

MINUTES
FY 2016-17 BUDGET WORKSHOP
GOALS & OBJECTIVES
January 25, 2016

CALL TO ORDER

The meeting was called to order at 7:25 p.m. by Mayor Mickey Straub.

ROLL CALL

Present: Mayor Mickey Straub, Trustees Al Paveza, Paula Murphy, Janet Ryan Grasso, Tony Schiappa and Diane Bolos

Absent: Trustee Guy Franzese

Also Present: Village Administrator Steve Stricker, Community Development Director Doug Pollock, Finance Director Jerry Sapp, Police Chief John Madden, Public Works Director David Preissig and Village Clerk Karen Thomas

Village Administrator Steve Stricker stated that the purpose of the Workshop was to provide the Village Board with a preliminary overview of the upcoming General Fund FY 16-17 Budget, discuss the status of Goals for FY 15-16 and present proposed Goals from Department Heads for FY 16-17. He also stated that he would like to have an opportunity to discuss with the Board the possibility of a referendum in the fall of 2016.

REVIEW OF GENERAL FUND FINANCIAL STATUS – JANUARY 2016

Finance Director Jerry Sapp presented the Board with a brief preliminary overview of the General Fund. He stated that Staff has completed a first review of the revenues and expenditures and has determined at this point to expect an estimated surplus in FY 15-16 of approximately \$199,780. He stated that the surplus should have been larger, due to several expenditures that were put on hold while waiting for the LGDF resolution, but that the Village incurred a sales tax reduction of \$117,000, due to an overpayment by a business in Burr Ridge that occurred over the course of several years, but must be accounted for before the end of FY 15-16. He stated that a first look at the FY 16-17 Budget shows revenues with an increase of 2.6%, with 1.2% of that increase derived from increased permit activity, and expenditures showing a 4.3% increase, 2.2% of that increase derived from two factors - \$105,000 in increased Pension Fund contributions and \$75,000 in additional building and zoning enforcement fees. He stated that, without these one-time changes, revenues would be relatively flat at 1.4% and expenditures would be a modest 2.1%.

Administrator Stricker stated that he will present a balanced budget to the Board in March. He stated that the major factor for the deficit was the fact that several items that were deferred in FY 15-16 have been reprogrammed in 16-17 and that he will have to make some recommendations in regard to handling some of these deferred projects prior to the end of the fiscal year so as not to impact the 16-17 Budget.

Finance Director Sapp continued that future year projections continue to show average annual deficits of over \$550,000, due in most part to fund the annual Road Program.

STATUS OF GOALS AND OBJECTIVES FOR FY 15-16

Administrator Stricker presented the Board with the status of the FY 15-16 Goals and Objectives, indicating which goals were completed, which goals will be deferred and which goals will not take place. He stated that he would like to see the Village move forward at this time to purchase the three-ton plow truck and the aerial lift truck that are found in the Equipment Replacement Fund, prior to the end of the fiscal year, and that he would like to possibly move forward on some other projects before the end of the fiscal year, including the Village Hall sign and repair of the retaining wall, among others. Trustee Bolos suggested that the Village Hall sign be paid out of the Hotel/Motel Tax Fund, instead of the General Fund.

PROPOSED GOALS AND OBJECTIVES FOR FY 15-16

Administrator Stricker presented the Village Board with a list of Department Head goals in Capital Improvements, Equipment, Operating and Personnel related issues. He stated that the annual Road Program has already been approved by the Village Board. He stated that a couple of water main projects, including Meadowbrook Place and 89th & Vine, are proposed to be deferred again until next fiscal year. He stated that, in terms of equipment, the snow plow truck and aerial lift truck are purchased prior to the end of the fiscal year and the only other pieces of equipment are vehicles that need to be purchased would be a pickup truck in the Water Department and the annual replacement of squad cars. In response to the presentation, Trustee Grasso stated that she felt that it is important that Staff justify any equipment replacements. Administrator Stricker agreed, stating that he would not present a request to replace a piece of equipment unless it absolutely needed to be replaced.

Administrator Stricker presented a list of several equipment purchases for the Police Department, including, among others, the addition of Class A uniforms for all officers. He stated that the cost would be \$6,300, but \$5,000 of this purchase would be made using the donation provided by the Walsh Foundation. Mayor Straub publicly thanked the Walsh Foundation again for their generous donation.

Administrator Stricker stated that there were a couple of major requests in the Water Department, including the expediting of the water meter replacement program by purchasing the remaining 1,200 meters still to be replaced in next fiscal year at a cost of \$355,000. He also stated that there were several other Operating proposals in the Water Department, including the replacement of Pump #4 in the amount of \$60,000.

Administrator Stricker stated that there were several changes to the Hotel/Motel Tax Fund this year, due in large part to the fact that the soon-to-be completed Crowne Plaza Hotel renovation would generate significant additional dollars to the Fund. He stated that the contractual landscaping contract is projected to be increased from \$58,700 to \$80,000, due to the fact that the contract with last year's low bid contractor has been terminated. As an aside, he mentioned that he would also like to seek proposals from the landscape contractor to cut the grass in the park areas for which the Village is responsible and provided the Village

Board with a detailed memo outlining the costs and benefits of this proposal. He stated that he expected bids to come in for this project sometime in March.

Administrator Stricker stated that he had negotiated a deal with the Hotel Marketing Committee, which was recommended for approval by the Economic Development Committee, to increase hotel marketing by \$50,000, with the understanding that \$25,000 of that increase would be earmarked for restaurant marketing, which would in turn reduce the amount of the Place-of-Eating Tax funds that need to be transferred from the General Fund to the Place-of-Eating Tax Fund by \$25,000. He stated that the additional \$25,000 in marketing will be used for producing and updating videos and providing more online marketing. Administrator Stricker stated that he also added \$6,500 in the Hotel/Motel Tax Fund Budget for a 60th Anniversary Celebration.

Administrator Stricker stated that he would like to budget \$5,000 this year for recycling program activities to promote recycling programs, including shredding recycling, electronic recycling, motor oil recycling and pumpkin recycling, among others. He stated that this cost would not cover all the programs, but he hoped that the Village could receive donations over time to make up the difference.

Administrator Stricker stated that, currently, all of the positions that were deferred in FY 15-16 are shown at the moment to be re-budgeted in FY 16-17. However, he stated that he would like to discuss this matter with the Board in Closed Session at the next Board meeting, along with proposed annual salary increases for non-union employees.

PROPOSED REFERENDUM FOR FALL 2016

Administrator Stricker presented a memo to the Board outlining his recommendation concerning a proposed referendum for November 2016, whereby residents will be asked to extend the rate previously used to pay off principle and interest on the General Obligation Bond Issue for Lake Michigan Water that would otherwise expire in December 2016 and extend it indefinitely with the anticipated revenue in the amount of \$520,655 to be used toward Capital improvements, including the Road Program, sidewalks, storm sewer projects, etc. He stated that, due to the continued sluggish growth in the General Fund and the fact that the Capital Projects Fund is now out of money, in order to continue the Road Program and cover the future cost of sidewalks and other Capital Projects in the future, a new revenue source must be found. He stated that the Village has until August 22 to adopt a Resolution or Ordinance to allow a binding public question that would appear on the November 8 ballot. He stated that, in order to help ensure a positive result, the Mayor and Village Board must be 100% in agreement with this approach and that a Citizen Committee would need to be formed to solicit donations to help sell the referendum to the public. Trustee Bolos stated that she felt that it was a good idea and that the Village should begin work on this project sooner than later. She stated that she had experienced working on referendums with the school district and agreed that forming a Citizen Committee is the right approach. She suggested that the issue of the possible referendum be discussed with the Homeowners' Association presidents on Wednesday evening, January 27, to get their input. In response to a question from Trustee Bolos, Administrator Stricker stated that, depending on how the referendum question is framed, the additional dollars could either be restricted for Capital

Projects or could be structured in such a way as to be used for any purpose. However, he stated that he felt strongly that, in order to help convince the residents to vote for the referendum, the dollars should be restricted to Capital Projects. Trustee Murphy also agreed that pursuit of a referendum was a good idea, but suggested that, instead of using the term "Capital Project," the term "infrastructure" be used.

Trustees Schiappa and Grasso stated their support for the proposed idea, with Mayor Straub and Trustee Paveza stating that they were on the fence. Mayor Straub stated that he understood the reasoning for the referendum, but that he would also like to be able to allow the property tax levy to decrease in order to provide some relief to the residents. In response to a comment from Administrator Stricker stating that savings that would be incurred by the elimination of this tax levy would be so small as to go unnoticed by the property owners in the community, Trustee Bolos cautioned the Administrator from using this language publicly and that she felt that the residents are smart enough to notice the reduction.

ADJOURNMENT

There being no further business, a **motion** was made by Trustee Al Paveza to adjourn the meeting. The motion was **seconded** by Trustee Janet Ryan Grasso and **approved** by a vote of 5-0. The meeting was adjourned at 9:10 p.m.

Respectively submitted,



Steve Stricker
Village Administrator

SS:bp