

Village of Carol Stream

Special Meeting of the Village Board

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

February 6, 2012
6:00 p.m. – 7:25 p.m.

Meeting Notes

ATTENDANCE: Mayor Frank Saverino, Sr.
Trustee Matt McCarthy
Trustee Greg Schwarze
Trustee Don Weiss
Trustee Tony Manzzullo
Trustee Mary Frusolone
Clerk Beth Melody (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.
Don Bastian, Asst. Dir. of Community Dev.
Jon Batek, Finance Director
Kevin Orr, Police Chief
Ed Sailer, Deputy Police Chief
Dan Hoffman, Deputy Police Chief

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

Present: Mayor Saverino, Trustees McCarthy, Schwarze, Weiss, Frusolone & Manzzullo
Absent: Trustee Fenner & Clerk Melody

Proposed General Fund Budget – FY12/13

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

- Focus tonight is on General Fund budget.
 - High level overview.
 - Major areas of change from current year.
 - Detailed discussion of program specifics (time permitting) with follow-up on February 21 budget workshop if needed.
- Recap of FY11/12 year end projection.
- Overview of Proposed Budget for FY12/13
 - Total Budget - Comparison to FY11/12 and prior year.
 - Revenue summary and outlook.
 - Expenditure summary.
 - Personnel and staffing complement for FY12/13.
 - Notable program enhancements for FY12/13.
- Looking Forward - 3 Year Financial Plan

FY11/12 YEAR-END BUDGET PROJECTION

- Current year 2011/12 adopted budget was balanced through the planned use of reserves of approximately \$135,000.

- Current projections indicate a surplus of \$1.3 million by year-end based on the following factors:
 - Revenues expected to finish the year \$1.1 million or 5.2% above budget.
 - Real Estate Transfer Tax = \$450,000
 - Utility Taxes (above budget but below FY10/11) = \$207,000
 - Home Rule Sales Tax = \$191,000
 - 2011 FEMA Blizzard Payment recd in FY11/12 = \$127,000
 - Misc. Insurance Recoveries/Sale of Property = \$125,000
 Most of these are generally non-recurring events!
- Expenditures projected to end the year \$0.3 million below budget.
- FY11/12 est. revenues only 1/2% ahead of FY10/11 actual revenues.

Proposed FY12/13 General Fund Budget

Proposed General Corporate Fund Budget FY12/13 BUDGET SUMMARY

- **FY12/13 Budget is Balanced as Proposed.**
 - Expenditure requests pared back to meet forecasted revenues.
 - While we continue to operate in a high risk revenue environment, there is a sense we may be close to "bottoming out".
 - Total projected FY12/13 revenues up 3.5% over FY11/12 budget. Down 1.1% from FY2011 actual revenues.
 - Total proposed FY12/13 expenditures increase by 2.8% over FY11/12.
 - Still less than actual expenditures 3 years ago in FY09/10.
 - Service impacts have been felt resulting from our leanness.
 - FY12/13 includes some additional emphasis on service enhancements.
 - Staffing levels stabilized with little change from FY11/12.
 - Cost cutting measures / voluntary separation program continue to pay dividends.
- **NO NEW REVENUES OR INCREASES IN CURRENT REVENUES PROPOSED.**

REVENUE SUMMARY

- FY12/13 Projected Revenues = \$20,785,000
- FY12/13 revenue projection to grow by 3.5% compared to FY11/12 budget.
 - Have we hit "bottom"?
 - First increase in budget revenue projection in last 4 years, since FY08/09.
 - FY12/13 projection still below FY10/11 actual revenues by 1.1%.
- Is this the "recovery"?
 - FY12/13 projected revenues are lower than actual revenues in 5 of the last 6 fiscal years.
 - FY12/13 projected revenues are \$4.1 million or 17% below the revenue "high mark" of \$24.9 million in FY07/08.
- Forecast for 3 year financial plan = sluggish/slow growth of < 1% per year.

EXPENDITURE SUMMARY

- FY12/13 Proposed Expenditures = \$20,785,000
- FY12/13 proposed expenditures to grow by 2.8% compared to FY11/12 budget.
 - We continue to operate lean, but have begun to see some impacts to service quality in the community in the past year.
 - FY12/13 budget addresses some of those service issues.

- Similar to revenues, expenditures proposed for FY12/13 remain lower than amounts budgeted in 5 of the 6 last fiscal years.
- FY12/13 projected expenditures are \$3.8 million or 15% below the expenditure "high mark" of \$24.5 million in FY08/09.
- Proposed staffing levels to remain similar to FY11/12 authorized positions.
 - Some additional payroll savings generated through position turnover.
- 'Primary areas of additional focus for FY12/13 are in the Contractual Services category.

Changes in Proposed Village Staffing Costs FY12/13

- Proposed FY12/13 Personnel Services costs represent a reduction of \$145,000 or 1.5% from FY11/12 budget.
 - Additional savings result from position turnover/retirements and redesigning replacements.
 - \$1.2 million or 11% less than actual salaries paid 3 years ago in FY09/10.
 - We are about as lean as we can be to maintain current service levels.
 - Regular FT and PT staffing complement reduced by 0.62 FTE for FY12/13. FY12/13 staffing levels remain 27.32 positions or 16% below FY08/09.
- Personnel Services savings are offset by increases in benefit costs.
 - Group (health) Insurance increased by 3.7% for FY12/13 proposed compared to FY11/12 budget.
 - Premium increases for FY12/13 are tentatively 5.7% (HMO) and 11.1% (PPO).
 - Fewer insured plus gradual transition of workforce to HMO drive the 3.7% overall increase.
 - Increases in Workers Comp and Unemployment Insurance costs anticipated.
 - IMRF costs up 12.7% between Calendar Year 2011 and 2012. Expect level off in next few years.
 - Police Pension Fund contribution shows a more modest increase of 2.8% due to new pension law. Maintain 100% funding focus, increase amortization period.
- Carol Stream continues to be very leanly staffed when compared to peer communities.

Changes in Proposed Village Staffing FY 12/13

- Y11/12 Authorized Positions = 143.50
 - **Admin/Management Services/Village Clerk**
 - Reduce FT Executive Secretary = (1.00)
 - Add Administrative Secretary (25 hrs/wk - promotion) = 0.63
 - Add 2 PT Secretaries (19 hrs per week - no benefits) = 1.00
 - Reduce PT Deputy Village Clerk (30 hrs per week) = (0.75)
 - **Public Works**
 - Create opportunity for promotion of PWE II to PWE I.
 - Municipal Garage - Reclassify Garage Supervisor to Garage & Facilities Supervisor. (Village Board approved - 8/15/2011)
 - **Police Department**
 - Add PT Records Clerk (19 hrs per week - no benefits) = 0.50
 - Reduce previously vacant Admin. Secretary with PT (19 hrs per wk - no benefits) = (0.50)
 - Eliminate PT Court Liaison (folded into FT Training Coordinator/Budget Analyst) = (0.50)
 - **Proposed FY12/13 Authorized Staffing = 142.88**
 - **Net Change from FY11/12 = (0.62)**

FY12/13 Proposed Budget – Program Enhancements

- **Code Enforcement Initiatives = \$ 21,000**
 - Based on 1-30-12 VB workshop discussion.
 - More proactive approach to property maintenance issues.
 - Maintaining focus on compliance rather than penalties.

- **Emerald Ash Borer = \$ 230,000**
 - Destruction from this pest proliferated in 2011 and is expected to continue into 2012. Funds budgeted come from a special reserve set aside by the Village Board in 2007 and will provide for 400 removals and harvesting and planting costs for 245 replacement trees in FY12/13.

- **Street Sweeping = \$85,000**
 - Reinstate sweeping frequency of 8 times per year from previous reduced 4 times per year. Contract for all sweeping and retain one sweeper for special and emergency events. Improve storm sewer maintenance and aesthetics.

- **Landscape Maintenance = \$70,000**
 - Increase mowing frequencies of Village properties and rights of way from scaled back schedules budgeted in FY11/12 (2011 growing season).
 - Redesigning mowing program to optimize coordination of internal and contracted resources to improve overall results.

- **Local Prosecution = \$55,000**
 - Funds allocated to utilize our own prosecutor for most Circuit Court tickets. Offsetting revenues budgeted to pay for added costs.

Director of Public Works Modaff explained the Village's current in-house street sweeping program cost is \$74000/year for 4 sweepings/year which has proved inadequate based on observations of staff and comments from the Village Board and some residents. Staff is proposing contracting this service at a cost of \$80,000 for 8 sweepings/year (old schedule) Staff is also recommending changes to the Landscape Maintenance Program, including reassigning the bidding and contract supervision of all landscape maintenance services of property for which the Village is responsible. The mowing interval will also be changed to allow regular and consistent cutting of grass. Contractors will continue to cut the more difficult to cut areas. The budget proposes the promotion of a PW street II employee to a I position to supervise grass cutting and oversight of the landscape maintenance contract.

Deputy Police Chief Ed Sailer explained the proposal to add prosecution of local ordinances to the FY 2013 budget. This would allow the Village to better manage cases, set fees, collect a greater share of the fine revenues and provide better, more consistent prosecution of cases.

The Next 3 Years

- Projected revenues expected to grow at a slower rate than expenditures in 1-3 year time horizon.
- "Rebalancing" of operating revenues and expenditures over last few years has helped partially gap structural imbalance in General Fund.
- Must continue to resist growth in operations/services without demonstrated increases in base revenues to fund them.

Next Steps

- **Tuesday, February 21, 2012**
 - 6:00 pm Village Board Budget Workshop #3

- FY13 Draft Budget Presentation – Part 2
- All Other Funds
- General Fund – Follow-up Items as Needed
- **Friday, March 16, 2012**
 - Distribution of Draft Budget Document to Village Board
 - Availability of Draft Budget for Public Review
 - Clerk's Office
 - Village Website
- **Monday, April 2, 2012**
 - Budget Public Hearing and subsequent Adoption

New Business

Trustee Schwarze asked if there was a possibility of providing beer sales at Thursday night concerts. He suggested that beer sales be tried at one of the summer concerts to see if it is well received. There was discussion about the pros and cons of conducting beer sales at the weekly summer concerts including the commitment of additional staff time, security and the possibility that beer sales may detract from the family atmosphere of the concerts. Staff was directed to assess the viability of beer sales at Thursday night concerts including security (fencing, ID checks, etc.), labor and other costs.

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
Frank Saverino, Sr. Mayor

Beth Melody
Beth Melody, Village Clerk

Minutes approved by the President and Board of Trustees on this

21st day of February, 2012.

Beth Melody
Village Clerk