Pro Tem Fenner and the roll call read. The results of the roll call vote were as follows:

Present: Mayor Pro Tem Fenner, Trustees McCarthy, Schwarze, Weiss, Frusolone and Manzullo

Absent: Mayor Saverino

The following is a summary of the items discussed at this meeting:

REPORT ON CURRENT FISCAL YEAR 2012 BUDGET AND YEAR END PROJECTION

Finance Director Batek reviewed a Power Point Presentation on the fiscal year 2012 budget and year end projections, fiscal year 2013 budget planning and fiscal year 2013 reserve policy. The following are highlights of the presentation and discussions:

- The Fiscal Year 2012 General Corporate Fund year end projection of net revenues and expenditures is estimated to be + \$1,295,614.
- The surplus is largely attributable to some sizable “one-time” revenues and limiting expenditure growth to approx. 1.7% over FY11 actual expenditures.
- Total expenditures are projected to be 1.7% below the FY 2012 Budget and revenues are projected to be .7% above the FY 2011 budget showing no real growth in revenues.
- The adopted FY 2012 Budget anticipated use of reserves of \$135,000.
- Revenues for the next 3 years are forecasted to grow less than 1% annually.
- Key revenue (constituting 80% of the FY 2012 budgeted General Fund revenues) changes for FY 2012 estimated versus FY 2011 actual are:
 - **Sales Tax +1.2%**
 - **Income Tax -4.0%**
 - **Home Rule Sales +12.6% (first full year of collections)**
 - **Utility Tax – Electric -1.5%**
 - **Utility Tax – Telecom- 1.5%**
 - **Ordinance/Court Fines- 14.5%**

- **Utility & Gas Tax +4.6%**
- FY 2012 estimated revenues are \$1.1 million or 5.4% above budget. This is because:
 - We do not budget revenues we cannot reasonably expect to receive.
 - Booming year for significant commercial real estate transfer tax transactions (project \$450,000 over budget. 13 commercial sales YTD > \$1 million. (We generally consider these “one-time” occurrences).
 - First full year of increased home rule sales tax is higher than anticipated (by \$191,000). Anticipate this to roll forward into new FY13 budget.
 - Good revenue experience in FY 2012 is key contributor to projected 4/30/12 budget surplus.
- **FY 2012 Expenditure Projections**
 - FY 2012 estimated expenditures projected to be 1.7% ahead of FY 2011 actual expenditures and below FY 2012 budget by 1.7%.
 - Payroll savings continue compared to FY 2011 and against FY 2012 budget, even after voluntary separation program in 2010.
 - Reorganization of Administration Department.
 - Holding position vacancies where able.
 - Deployment of par time, non-benefit positions where able.
 - 1.7% increase in total expenditures over FY 2011 due to needed vehicle replacements completed in FY 2012.
- **FY 2012 Personnel Costs**
 - Personnel costs make up more than 75% of FY 2012 budgeted expenditures.
 - Payroll salaries for FY 2012 projected to end the year 3.9% below FY 2011 and 10.7% below FY 2010.
 - Health insurance continues to trend upward at 10.5% over FY 2011.
 - Police Pension contributions are up 14.1% over FY 2011.
 - Total salaries, including benefits are down 0.5% over FY 2011.
- **FY 2013 Budget – Planning Update**
 - **November** - 5 Year departmental planning forecasts have been prepared and reviewed.
 - **December** - Preparation and submission of departmental budget requests to budget team. First round of budget review meetings completed.
 - **January** - First round of revenue projections for FY 2013 completed.
 - FY13 projected revenues are 4.0% above FY 2012 budget.
 - Departmental budget expenditure requests exceed FY 2013 forecast of available revenues, necessitating cutbacks to requested programs to close gap and balance the budget.
 - We believe this gap will be manageable.
 - Follow-up meetings to be scheduled with operating departments to balance the budget.
- **FY13 Fiscal Policy Discussion**
 - Brief Review of Existing Policies
 - Proposed Changes to:
 - Enhance Clarity - Operating vs. Capital Reserves
 - Improve Transparency and Accountability
 - Increase Reporting
 - Budget Document
 - Quarterly Financial Updates
 - Monthly Treasurer’s Report
 - The following timeline will be used prior to adoption the FY 2013 Budget:
 - Updated recommended policy text (March)
 - Absorb Water/Sewer Replacement Fund into Water/Sewer Capital Reserves
 - Expanded presentation of Water/Sewer Capital Reserves

- Closure of Water/Sewer Revolving Loan Program

Trustee McCarthy suggested possibly lowering operating reserve levels from 6 months to 5 months. Manager Breinig stated that we need to do a thorough review of all reserves and that the money is not liquid. Finance Director Batek stated the purpose of the review was to clarify the reserve policy.

- **Next Steps**

- Monday January 30, 2012 6:00 pm - Special Village Board Workshop:
 - **Capital Improvement Plan**
 - **Community Development Code Enforcement Initiatives**
- Monday, February 6, 2012 6:00 pm – Special Village Board Workshop
 - **FY13 Draft Budget Presentation – Part 1**
- Tuesday, February 21, 2012 6:00 pm - Special Village Board Workshop
 - **FY13 Draft Budget Presentation – Part 2**
- March
 - **Reserved for Document Preparation.**
 - **Distribution of Draft Budget to Village Board, for public inspection and web site by March 16, 2012.**
- Monday, April 2, 2012
 - **Budget Public Hearing**
- May 1, 2012
 - **FY13 Begins**

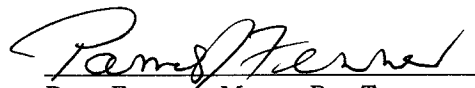
Other Business:

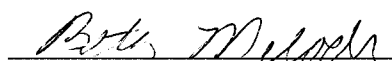
Trustee Schwarze suggested the Board needs to discuss Shop Carol Stream. Since the program has been posted on the Village website and promoted to local businesses recruiting businesses “has hit a wall”. He suggested Trustees need to be more active and help knocking on doors to recruit businesses. He stated Assistant to the Village Manager Oakley has done a good job thus far and spends approximately 4 hours/month on the program. Trustee Schwarze stated he would start recruiting businesses with Chris to get the program started. Trustees McCarthy and Weiss stated they supported additional Village Board and staff involvement to promote the Shop Carol Stream program. Trustee Manzzullo suggested setting up a table at Chamber of Commerce functions to promote the program. Manager Breinig stated that the Chamber also promoted non-Carol Stream businesses and stated it makes a difference when the Village Board personally meets with businesses to promote a program or solicit donations for the concert series.

The Village Board concurred to allow Trustee Schwarze and Assistant to the Village Manager Oakley to promote the Shop Carol Stream coupon program to Village of Carol Stream businesses.

There being no further business, a motion was made by Trustee Schwarze and seconded by Trustee McCarthy to adjourn the Special Board meeting. The meeting was adjourned unanimously at 7:17 p.m.

FOR THE BOARD OF TRUSTEES


Pam Fenner, Mayor Pro Tem


Beth Melody, Village Clerk

Minutes approved by the President and Board of Trustees on this

6th day of February, 2012.

Beth Mulrooney
Village Clerk