

Village of Carol Stream

Special Workshop Meeting of the Village Board

Water & Sewer Fund and other Funds (cont. from 3/6/17) ***Capital Improvement Program & Budget***

Carol Stream Fire Protection District-Station 28
365 Kuhn Road, Carol Stream, IL 60188

March 20, 2017
6:00 p.m. – 7:20 p.m.

Meeting Notes

ATTENDANCE:

Mayor Frank Saverino, Sr.
Trustee Rick Gieser
Trustee John LaRocca
Trustee Mary Frusolone
Trustee David Hennessey
Trustee Matt McCarthy
Trustee Greg Schwarze
Village Clerk Laura Czarnecki

Joseph E. Breinig, Village Manager
Bob Mellor, Assistant Village Manager
Mark Talavera, Information Tech. Dir.
Don Bastian, Community Development Dir.
Jon Batek, Finance Director
Phil Modaff, Public Works Director
Jim Knudsen, Engineering Services
Steve Martin, Development Service Mgr.
Tia Messino, Assist. to the Village Manager

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

Present: Mayor Frank Saverino, Sr., Trustees Hennessey, LaRocca, Gieser, Frusolone, Schwarze and McCarthy

Absent:

Water and Sewer Fund and other Funds (cont. from 3/6/17)

Finance Director Jon Batek continued with the Water and Sewer Fund discussion from the prior meeting on March 6, 2017. Jon Batek discussed the smaller funds including the Police Pension Fund, General TIF Fund and the North Avenue/Schmale Road TIF Fund. Details are as follows:

Water & Sewer Fund

FY17/18

CHANGES MADE SINCE MARCH 6 BUDGET WORKSHOP

- \$4,130,000 Meter Replacement program removed from budget along with related debt financing.
 - More time is needed to more fully review the program with the Village Board and build consensus on key issues:
 - Timing / Phasing
 - Technology
 - Implementation – Internal vs Consultant

- Funding /Financing

- Additional workshop(s) will be scheduled in FY17/18 to continue review/discussion of options.
- Should Village Board decide to proceed, we will then amend the budget to reflect financial impact of program.

Added (\$130,000 + additional \$20,000) for “normal” meter replacements during FY17/18

\$100,000 to continue large meter replacement program.

\$30,000 + additional \$20,000 for anticipated residential meters.

Since most of these costs (\$130,000) were included in proposed borrowing, they now must be covered by current user rates/charges. This will alter the previous rate recommendation presented on March 6th.

Draft Water & Sewer Fund Budget Expenditures FY17/18 Proposed Compared to FY16/17 Budget

	Actual FY15/16	Budget FY16/17	Estimated FY16/17	Budget FY17/18	FY17/18 Proposed to FY16/17 Budget	
OPERATING COSTS						
Salaries & Wages	1,271,726	1,379,423	1,337,352	1,464,078	60,990	4.4%
Contractual Services						
Water Commission	5,662,812	5,487,000	5,956,000	6,080,000	593,000	10.8%
WRC Contract	1,714,093	1,765,013	1,735,013	1,831,000	65,987	3.7%
All Other	1,051,236	1,599,070	1,340,685	1,600,007	937	0.1%
Total Contractual	8,428,141	8,851,083	9,031,698	9,511,007	659,924	7.5%
Commodities	290,732	361,370	360,133	354,458	(6,912)	-1.9%
Debt	94,195	487,504	487,504	486,523	(981)	-0.2%
TOTAL OPERATING	10,084,794	11,079,380	11,216,687	11,816,066	713,021	6.4%
CAPITAL COSTS						
Total	1,011,919	2,745,225	201,000	3,487,000	741,775	27.0%
Total	\$ 11,096,713	\$ 13,824,605	\$ 11,417,687	\$ 15,303,066	1,478,461	10.7%

RATE RECOMMENDATION 5/1/2017 Water & Sewer Rate History

	Water		Sewer		Combined	
	Rate	Incr.	Rate	Incr.	Increase	
5/1/2008	\$ 3.05		\$ 2.51			
10/1/2008	3.25	\$ 0.20	2.51	\$ -	\$ 0.20	

5/1/2009	3.48	0.23	2.51	-	0.23
5/1/2010	3.88	0.40	2.62	0.11	0.51
5/1/2011	4.09	0.21	2.62	-	0.21
1/1/2012	4.78	0.69	2.62	-	0.69
1/1/2013	5.37	0.59	2.62	-	0.59
1/1/2014	6.02	0.65	2.62	-	0.65
1/1/2015	6.73	0.71	3.12	0.50	1.21
5/1/2016	6.93	0.20	3.42	0.30	0.50

Chicago/DWC direct pass-through increases.

Water & Sewer FY17/18 Budget

	Sewer	Water	Total
	Division	Division	Proposed
			FY17/18

Revenues

3,164,000	7,951,000	11,115,000
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Expenses

Salaries & Wages	339,388	1,124,690	1,464,078
Contractual Services			
Water Commission	-	6,080,000	6,080,000
WRC Contract	1,831,000	-	1,831,000
All Other	883,399	716,608	1,600,007
Subtotal	2,714,399	6,796,608	9,511,007
Commodities	37,628	316,830	354,458
Debt	428,651	57,872	486,523
Total Operating	3,520,066	8,296,000	11,816,066
Gain/(Loss) before			
Capital	(356,066)	(345,000)	(701,066)
Capital	463,000	3,024,000	3,487,000

Total Expenses

3,983,066	11,320,000	15,303,066
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Fund Gain/(Loss) \$ (819,066) \$(3,369,000) \$ (4,188,066)

RATE RECOMMENDATION

- Water Fund
 - Each penny of water rate generates approximately \$10,900 of revenue based on anticipated water sales.
 - The presented water budget falls short of covering operating and debt expenses by \$345,000 which can be neutralized with a rate increase of 32 cents.
 - 8 cent increase anticipated from Chicago/DWC
 - + 24 cents to cover remaining operating costs/debt
 - 32 cents total water rate proposed for May 1, 2017

Will not provide any additional funds for future capital.

- Sewer Fund
 - Each penny of sewer rate generates approximately \$8,700 of revenue based on anticipated water sales (less than water because there are approx. 700 customers served by Wheaton Sanitary Dist).
 - The presented sewer budget falls short of covering operating and debt expenses by \$356,000. It would take a rate increase of about 40 cents to cover this gap.
 - In an effort to more evenly spread rate increases over a number of years, we are recommending a lesser increase of 28 cents to continue to work toward fully covering operating expenses and debt.
 - No additional funds raised for future capital projects.

Proposed Rate Increase 5/1/17

May 1, 2017 Recommended Rates

Water: Increase of \$0.32, from \$6.93 to \$7.25

Sewer: Increase of \$0.28, from \$3.42 to \$3.70

Combined: Increase of \$0.60, from \$10.35 to \$10.95

Combined increase of 5.8%

	Monthly Bill*	Monthly Bill*	Net Monthly
	<u>Before Increase</u>	<u>After 5/1/17</u>	<u>Increase</u>
Water	\$ 41.58	\$ 43.50	\$ 1.92
Sewer	<u> 20.52</u>	<u> 22.20</u>	<u> 1.68</u>
Total	<u>\$ 62.10</u>	<u>\$ 65.70</u>	<u>\$ 3.60</u>

* Based on 6,000 gallons of water consumption / mo.

What Rates would be needed to fully support the current proposed FY17/18 Water & Sewer Budget?

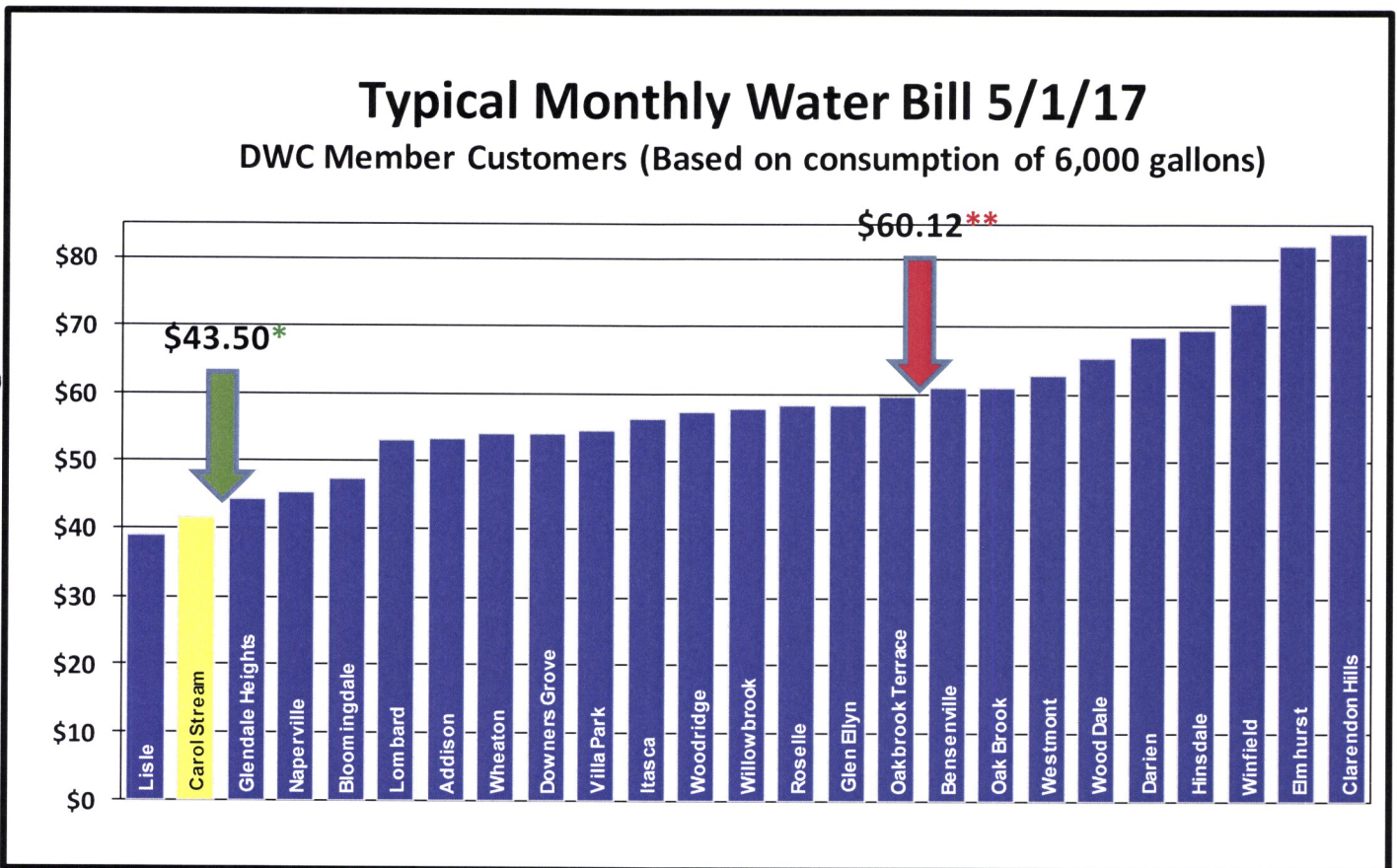
Water

- A rate increase of \$3.09 would be needed to cover budgeted FY17/18 water operations and capital costs.
- That would be a 45% increase over current rates.

Sewer

- A rate increase of \$0.93 would be needed to cover budgeted FY17/18 sewer operations and capital costs.
- That would be a 27% increase over current rates.

Water & Sewer Fund
Community Comparison – Water



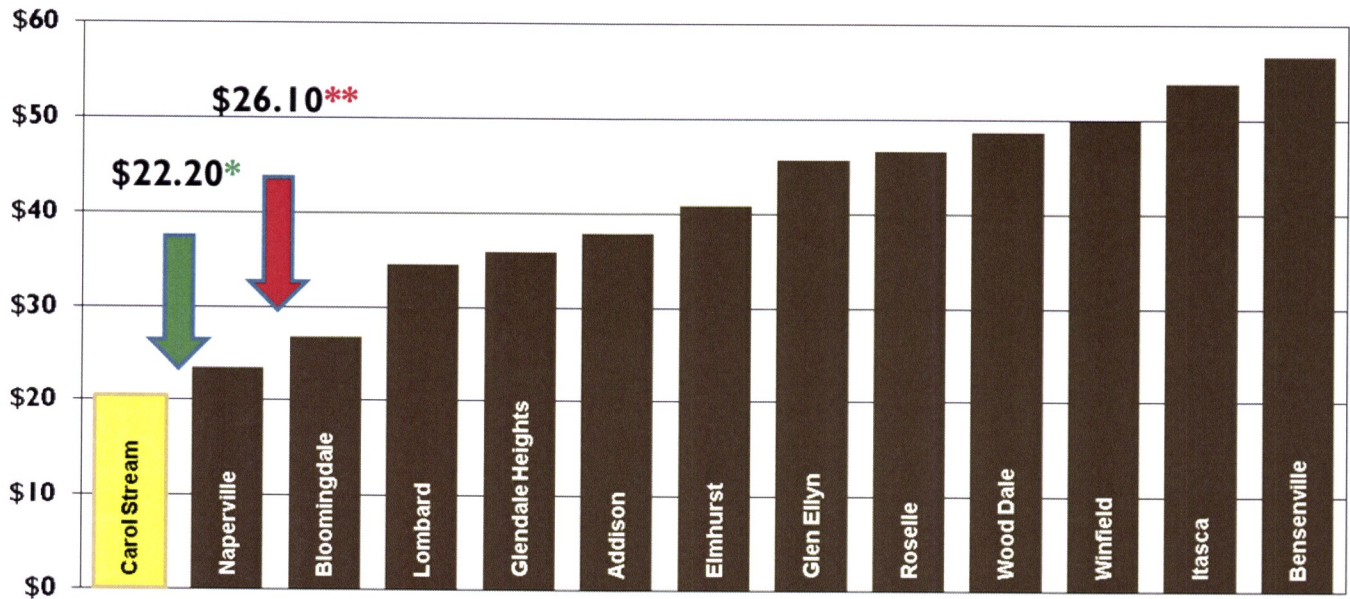
Source: Municipal Websites – 3/1/2017

* Recommended \$0.32 rate increase.

**Rate needed to fully cover proposed FY17/18 budget.

Typical Monthly Sanitary Sewer Bill 5/1/17

DWC Member Customers (Based on water consumption of 6,000 gallons)



Source: Municipal Websites – 3/1/2017

Includes those municipal DWC members that bill for sewage treatment or operate treatment facilities.

* Recommended \$0.28 rate increase.

** Rate needed to fully cover proposed FY17/18 budget.

OTHER FUNDS

- Police Pension Fund
- Geneva Crossing TIF Fund
- North Avenue / Schmale Road TIF Fund

Police Pension Fund

- Funding comes from three (3) sources:
 - Officer Contributions (9.91% of Base Pay)
 - Interest Earned on Investment Portfolio
 - Actuarial Contribution Made by the Village
- \$41.5million in net assets at April 30, 2016.
 - \$2.2 million in benefit payments made.
 - Net decrease of \$84,000 for FY15/16.
- 59.4% funded as of April 30, 2016 (Under new GASB 68 rules).
- Village contribution increases by \$240,000 or 13.1% in FY17/18 over FY16/17. FY17/18 contrib. = \$2.073M.

Geneva Crossing TIF

TIF Close-Out Procedures

- TIF was closed December 31, 2016 per Village Board Ordinance adopted 10/17/16.

- Current TIF Cash Balance (1/31/17) = \$760,631.
- Final distribution to taxing jurisdictions based on County formula – Village retains 10% as its distribution.
- Project returning unused balances to County prior to 4/30/17.
- Any funds held in escrow will be retained in the General Fund (until ultimately released to taxing jurisdictions).

North Ave./Schmale Rd. TIF

- Structured differently than Geneva Crossing TIF:
 - No up front bond sale. Privately financed.
 - Non-monetized Village note of \$3.5M.
 - Secured by 100% of incremental property taxes + 50% of sales taxes for a period of 13 years. 2 year extension if total principal not paid (incremental property taxes ONLY).
- Caputo’s operational September, 2014.
- Principal and Interest (P&I) payments on the note are due on June 30 and December 31 each year.
- At present, only enough funds have been generated to pay partial interest on the note. Anticipated to catch-up and begin paying toward note principal during FY17/18.

Village Board concurred to:

Raise water rate to 32 cents and raise sewer rate to 40 cents. Staff to bring Ordinance to the Village Board at their April 3, 2017 meeting. Trustee McCarthy questioned whether we should raise the sewer rate to actually fund operations rather than slowly ratcheting up the sewer rate. (28 cents vs. 40 cents sewer rate increase).

Capital Improvement Program and Budget

Village Engineer Knudsen presented the proposed Capital Improvement Program and Budget to the Village Board. Details are as follows:

2017-18 Capital Improvement Program

Completed CIP Projects

<u>Roadway System</u>	<u>Fund</u>
Pavement Preventative Maintenance Program	CPF
Preservative Sealer	CPF
Restorative Sealer	CPF
Fiberized Crackfill	MFT
Pavement Patching	CPF
Flexible Pavement Program	MFT
Lies Road Pavement Rehabilitation	CPF
Roadway Condition Assessments & Inventory	CPF
Sidewalk Condition Assessments & ADA Inventories	CPF
West Branch DuPage River Trail	CPF
Streetlight Replacement Program	CPF

Water and Sewer Utilities

WRC Blower Building #2 Roof Replacement	W/S
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Stormwater Utility

Roadway Drainage Improvements

CPF

Five Year CIP Expenditure Summary

(In \$,000)

<u>System</u>	<u>Fund</u>	<u>FY17/18 Proposed</u>	<u>FY18/19 Planned</u>	<u>FY19/20 Planned</u>	<u>FY20/21 Planned</u>	<u>FY21/22 Planned</u>	<u>Totals</u>
Roadway	CPF	\$1,424	\$5,697	\$1,370	\$5,772	\$5,634	\$19,897
	MFT	3,800	-	3,581	-	-	7,381
	Totals	\$5,224	\$5,697	\$4,951	\$6,621	\$5,634	\$27,278

<u>System</u>	<u>Fund</u>	<u>FY17/18 Proposed</u>	<u>FY18/19 Planned</u>	<u>FY19/20 Planned</u>	<u>FY20/21 Planned</u>	<u>FY21/22 Planned</u>	<u>Total</u>
Water & Sewer	W&S	\$3,435	\$1,491	\$1,690	-	-	\$6,616

<u>System</u>	<u>Fund</u>	<u>FY17/18 Proposed</u>	<u>FY18/19 Planned</u>	<u>FY19/20 Planned</u>	<u>FY20/21 Planned</u>	<u>FY21/22 Planned</u>	<u>Total</u>
Storm-water	W&S	\$427	\$1,289	\$280	\$2,130	\$810	\$4,936

<u>System</u>	<u>Fund</u>	<u>FY17/18 Proposed</u>	<u>FY18/19 Planned</u>	<u>FY19/20 Planned</u>	<u>FY20/21 Planned</u>	<u>FY21/22 Planned</u>	<u>Total</u>
Facilities	CPF	\$14,145	\$3,500	\$537	-	\$230	\$18,412

		<u>FY17/18 Proposed</u>	<u>FY18/19 Planned</u>	<u>FY19/20 Planned</u>	<u>FY20/21 Planned</u>	<u>FY21/22 Planned</u>	<u>Total</u>
Totals		\$23,231	\$11,977	\$7,458	\$7,902	\$6,674	\$57,242

Five Year CIP Funding Summary

(In \$,000)

Funding Breakdown	FY17/18 Proposed	FY18/19 Planned	FY19/20 Planned	FY20/21 Planned	FY21/22 Planned	Totals
Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants	226	402	35	2,313	1,304	4,280
Reserves	23,005	11,575	7,423	5,589	5,370	52,962
Totals	\$23,231	\$11,977	\$7,458	\$7,902	\$6,674	\$57,242

Five Year CIP Fund Balance Summaries

(In \$,000)

Fund	FY16/17 Estimated	FY17/18 Projected	FY18/19 Projected	FY19/20 Projected	FY20/21 Projected	FY21/22 Projected
CPF	\$26,125	\$11,900	\$3,464	\$4,376	\$787	(\$2,583)

Fund	FY16/17 Estimated	FY17/18 Projected	FY18/19 Projected	FY19/20 Projected	FY20/21 Projected	FY21/22 Projected
MFT	\$5,236	\$2,360	\$3,291	\$667	\$1,635	\$2,624

Fund	FY16/17 Estimated	FY17/18 Projected	FY18/19 Projected	FY19/20 Projected	FY20/21 Projected	FY21/22 Projected
W&S	\$11,502	\$7,479	\$5,438	\$2,702	\$1,702	\$702

System	Fund	FY22/23 Proposed	FY23/24 Planned	FY24/25 Planned	FY25/26 Planned	FY26/27 Planned	Totals
Roadway	CPF	\$5,400	\$5,262	\$1,806	\$5,568	\$5,747	\$25,540
	MFT	-	-	4,634	-	-	4,634

Totals	\$5,707	\$6,607	\$6,440	\$5,673	\$5,747	\$30,174
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<u>System</u>	<u>Fund</u>	<u>FY22/23 Proposed</u>	<u>FY23/24 Planned</u>	<u>FY24/25 Planned</u>	<u>FY25/26 Planned</u>	<u>FY26/27 Planned</u>	<u>Total</u>
Water & Sewer	W&S	\$6,335	\$13,410	\$3,085	\$3,000	\$5,335	\$31,165

<u>System</u>	<u>Fund</u>	<u>FY22/23 Proposed</u>	<u>FY23/24 Planned</u>	<u>FY24/25 Planned</u>	<u>FY25/26 Planned</u>	<u>FY26/27 Planned</u>	<u>Total</u>
Storm- water	CPF	\$150	\$150	\$150	\$150	\$150	\$750

<u>System</u>	<u>Fund</u>	<u>FY22/23 Proposed</u>	<u>FY23/24 Planned</u>	<u>FY24/25 Planned</u>	<u>FY25/26 Planned</u>	<u>FY26/27 Planned</u>	<u>Total</u>
Facilities	CPF	\$400	\$ -	\$ -	\$200	\$ -	\$600

	<u>FY22/23 Proposed</u>	<u>FY23/24 Planned</u>	<u>FY24/25 Planned</u>	<u>FY25/26 Planned</u>	<u>FY26/27 Planned</u>	<u>Total</u>
Totals	\$12,592	\$20,167	\$9,675	\$9,023	\$11,232	\$62,689

Years 11-20 CIP Projects

		<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	
	<u>Fund</u>	<u>27/28</u>	<u>28/29</u>	<u>29/30</u>	<u>30/31</u>	<u>31/32</u>	<u>32/33</u>	<u>33/34</u>	<u>34/35</u>	<u>35/36</u>	<u>36/37</u>
<u>Roadway System</u>											
1. Pavement Preventative Maintenance Program	CPF	X	X	X	X	X	X	X	X	X	X
2. Flexible Pavement Program	CPF	X	X	X		X	X	X		X	X
3. Flexible Pavement Program	MFT			X				X			
4. Doris Ave. Rehabilitation	CPF			X							
5. Kuhn Rd. Rehabilitation	CPF			X							
6. Morton Rd. Rehabilitation	CPF			X							
7. Fair Oaks Rd. Rehabilitation	CPF				X						
8. Old Gary Ave. Rehabilitation	CPF				X						
9. Vale Rd. Rehabilitation	CPF						X				
10. Roadway Condition Assessments & Inventories	CPF		X				X				X
11. Sidewalk Condition Assessments & ADA Inventories	CPF		X	X	X		X	X	X		X
12. Streetlight Replacement Program	CPF	X	X	X							

Water and Sewer Utilities

1. WRC Non-potable Water Strainer Replacement	W/S	X									
2. WRC RAS Station Improvements	W/S					X					
3. Fire Hydrant Replacement Program	W/S	X	X	X	X	X	X	X	X	X	X
4. Water Main Valve Replacement Program	W/S	X	X	X	X	X	X	X	X	X	X
5. Water Main Replacements	W/S	X	X	X	X	X	X	X	X	X	X
6. Gary Avenue Gardens Watermain Improvements	W/S			X	X						
7. Sanitary Sewer Replacements	W/S	X	X	X	X	X	X	X	X	X	X

Stormwater Utility

1. Roadway Drainage Improvements	CPF	X	X	X	X	X	X	X	X	X	X
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Facilities

1. New Police Station	CPF										
- Land		X									
- Construction			X								
2. Community Park Improvements*	CPF	X	X	X							

* Partially funded through outside source(s)

Roadway Projects

- Flexible Pavement Program
- Lies Road Rehabilitation (Kuhn Road to County Farm Road) – Project complete but waiting for IDOT funding.
- Lies Road Rehabilitation (High Ridge Pass to Fair Oaks Road)
- Lies Road Rehabilitation (Schmale Road to Gary Avenue)
- Vale Road Rehabilitation
- Doris Road Rehabilitation
- Kuhn Road Rehabilitation (St. Charles Road to North Avenue)
- Morton Road Rehabilitation (Mardon Road to Lies Road)
- Fair Oaks Road Rehabilitation (North Avenue to Maple Ridge Court)-Project may be delayed if the DuPage Water Commission decides to install watermain to Bartlett down Fair Oaks Road.
- Fair Oaks Road Guard Rail Replacement
- Fair Oaks Road Culvert Daylighting-removing the rotted culvert & construct a ditch section.
- Roadway Condition Assessments
- Sidewalk Condition Assessments & ADA Inventories
- West Branch DuPage River Trail-Project complete but waiting for IDOT billing.
- Carol Stream-Bloomingtondale Trail
- Lies Road Bike Path Extension-80% funded project
- Southeast Bide Path Project (Concept Plan) Phase I Design Study
- Gary Avenue Multi-Use Path
- Streetlight Replacement Program

Water & Sewer Projects

- WRC Dewatering System Improvement
- WRC Secondary Clarifier Improvement
- WRC Grit/Screening Building Roof Replacement
- Schmale Road Water Main Replacement
- Water System Studies
- Water System Improvements

- Water Main Replacement Program
- Water Main Condition Assessments
- Aztec Drive Sanitary Sewer Repairs & Lining
- North Avenue Sanitary Sewer Rehabilitation
- Trunk Sanitary Sewer Condition Assessments
- Force Main Condition Assessments
- Sanitary Sewer I&I Reduction Program

Storm Water Projects

- Roadway Drainage Improvements
- Tubeway & Westgate Stormwater Study
- Kehoe Boulevard Stream Bank Stabilization
- Klein Creek Section I Stream Bank Stabilization
- The Park Unit 1 Detention Basin Retrofit-Naturalization

Facility Projects

- Village Hall Rehabilitation
- Village Hall Parking Lot Rehabilitation
- PWC Fuel Island Removal
- PWC Storage Yard Improvement
- Town Center Fountain Electrical Improvements
- PWC Admin. Building Roof Replacement
- PWC Admin. Building ADA & Security Improvements

Project Listing

<u>CIP Projects By Fund</u>	<u>Fund</u>	<u>Estimated Cost (\$,000s)</u>
<u>Roadway System:</u>		
1. Morton Road Phase I Reconstruction	CPF	\$ 2,040
2. Old Gary Avenue Bridge Replacement	CPF	848
3. Spring Valley Parking Lot Additions	CPF	50
4. Fullerton Ave. & Kehoe Blvd. Pedestrian Improvements*	CPF	1,295
5. School Sidewalk Improvements	CPF	416
Roadway System Subtotal:		\$ 4,649
<u>Water and Sewer Utilities:</u>		
1. Water System Improvements (Annually)	W/S	\$ 150
2. Water Wayter Main Replacement Program (Annually)	W/S	2,200
3. Wayne Township Water Main Extensions*	W/S	9,000
4. Sanitary Sewer I&I Reduction Program (Annually)	W/S	550
5. Sanitary Force Main Replacements	W/S	414
Water and Sewer Utilities Subtotal:		\$ 12,314
<u>Stormwater Utilities:</u>		
1. Klein Creek Flood Forecast Warning System*	CPF	\$ 39
2. Carol Stream Venture Flood Control	CPF	258
3. Southeast Storm Water System Improvements	CPF	Yet To Be Determined
4. Tubeway Detention Basin Rehabilitation & Improvements	CPF	Yet To Be Determined
5. Fullerton & Kimberly Stormwater Study	CPF	13
6. Fullerton & Kimberly Storm Water System Improvements	CPF	Yet To Be Determined
7. Flood Plain Structure Buyout Program*	CPF	1,484
8. Flood Plain Structure Buyout Lot Enhancement Program*	CPF	786

9. Flood Plain Structure Flood Proofing Program	CPF	2,900
10. Stormwater Management Facility (SWMF) Retrofitting Program*	CPF	\$2M Per Facility
11. TMDL Stream Restoration Program*	CPF	Yet To Be Determined
12. Pond Shoreline Restoration*	CPF	Yet To Be Determined
Stormwater Utilities Subtotal:		\$ 5,480

Facilities:

1. Community Park Improvements*	CPF	Yet To Be Determined
2. Police Evidence Building	CPF	500

Facilities Subtotal: \$ 500

Total Expenditures All Funds: \$ 22,943

Fund Recap

Capital Projects Fund	CPF	\$ 10,629
Motor Fuel Tax Fund	MFT	-
Water & Sewer Fund	W/S	12,314
Total Expenditures All Funds:		\$ 22,943

* Partially funded though outside sources.

There being no further business, Trustee McCarthy moved and Trustee Frusolone made the second to adjourn the Special Workshop meeting. The meeting was adjourned unanimously at 7:20 p.m.

FOR THE BOARD OF TRUSTEES


 Frank Saverino, Sr., Mayor

ATTEST:


 Laura Czarnecki, Village Clerk

Minutes approved by the President and Board of Trustees on this

3RD day of April, 2017.


 Village Clerk