

MINUTES
FY 2016-17 BUDGET WORKSHOP
March 7, 2016

CALL TO ORDER

The meeting was called to order at 7:01 p.m. by Mayor Mickey Straub.

ROLL CALL

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

Absent: None

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

BRIEF PRESENTATION OF FY 16-17 BUDGET HIGHLIGHTS

Village Administrator Steve Stricker provided an overview of the Budget document, explaining that the Budget is broken out into six sections and contains a separate Budget for each of 14 separate Funds. Administrator Stricker provided the Board with an overview of the Budget in process, with an explanation by Fund accounting. He explained that the total Budget number is a compilation of the 14 Funds pancaked together. He stated that the FY 16-17 Budget was in the amount of \$18,720,215. However, he stated that, due to the fact that there are inter-Fund transfers, a total of \$773,490 is double counted in that figure. He stated that a better way to review the Budget is to look at each Fund separately.

Administrator Stricker stated that each Fund Budget is broken out by classification, including Personnel Services, Contractual Services, Commodities, Capital Outlay and Other Expenditures. He stated that, after each Budget, there are detailed notes that provide additional information on each line item.

Administrator Stricker stated the Village's General Fund is the Village's main operating fund and that 57.3% of the General Fund Budget is related to the Police Department. He also stated that 70.5% of the General Fund Budget is related to Personnel Services.

Administrator Stricker read to the Board the Budget highlights contained in his annual Budget Message, stopping at the conclusion of section on the General Fund. He stated that the FY 16-17 Budget included \$2,466,285 in Capital Improvements; \$290,000 in Major Vehicle Equipment Replacement; several major equipment requests, the largest being \$355,000 to complete the water meter replacement program; salaries, including 2.5% COLA adjustment and Step increases for the Police Department, 2% COLA adjustment and Merit increases as if there was a 12-stop pay plan for non-union employees, and public Works union salaries to be determined based on union negotiations.

Administrator Stricker stated that health insurance premiums will increase 3.6%, not the 5% that was mentioned in the original Budget Message. He stated that there would be no new additional requests included in the FY 16-17 Budget and that two positions, a part-time Receptionist and a Community Policing Officer, are included in the FY 16-17 Budget, but will not be filled until resolution of the State budget crisis is known.

Trustee Al Paveza asked how the Village's share of the health insurance costs compares to what other communities pay. In response, Administrator Stricker stated that he had reviewed a recent article indicating that the employee's share of the health insurance cost was a little lower than what one would find in the private sector, but was very comparable with public sector communities pay. He stated that he would provide this information to the Village Board.

Administrator Stricker stated there are several new Operating contractual programs in the budget this year, one of the largest being the contract to maintain the Village's gateways, bridge areas, Village Hall and other areas. He also stated that this year he was recommending that the grass cutting in the public grounds areas throughout the Village be done contractually. He stated that bids for this work came in substantially lower than originally anticipated, which will allow the Village to move more projects to the Hotel/Motel Tax Fund, reducing the cost to the General Fund from \$28,000 to \$5,617.

Administrator Stricker stated that the FY 15-16 Expenditure Budget will end the year with an estimated surplus of over \$121,000. He recommended that, if the surplus holds, \$100,000 of the surplus be transferred to the Capital Projects Fund prior to the end of the fiscal year. He stated that the FY 16-17 Budget shows a surplus of over \$212,000, but that the majority of this surplus is due to the closure of the E-9-1-1 Fund and that, if that one-time revenue is not taken into account, the surplus would actually be under \$40,000, or less than ½ of 1%.

Administrator Stricker stated that sales tax revenue was lower than budgeted in FY 15-16 and will only go up slightly in FY 16-17. He stated that the largest increase in revenue will be through building permits, due to the anticipated construction of three new office buildings. He stated that the Village continues to rely heavily on the state income tax, as well as utility taxes.

Administrator Stricker stated that the FY 16-17 Expenditure Budget is in the amount of \$8,534,725, which is an increase of 2.4% from the FY 15-16 Budget.

GENERAL FUND BUDGET

Administrator Stricker reviewed details of each of the separate budgets within the General Fund.

In the Board and Commissions Budget, Administrator Stricker mentioned that he had not budgeted any money for a Goals Setting session this year. In response, several Trustees suggested that it may be time to do a Goal Setting session and, after some discussion, it was agreed that the Village Administrator would provide additional information regarding the cost.