

MINUTES
CONTINUED FY 2014-15 BUDGET WORKSHOP
March 13, 2014

CALL TO ORDER

The meeting was called to order at 7:02 p.m. by Mayor Mickey Straub.

ROLL CALL

Present: Mayor Mickey Straub, Trustees Al Paveza (arrived at 7:54 p.m.), Len Ruzak, Guy Franzese, Janet Ryan Grasso and Diane Bolos

Absent: Trustee John Manieri

Also Present: Village Administrator Steve Stricker, Village Clerk Karen Thomas, Finance Director Jerry Sapp, Police Chief John Madden and Public Works Director Paul May

Mayor Straub presented the Board with a PowerPoint slide depicting the Budget timeline. He indicated that the public hearing will be held on April 14 and it is expected that the Board will approve the Budget at that time. He stated that, in order for that to occur, the public hearing notice must be filed with the newspaper by Wednesday, April 2. He stated that, therefore, the Budget discussions would need to be completed by that time.

Village Administrator Steve Stricker stated that, if Budget discussions were not completed at this meeting, the Board could meet either after the Board meeting on March 24 or call a special meeting on either Thursday, March 27, or Monday, March 31.

Trustee Diane Bolos stated that she would like a full report on all the changes that were being made to the Budget before it is finalized.

Administrator Stricker continued his presentation of the FY 14-15 Budget. He stated that, at the last meeting, he skipped over the Building and Grounds Budget. He stated that the Budget is 14.2% higher this year than the previous year due to \$25,000 that needed to be budgeted for the foundation repair at the Public Works facility. He also stated that \$1,500 was budgeted in FY 13-14 for a new Village Hall display case. He stated that, in lieu of a manual display case, he suggesting that for \$2,000, digital screens could be located in both the Village Hall foyer and outside the front door of the Village Hall to provide for an automated message board system. After some discussion, the consensus of the Board was to include the \$2,000 in the FY 13-14 Estimated Actual to complete this project.

Trustee Guy Franzese noticed that the miscellaneous category under Operating Supplies appeared to be in error. Although it indicated a \$200 budget, it appears that the number should have been \$2,000. Administrator Stricker indicated that he would check his notes to determine the correct number.

SPECIAL REVENUE FUNDS

Administrator Stricker reviewed the four Special Revenue Funds, including the E-9-1-1 Fund, Hotel/Motel Tax Fund, Motor Fuel Tax Fund and Restaurant Place-of-Eating Tax Fund. He stated that the Hotel/Motel Tax Fund Budget, which was prepared with the help of the Hotel Marketing Committee, was recommended for approval by the Economic Development Committee. Trustee Bolos indicated that she felt that there should not be future year increases in the Hotel Marketing Budget and that the number should be kept at \$250,000. After some discussion, Trustee Franzese agreed with Trustee Bolos, but Trustees Grasso and Ruzak and Mayor Straub did not.

The question of the County Line Road Bridge Nameplate was discussion. Administrator Stricker stated that it is typical that, for major Capital Projects of this type, a nameplate be placed on the project that includes the names of the Trustees and Staff that participated. He stated that the plaque could be placed on one of the columns on the bridge, or it could be placed somewhere in the downtown area. He stated that a final decision on the wording of the nameplate and a decision on whether to move forward with this item would be discussed by the Board at a later date.

Administrator Stricker stated that, in the Restaurant/Place-of-Eating Tax Fund, the estimated actual amount of \$49,030 was incorrect and that it should be around \$52,000-\$53,000, due to the fact that the purchase of the tote bags that are given away at the concerts needed to be ordered prior to the beginning of the fiscal year.

Mayor Straub asked how long our marketing consultant has been working for the Village. In response, Administrator Stricker stated that it has been at least 8 years. Mayor Straub stated that it may be wise to consider hiring a different firm that may provide a different perspective on marketing in the future.

Trustee Paveza arrived at 7:54 p.m.

CAPITAL PROJECT FUNDS

Administrator Stricker presented the Board with the four Capital Projects Funds, including Capital Improvements Fund, Sidewalk/Pathway Fund, Equipment Replacement Fund and Stormwater Fund. He stated that the Road Program is found in the Capital Improvements Fund and that the Village opened bids for the 2014 Road Program during the day, stating that the bids came in much lower than anticipated. He stated that the Engineer's Estimate for the Road Program was \$667,831 and the low bid was from Central Blacktop in the amount of \$558,543, thereby providing the Village with a savings of \$109,288 from the current numbers shown in the budget. Administrator Stricker stated that, with this saving in mind, he would like to sealcoat the Village Hall parking lot in the amount of approximately \$10,000 and set some money aside for additional patching. He also stated that money could be used to move the salt storage facility (\$60,000), if the Board so desired.

Public Works Director Paul May also suggested the possibility of moving up a street in the program, due to the abnormal winter. He suggested that Chasemoor Drive might be a good candidate. Administrator Stricker stated that there may be other roads that also may need to be moved up and suggested that the Public Works Department review all of the roads that are contemplated to be improved over the next few years to determine if it's necessary

Fund and that the Village opened bids for the 2014 Road Program during the day, stating that the bids came in much lower than anticipated. He stated that the Engineer's Estimate for the Road Program was \$667.831 and the low bid was from Central Blackton in the

Administrator Stricker stated that the water rate not only is not tied to operating expenses, it does not generate enough revenue to set aside funds for the future replacement of the water system and that it is inevitable that the future replacement of the water system will have to be financed through Special Assessments/Special Service Areas. Trustee Bolos asked what other communities do in regard to major replacement of the water system. In response, Administrator Stricker stated that they would do something similar, but that he would have Staff conduct a survey.

INFORMATION TECHNOLOGY FUND

Administrator Stricker presented the Board with the details of the Information Technology Fund. He stated that this fund was created to better understand the costs associated with the Village's computer technology. He stated that, in FY 14-15, \$12,000 was budgeted for the purchase of computer tablets, \$5,000 for replacement of desktop scanners and \$20,000 was budgeted for the Village Hall copier that was deferred from FY 13-14. In addition, he indicated that \$66,520 was included for new access points for the wireless system.

Trustee Bolos asked if Wi-Fi would be included with the computer tablets. Administrator Stricker stated that Wi-Fi was not originally contemplated, but that when the presentation is made regarding the purchase of these tablets, he will provide costs associated with Wi-Fi and the Board can decide whether or not to add this feature.

Trustee Franzese pointed out that the phrase "computer tablet" was misspelled in the chart on page 103.

POLICE PENSION FUND

Administrator Stricker presented the Board with the FY 14-15 Police Pension Fund Budget. He stated that the Fund includes \$871,140 in payments for retirements and disabilities and that the full amount of the employer contribution, based on actuary study, is included in the Budget. Trustee Bolos suggested that an additional note be added on page 106 to explain the Village's overall pension liability. Trustee Franzese also suggested a note be added to indicate what the actuary's figures were for required interest vs. the amount of actual interest generated.

At the completion of the presentation of the Budget, Administrator Stricker asked if there were any questions.

Trustee Bolos stated that she was still very concerned regarding the deficit found in the General Fund in FY 16-17 and beyond and wanted to know what the Village Administrator's plan was to resolve it. In response, Administrator Stricker stated that the issue is two years away and that not all the necessary information is in to determine which approach to take as it relates to the Garfield Street reconstruction project and the annual Road Program for that year. He stated that the majority of the deficit involves those projects. He stated that he outlined the need for additional revenue in his Budget Message. In addition, he stated that there is still a possibility that there will be a surplus similar to what has occurred in the last couple of years at the end of FY 14-15 and FY 15-16 that will help reduce the deficit. He also

indicated that transfers out of the General Fund to the Equipment Replacement Fund and the IT Fund for equipment replacement in the amount of \$294,730 could be used to offset the deficit in any given year, but that, obviously, was not a long-term solution, since it would have an impact on both replacement funds. He also indicated that there is currently approximately \$4.7 million in General Fund equity that could be used to cover the cost of a one-time program, such as the reconstruction of Garfield Street, if necessary. He stated that his long-term solution for addressing the need for additional revenues would be to pursue a referendum to maintain the property tax level after the Lake Michigan water bond project has been completed. He stated that a successful referendum could generate an additional \$520,000 a year for Capital Projects, for which a tax increase would not be required.

In summary, Administrator Stricker stated that the Village Board has a considerable amount of flexibility to handle this deficit in the short-term, but in the long-term there will be a need for additional revenue and only the Village Board can make that decision.

After some discussion, it was agreed that Staff would provide the Board with a summary of the changes that were discussed over the last two meetings by the end of the following week and that the Board could determine at that time if there would be a need for another meeting.

ADJOURNMENT

There being no further business, a **motion** was made by Trustee Janet Ryan Grasso to adjourn the Budget Workshop. The motion was **seconded** by Trustee Len Ruzak and **approved** by a vote of 5-0.

The meeting was so continued at 10:18 p.m.

Respectively submitted,



Steve Stricker
Village Administrator