

MINUTES OF THE REGULAR MEETING BUDGET WORKSHOP OF THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF WILLOWBROOK HELD ON MONDAY, MARCH 1, 2010, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 6:30 p.m. by President Robert Napoli.

2. ROLL CALL

Those present at roll call were Trustees Dennis Baker, Terrence Kelly, Michael Mistele, Paul Schoenbeck, Timothy McMahon and President Napoli. ABSENT: Trustee Sandra O'Connor. Also present were Village Clerk Leroy Hansen, Village Administrator Larry Maholland, Village Administrator Megan Pierce, Acting Chief of Police Mark Shelton, Director of Finance Sue Stanish, Director of Municipal Services Timothy Halik, Deputy Chief Pat Foley, Planner Sara Hage, Superintendent of Parks & Recreation Walter Righton and Administrative Intern Garrett Hummel.

A QUORUM WAS DECLARED

3. PLEDGE OF ALLEGIANCE

President Napoli asked everyone to join him in saying the Pledge of Allegiance.

4. PUBLIC HEARING - APPROPRIATION ORDINANCE

President Napoli opened the public hearing relative to the proposed Appropriation Ordinance for Fiscal Year 2010-2011.

President Napoli asked if there were any questions or comments. Being there were no questions or comments, President Napoli asked for a motion to close the public hearing.

MOTION: Made by Trustee McMahon, seconded by Trustee Schoenbeck, to close the public hearing with regard to the Appropriation Ordinance.

ROLL CALL VOTE: AYES: Trustees Baker, Kelly, Mistele, Schoenbeck and McMahon; NAYS: None; ABSENT: Trustee O'Connor.

MOTION DECLARED CARRIED

5. DISCUSSION - FISCAL YEAR 2010-11 DRAFT BUDGET

Administrator Maholland presented to the Village Board a general overview of the budget. He noted that larger issues for the Village to consider are in the future and he thought there were three areas that the Board needs to think about as it looks to the future. One of them is the structural problem, and the Board is aware of this, revenues matching expenditures. Right now the Village cannot continue to operate the way it has in the past because revenues have fallen. The revenues have to expand more than what they traditionally would do or expenditures have to come down. The second is capacity and this deals with the Village's capacity to spend money to do the kinds of things that will make it more efficient in the future. A number of things that were discussed and then were dropped by the way side, one of them was the Geographic Information Systems (GIS). Even though this may or may not be something the Village wants to do, right now you do not have the resources to really look into it. The same goes for the Police Department with some of the technology they might like to see. This is another area the Village has to worry about; investing now for improvements in the future that affects your efficiency. With regard to defining costs, Administrator Maholland thought the fund balance of 120 days was standard; however, in terms of sustainability, the Village needs to look at increasing that somewhere near the 270 to 360 range due to the heavy dependency on sales tax. Also, the State because of their problems right now is 90 days behind in income tax. The fund balance probably needs to increase so that if the State does make some changes, the Village would have time to deal with those changes in somewhat of an organized fashion.

Director Stanish provided an overview of the Fiscal Year 2010-2011 budget.

- Proposed FY 2011 budget presents a surplus
- Proposed budget does not assume any salary increases
- Included are increases in pension funding and health insurance
- Anticipated unencumbered bond sale proceeds earmarked to make bond debt payments in FY11 and 50% in FY12
- A \$170,000 increase in revenues due to new businesses in town and Red Light Camera fines

Director Stanish advised the Board that it is anticipated the General Fund balance on April 30, 2010 is \$3,348,401 with a deficit of \$80,506 and 169 days of operating expense. The April 30, 2011 budget anticipates a fund balance of \$3,356,881 with a surplus of \$3,480 and 166 days of operating expense.

Director Stanish presented highlights of the departmental budgets:

Village Board & Clerk

- A decrease of 38.6% or \$21,850 compared to prior year budget
- No funding for Village's 50<sup>th</sup> Anniversary Celebration
- No funding for strategic planning
- Reductions in spending on training, local community fund raising events (i.e. Chamber and Kiwanis)

Trustee McMahon commented that the Board saw the graphs and where we will be and we need to be planning for this now. Even if we came up with a plan tomorrow night in terms of the future, it will take us several years in order to be able to activate whatever we are going to do about this situation. The Finance/Administration Committee has not seen anything so that we can change and make a meaningful difference. He encouraged the Board to put back the strategic planning funds and to actively begin scheduling those meetings.

Director Stanish responded that the funds for the strategic planning were for financial long term planning.

Trustee McMahon suggested contacting an individual who could direct the Board in developing a roadmap of what we need to do and timeframes to be able to accomplish things before trouble really hits. He noted that we have the unique difficulty of having things look pretty good at times yet saying the sky is falling.

Trustee Mistele asked if there was information available to say "what if" we have a property tax; how much the bill rate will be in order to maintain a 120-270-360 days.

Trustee McMahon responded that we already have those scenarios and the only two things that will save us is either a home rule sales tax or a property tax. Everything else we do will just delay the day that trouble comes knocking.

Trustee Mistele thought that either one of those scenarios would require a long term public relations campaign. Trustee McMahon responded that is why he has been expressing his concern over the last couple of years.

Trustee Schoenbeck thought the strategic planning is not something to be put off to the middle of the next fiscal year.

Trustee Mistele agreed with the recommendation to put the funds back in the budget for strategic planning.

The consensus of the Board was to include the \$5,000 for strategic planning in the FY10-11 budget and to have the planning sessions sooner than later.

Director Stanish presented the overview for the Administration Department and Finance Department budgets.

#### Administration

- 7.1% decrease compared to the prior year
- Draft budget assumes continued use of consultant. Reduction in personnel costs; increase in consultant fees
- Elimination of printed Village newsletter
- Elimination of part-time employee
- No transfer from the General Fund to the 2008 Debt Service Fund
- Legal fees funding increased based on current trend and union issues
- Purchase or lease of new copier deferred for the second year

Trustee Schoenbeck inquired if the Finance/Administration Committee discussed a fulltime Administrator versus a consultant.

Director Stanish commented that her understanding was the Village Board was going to discuss that issue in detail along with the Sikich reports.

#### Finance

- Decrease in the proposed budget of 2.2%
- Includes annual support fees for various software programs for payroll, cash receipts and business licenses. No software upgrades are included.

- Provides funds for network administration services. Reduced on-site support to once a month; remote review of network once a month.
- Elimination of GFOA budget award. Fees for the CAFR award remain in the draft budget.

The consensus of the Village Board was to keep the GFOA budget award fee in the budget and the Finance/Administration Committee will determine if it is reasonable for Director Stanish to apply for the GFOA award.

Planner Hage presented an overview of the Planning and Development Department budget.

#### Planning and Development

- Decrease of 7.65% compared to the prior year.
- Reduced retail vacancy rate from a high of 15.44% to 13.42%; anticipates a 9% vacancy rate in the 3<sup>rd</sup> quarter 2010 with the opening of Goodwill, Lassak Deli and Endure It Sports.
- Worked with business community to overhaul the Sign Code. Village Board approval anticipated in April 2010.
- Staff worked with the Census Bureau to prepare for 2010 Census.
- Assisted the Chicken Basket in securing grant funding for a roadside historical marker to reflect our Route 66 history.
- FY09-10 Plan Application Fees budgeted at \$12,000; estimated actual revised to \$10,000.
- Public Hearing Fees budgeted at \$4,250 for FY09-10; estimated actual revised to \$2,550.
- In the first eight months of FY09/10 the Plan Commission held seven public hearings as compared to a total of four hearings for all of FY08/09.

Superintendent Righton presented an overview of the Parks and Recreation Department budget.

#### Parks and Recreation Department

- Total decrease of 8.42% compared to the prior year.
- Proposed budget assumes continued of the basic Parks and Recreation Department services and facilities.

- Includes the suspension of the Movie Night Program and of the smaller special events having no corresponding revenue offset.
- Includes reduction in the size of the seasonal brochures.
- Lower coverage of goose control for the parks.
- More reliance on Village Staff for engineering estimates.
- Includes the addition of repairs to the Waterford Park tennis court.
- Additional funding for a required increase for ADA accommodations in recreation programs. Entire cost of this increase is being covered by the Special Recreation Tax.

Acting Chief Shelton presented an overview of the Police Department budget.

#### Police Department

- Decrease of 1.6% compared to the prior year.
- General reductions were made to all non-essential line items and the reduction in budget compared to last year would be larger except for the increase in pension funding.
- Department does not anticipate hiring another patrol officer.
- Projected reduction in overtime by 15% or \$40,221.
- Discontinue the service of DuMeg.
- Installation of Red Light camera at the intersection of Route 83 and Midway Drive.
- Elimination of a part-time Red Light Camera video reviewer.
- The reduction of Red Light Camera Adjudicator's time from twice a month to once a month.
- The Department will only purchase one new squad car with an extended warranty.
- The Department will purchase a new DVD camera with an extended warranty.

Trustee Schoenbeck inquired if the budget included a civilian person in the event there are personnel cutbacks that occur within the Department. Acting Chief Shelton responded that they did not add that in the budget.

Director Halik presented an overview of the Municipal Services Department budgets.

## Public Works

- Overall decrease of 13.38%
- Overtime funding was reduced by 15% or \$3,120.
- Soliciting funds from DuPage County for use in offsetting engineering expenses for the community lighting project enabled a reduction in the engineering expense budget by 27% or \$16,655.
- Identification of a storm water drainage problem, once eliminated, will result in a reduction of storm sewer jet cleaning expenses by 50% or \$7,500.
- Funding for the annual re-ditching program has been reduced by 33% or \$10,000.
- Anticipated reduction in cost for performing the new method of brush collection twice a year is about 20% lower than the previous program.
- A total of \$68,000 is allocated for the purchase of rock salt for the next winter season.

Trustee Schoenbeck advised that he had heard at least one other community our size have their residents bring their brush to a specific location; there is a significant savings in doing that. Is this something that would be realistic for the Village?

Director Halik responded that he did not think it would be well received by the residents.

Trustee McMahon agreed with Director Halik especially since the single family homes have a fair amount of property. Residents put out brush that encompasses a hundred feet of their front lawn and it would take thirty trips to the Village parking lot. He thought this would be a worse headache for the residents than the Village parking stickers.

Director Halik related that in fall of 2005, the Village had abandoned the brush collection program and the Village Hall phones were ringing off the hook.

Trustee Kelly inquired if it would be a worthwhile exercise to contact the (salt) vendors Director Halik spoke to last year and find out whether or not if they have excess supply and what price the Village can buy it at.

Director Halik responded that is a great question now that we have somewhere to store the salt. The current contract with North America enables the Village to buy up to 100 percent of

the stated quantity. The Village only bought eighty percent of what we needed so Director Halik was considering purchasing the remaining twenty percent at today's price and store it in the dome.

#### Building & Zoning

- Includes a 50% reduction in overtime expenses due to the Building Inspector taking compensatory time instead of overtime pay.
- Consultant services were reduced due to the permit inactivity currently experienced.
- Increase in funding for third party elevator inspection services by 40% or \$2,000 due to the new Illinois Elevator Safety Act requiring additional elevator inspections. Elevator fees will be increased accordingly.

Trustee Schoenbeck inquired if there are any courses available to obtain an elevator inspector certificate that the Building Inspector can take that will allow him or someone else in the department to do the inspections instead of hiring out.

Director Halik responded that there are two levels of elevator inspector: the International Code Elevator Inspector and the State Elevator Program. Director Halik has an International Code Elevator Inspector license. In order to get a State Elevator license, a person has to be an elevator repair contractor.

#### Water Fund

- Overall decrease of 4.12%
- Anticipates a 14.8% increase in the cost of purchasing water.
- Includes a 134% or \$11,460 increase in energy for the water system booster pump.
- Reduction in expenses relating to the repair of water main breaks by 26% or \$17,500.
- Includes a \$10,000 reduction in the continuation of the hydrant replacement program.

#### Water Capital Improvement Fund

- Overall decrease of 75%
- Water rates currently charged by the DWC have increased, resulting in the elimination of future receipts into this Fund.

- Remaining funds will be used to complete:
  - o \$20,000 for a valve insertion program to enable sections of water transmission mains to be further isolated to reduce impact during repair of a main break.
  - o \$15,000 for a valve exercising program to ensure the continued proper operation of water system distribution valves.

#### Motor Fuel Tax Fund

- \$18,000 has been earmarked for construction engineering oversight in the completion of the Clarendon Hills Road LAPP.
- Available funding of \$200,000 is anticipated for the completion of the 2010 Road Maintenance Program.

Director Stanish presented an overview of the SSA Funds, Capital Projects Fund and Hotel/Motel Tax Fund.

#### SSA Funds

The only project the Village continues to work on, going forward either this year or next year depending on the timing of getting that exchange, is getting the sign up in Town Center.

#### Capital Projects Fund

The only thing the Village will be doing next year is paying debt service. Director Stanish noted that President Napoli asked her a question on how we spent about \$2 million in bond proceeds. This lists out what the proceeds were spent on. The total issuing cost is about \$35,000; 75<sup>th</sup> Street Extension we have paid the State back \$39,000; we have not been billed for \$160,000 from the State. Out of bond proceeds \$1.5 million were spent on the Public Works Facility but we also took \$500,000 in cash out of the Water Capital Fund. This left \$286,000 of additional bond proceeds.

#### Hotel/Motel Tax Fund

The Finance/Administration Committee has been monitoring the receipts as they have been coming and the hotels are experiencing about a 30% decline from maybe 2-3 years ago. The Village has changed the whole philosophy of spending money out of this fund so that the General Fund will not end up fronting funds to the Hotel/Motel Tax Fund. As a non-home rule community,

the Village is restricted to using the dollars that come in to promote tourism in Willowbrook. The advertising budget has been around \$60-\$70,000 and we are only projecting \$47,000 for FY10-11. The hotels had indicated they are not yet rebounding so we are projecting keeping revenues flat and spending even less on advertising to make sure there is money.

Director Stanish presented some issues that require Board Direction: 1) water rates, 2) Federal Stimulus Funding, 3) Audio & Video Upgrades.

### Water Rates

The Village's last water rate increase was in 2001 to pay for debt issued to paint the water towers, get the brand new meter reading system in town and to complete one water main extension project.

There are two tiers of water rates. Tier one is \$3.99 for the first 36,000 gallons as a residential use and the first 12,000 for commercial. Tier two is \$4.60 if you use over 36,000 gallons as a resident and over 12,000 for commercial. There is a minimum bill of \$35.91 for 9,000 gallons or less.

Director Stanish indicated that in the Village's comparability, we fall in the lower mid range compared to the data we have. The cost of water is a commodity that is valued and is becoming more expensive. Director Stanish noted that the Village has plenty of room to move on water rates and still be comparable to other communities.

Director Stanish informed the Board that since 2005 the Water Commission has been decreasing the Village's rate. They had extra money in reserves and needed to get their reserves down. The Village started the Water Capital Fund and began to get that influx of money and in an extra effort to get their reserves down the Water Commission gave the Village a \$500,000 rebate. The City of Chicago increased their rates by 15% in October 2008, 15% in January 2009 and another 14% in January 2010. At that point, the Water Commission did not increase their water rate so the Village and all our customers were not paying the true cost of the Chicago water. The Water Commission had a policy of subsidizing part of those increases through the quarter percent sales tax they received of everything purchased in DuPage County. Due to what has been happening with sales tax revenues, the Water Commission has less to subsidize in addition to the issue regarding the use of funds in reserve. In the

future, the Water Commission will be passing on rate increases to their customers.

Director Stanish advised the Board that the Municipal Services Committee discussed raising water rates for the Village and it would be nice to bump up our water rates over the next eight years, save some money and then in eight years have the money to paint the water towers. The Village will need about \$1 million for the painting project.

Director Stanish noted there were two big assumptions, one of which is to build in a 17% increase in our cost to purchase water from the Commission. It also assumes that the Commission will increase their rates 8.5% every year. If the Village water rates are not increased, there will be a serious deficit in the Village's Water Fund.

President Napoli suggested investigating the possibility of selling some advertising on the water towers to see if we can get some revenue.

Director Stanish advised the Board it would make sense to do a rate increase effective May 1 to coincide with the rate increase from the DuPage Water Commission. The Commission preliminarily indicated that they will be going to \$2.08 per gallon.

Director Stanish presented the Board with several options:

Option 1 - 25% rate increase one time effective May 1, 2010, with no increase for five years

Option 2 - 20% rate increase with the next water rate in 3-4 years

Option 3 - 15% rate increase with the next increase in 1-2 years

Option 4 - Water rate increase every year; 15% rate increase first year, 3% rate increase years 2-3; 2.5% rate increase years 4-5

The consensus of the Board was to have Staff prepare a model of Option 4 with rate increases over eight years to allow the Village to get to the \$1 million for the water towers. The Board directed the Staff to prepare the model for the next Board meeting.

## Federal Stimulus Funding - Update

Director Halik informed the Board that Willowbrook will receive over \$600,000 in grant money this year through the American Recovery and Reinvestment Act. The two projects the Village were approved are: Kingery & Plainfield Lighting Project (\$334,440) and the Resurfacing of Clarendon Hills Road (75<sup>th</sup> to 79<sup>th</sup> Street) (\$273,813). Both of these projects are currently on the IDOT bid letting so he will report to the Board when they come back.

Director Halik advised there is potential new stimulus funding through the "Federal Jobs for Main Street Act" (HR2847). Additional projects the Village can potentially submit include: Kingery & 63<sup>rd</sup> Street Lighting Project (\$669,413.53) and Resurfacing of Clarendon Hills Road (63<sup>rd</sup> to 58<sup>th</sup> Street) (\$350,000).

Considerations to be given to these projects are:

- If accepted, the engineering costs (\$135,000) are not grant eligible and are not currently in the budget. The engineering costs would have to be included in the budget.
- Given the ranking provision that would most likely be put in place, staff recommended that the Clarendon Hills Road resurfacing project be given higher priority, which is actually a Village street, and the \$25,000 for engineering for this project is relatively palatable.
- The Village could submit multiple projects and could withdraw them if the Village could not meet the funding obligations later.

Director Halik further advised the Board that he did research and, basically, the House bill (HR-2847) was stalled in the Senate. The Senate's first version of the bill also included about \$80 billion in stimulus money. In January a lot of unhappy people started voicing their opposition to new government spending. In response, the Senate removed all the stimulus money from the bill. The current version of the Senate bill does not include any stimulus money. However, the Senate said they would reconsider their position and their action on the bill. The Senate Democratic leadership indicated that it was their intent to work some money back into the bill. It is not known when or if that will happen. The best case scenario is that some version of the Senate bill will be done by the middle of March and it does include stimulus funding at which time the House and Senate will reconcile both bills and come up with a version they both

could live with. In the meantime, the Staff has been advised to further our program for the potential projects given that the House bill already contains funding with the premise that the Senate bill will also follow suit.

President Napoli asked what was the Staff's recommendation, both projects or just one project.

Director Halik responded that in order for the Village to have an opportunity at a million dollars you would have to fund both projects; however, it is unlikely the Village would be awarded two.

President Napoli indicated that the 63<sup>rd</sup> Street lighting project had already been submitted and rejected.

The consensus of the Board was to defer action on this item.

#### Audio & Video Upgrades - Council Chambers

Director Halik informed the Board that Trustee Schoenbeck requested Staff to consider audio upgrades in the Council Chambers to improve recording capability for use in completing meeting minutes. He contacted MidCo Systems in Burr Ridge and they provided quotes of \$10,625 for audio upgrades and \$5,955 for video upgrade.

Rather than expend the funds for the purchase of the upgrades, Village Clerk Hansen, in light of the fact that Trustee McMahon was often difficult to hear on a tape, suggested Trustee Schoenbeck and Trustee McMahon exchange positions on the dais. The Board concurred with Village Clerk Hansen's recommendation.

#### 6. EXECUTIVE SESSION

President Napoli asked for a motion to recess into Executive Session to discuss Personnel matters as authorized by Chapter 5 ILCS 120/2(c)1.

MOTION: Made by Trustee McMahon, seconded by Trustee Schoenbeck, to recess into Executive Session at the hour of 9:08 p.m.

PREVIOUS ROLL CALL VOTE: AYES: Trustees Baker, Kelly, Mistele, Schoenbeck and McMahon; NAYS: None; ABSENT: Trustee O'Connor.

MOTION DECLARED CARRIED

\*\*\*SEE APPROPRIATE EXECUTIVE SESSION MINUTES\*\*\*

The Village Board reconvened the regular meeting at 9:42 p.m.

7. ADJOURNMENT

President Napoli asked for a motion to adjourn the meeting.

MOTION: Made by Trustee Baker, seconded by Trustee McMahon, to adjourn the meeting at the hour of 9:44 p.m.

PREVIOUS ROLL CALL VOTE: AYES: Trustees Baker, Kelly, Mistele, Schoenbeck and McMahon; NAYS: None; ABSENT: Trustee O'Connor.

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

March 22 \_\_\_\_\_, 2010

Robert A. Napoli  
Village President

Minutes transcribed by Mary Partyka.