

MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF WILLOWBROOK TO BE HELD ON MONDAY, APRIL 6, 2020, AT 5:35 P.M. AT THE WILLOWBROOK POLICE DEPARTMENT TRAINING ROOM, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS.

DUE TO THE COVID 19 PANDEMIC THE VILLAGE OFFICES WILL BE CLOSED AND THE VILLAGE WILL BE UTILIZING A ZOOM VIDEO CONFERENCE CALL FOR THIS MEETING.

1. CALL TO ORDER

The meeting was called to order by Mayor Frank A. Trilla at 5:35 p.m.

2. ROLL CALL

Those present, via Zoom conference call, at roll call were Mayor Frank A. Trilla, Trustee Umberto Davi, Trustee Terrence Kelly, Trustee Michael Mistele, Trustee Gayle Neal, and Trustee Paul Oggerino, and Clerk Leroy R. Hansen.

ABSENT: Trustee Sue Berglund.

Also present, via Zoom conference call, were Village Administrator Brian Pabst, Director of Finance Carrie Dittman, Assistant Village Administrator Michael Mertens, Police Chief Robert Schaller, Deputy Chief Lauren Kasper, Superintendent of Public Works Joe Coons, Building Official Roy Giuntoli, and Interim Supt. of Parks John Fenske.

3. PLEDGE OF ALLEGIANCE (WAIVED)

The Pledge of Allegiance was waived.

4. VISITOR'S BUSINESS

None presented.

5. DISCUSSION – FISCAL YEAR 2020/2021 DRAFT BUDGET

Director Dittman welcomed the group to the Board Budget Workshop 1 meeting to review the work that staff has performed to date on the Village's FY 2020/21 budget. If necessary, we can hold a second Board Budget Workshop next Monday on April 13. Otherwise, any discussion items from tonight's meeting will be incorporated into a final budget document that will be adopted at the April 27 Board of Trustees meeting.

The proposed budget maintains all existing services and programs. The proposed Days Operating Expense in the General Fund, as of 4/30/2021, is 202 days, which equals \$5,008,579 of ending fund balance. The projected cost of one day to operate the General Fund is \$24,827. The budget does not include raises for any employees; however, step increases for union officers are included. The

proposed FY 2020/21 budget presents a General Fund drawdown of reserves of \$223,834. Also, Five Year Forecasts by fund includes future spending on identified projects/programs based on normal operating levels and normal revenues.

Director Dittman presented the General Fund reserve drawdown by department. FY 20/21 revenues are \$9,227,066, which is higher than the current year's budget by \$397,938. Expenditures are expected to be \$9,450,900 resulting in a drawdown of \$223,834. The drawdown from the joint committee presentation was projected at about \$130,000, so it has declined about \$93,000.

Director Dittman noted that we have not included any wage increases for non-union employees. Salaries and rates for both part-time and full-time employees are included at current amounts. For union employees, raises are not included, however step increases are included for those affected employees. We have not added any positions to the budget either; Director Dittman presented the personnel levels over the last 25 years.

Next, Director Dittman presented the health insurance rates for next year's budget. The preliminary increase was 5.4%, which has since dropped to 3.6%, the final rate approved by the IPBC in March. Contributions by tier were presented, along with contribution rates. The Village pays 100% of the single premium, and 80% of the premium for the other three tiers. Health insurance buyback is also an option for employees on another plan. The annual expense for health insurance is about \$495,000. Trustee Davi asked about how long the contribution rates have been in effect, and discussion ensued.

Director Dittman next recapped the pension costs, which have not changed since the February presentation. Police pension has an 8.9% expense increase, or \$87,855. That amount equates to 49.74% of payroll and the FY 20/21 contribution amount is \$1,074,713. We use a 100% funding target by 2040 (90% is the statutory minimum). The contribution is based on 18 pension beneficiaries and 23 active officers at 4/30/2019; we have 19 beneficiaries as of 4/1/2020. For IMRF, there is a 1.18% rate increase, or about \$15,000. The rate of payroll is 13.41% for calendar year 2020 and the contribution amount is approx. \$180,000. There are 17 active IMRF members currently.

Director Dittman next discussed the major changes made to the budget since February, beginning with General Fund revenues. Sales taxpayers in the Top 50 were analyzed and categorized into essential, semi-essential, and discretionary. Businesses in the essential category, such as grocery stores, were assumed to collect 100% of normal sales. Businesses in the semi-essential category are businesses allowed to be open during the shutdown and include restaurants and others, these were assumed to collect 85% of annual sales. Discretionary businesses, such as car dealerships and clothing stores, were assumed to collect 65% of annual sales. Applying these reductions resulted in a \$500,000 reduction to sales taxes. Discussion about the businesses ensued. Director Dittman noted that the Board could revisit the financials in four to six months to see if the economy has rebounded.

Director Dittman continued to discuss revenues, including the income tax reduction. Income tax reduction was already reduced by 5% as of the February presentation. Information she learned in

Governor Pritzker's state of the State address delivered in late February suggested that the State would keep 10% of municipality's portion of the income tax, so another 5% of our income tax revenue was reduced. Finally, in response to the pandemic crisis and the uncertainty of employment during and following the shut-down, income tax was further reduced another 15% for a total reduction of 25%, which equates to roughly \$153,000.

Regarding places of eating tax, this was also subject to reduction based on the business closures. The average month of revenue was calculated based on the last four years of actual collections. Then, a reduction was applied to each month presuming the population would not immediately be returning to dining out or carrying out after the shut-down order is lifted. The reductions range from monthly reductions of 10% to 50% for each month of the next fiscal year. The total reduction for this source was \$115,000.

For Hotel/Motel Tax revenue, the budget for FY 20/21 was decreased by 35%. The February budget was based on three hotels operating full-time and one hotel dark for 6 months due to uncertainty of the Red Roof transition; we restored the Red Roof income but then assumed a 65% collection rate across all four hotels, assuming that the Delta Marriott will be open by May 1. This was a total \$12,773 additional reduction.

Red light camera fines were reduced due to anticipated lower levels of travel due to the shut down and more employees working from home. We already had conservatively accounted for a 20% reduction, and we reduced another 5% for a total 25% reduction, or \$35,000, due to the fewer travelers on the roads. Trustee Kelly inquired about the status of red-light camera legislation in Springfield and discussion ensued.

Based on the reductions noted above, the total General Fund revenue reduction made since February's presentation is \$815,573. Director Dittman presented a pie chart showing the General Fund revenues by source. The total is \$9,227,066. Trustee Mistele asked about the revenue comparison to the FY 19/20 budget. Director Dittman went over that information on the following slide: the revenues for all funds of the Village total \$14,243,966 for FY 20/21.

Next, Director Dittman discussed the changes made to General Fund expenditures. These include: Administration - removed intern position – decrease of \$9,984, decreased contingencies by \$15,000, increased attorney fees by \$40,000. In the Planning Dept, decreased outsourced planner fees by \$25,000. In Parks Dept, removed court improvements and park improvements of \$14,100, removed CRC ADA-related construction of \$78,750 & other park ADA of \$5,600, and reduced maintenance expense by \$18,500.

Within the Police Dept: removed body cameras of \$33,846, removed police chief vehicle of \$38,000, removed cost of squad (will be purchased with asset forfeiture funds, but in order to do so it cannot be a budgeted item). In the Public Works Dept: reduced engineering fees by \$25,000 (moved to MFT Fund), removed 5-ton dump truck and 1-ton Ford F-550 = \$134,628 (1/2 total cost), added \$32,500 for Clarendon Hills storm sewer replacement project, and added \$55,000 back for Garfield Ave.

sidewalk replacement (IGA with Burr Ridge). A brief discussion ensued about the project and possible grant revenue.

In the Building Dept: removed \$38,000 for new Building Official vehicle; reduced plan review fees by \$35,000; and reduced outsourced inspection fees by \$7,000. Other changes were made with respect to Information Technology: added emergency laptop purchase to the current year projected (which affects multiple departments) for about \$8,500 plus setup; moved computer purchase expenditure from FY 20/21 budget to current year projected (also affects multiple departments) for about \$57,000; allocated IT consultant usage across departments; and added \$10,000 to insurance for FY 19/20 to cover the cyber-attack deductible. Most of the cyber-attack expenditures, exclusive of hardware, will be covered by the insurance policy.

Within other funds, changes made include adding a \$200,000 transfer from the Water to Water Capital Improvement Fund and removing the 5-ton dump truck and 1-ton Ford F-550 = \$134,628 (1/2 total cost) from the Water Fund. In the Motor Fuel Tax Fund, we added \$25,000 for engineering on road program (moved from Public Works Dept). Finally, in the LAFER Fund, we removed the CRC interior renovation cost of \$1,423,250 as there is no offsetting funding source.

Trustee Kelly asked about the police department staffing; this will be discussed in more detail later, however Director Dittman noted that two new officers are already included in next year's budget. A discussion about staffing ensued, which will be explored in more detail later in the presentation.

The pie chart of General Fund expenditures by department was explained, with total expenditures of \$9,450,900. The expenditure summary for all funds of the Village was discussed next.

Director Dittman next presented the General Fund summary. As was previously discussed at the Feb presentation, the FY 19/20 actual fund balance is coming in much higher due to elimination of many capital projects and certain revenue sources exceeding budget, such as building permits. At April 30, 2021, the General Fund's fund balance is projected to be \$5,008,579 with a drawdown of \$223,834 and 202 days of operating reserves.

The General Fund summary for the next 5 years shows the current year projection of total revenues, total expenditures and ending fund balance; we are starting next year in a better position than had been budgeted. The number of reserve days is projected to be 206. The ending fund balance of \$5.2 million then becomes the starting point for the next budget year, our Year 1. Subsequent years (2-5) generally have 1.0% revenue increases. FY 20/21 revenues look high because of the one-time transfer in from the Hotel/Motel Tax Fund of about \$700,000. Year 2 is assumed to resume back to normal revenue levels, making whole from the cuts that are imposed in Year 1. Generally, 3.0% expenditure increases are included in most line items, except for non-recurring capital and salaries. The projections show deficit spending every year over next 5 years. Significant capital expenditures are not included in future years, nor are any salary increases. The projected number of days reserves over the coming 5-year period are also shown, with Year 5 dipping below the Board's 120-day target minimum.

In the Water Fund, working capital for FY 20/21 and reserve days are both projected to drop over the current year actual. \$200,000 in transfers to the Water Capital Improvement Fund was added since the February committee presentation, however it still exceeds the 90-day minimum reserve. The Motor Fuel Tax projected fund balance has increased due to the State of Illinois imposed transportation (gas) tax that went into effect July 1, 2019.

Director Dittman then described the Village's historical water rates. In response to questions brought up at the February budget presentation, we prepared this slide showing the history of the Village's water rates compared to the DuPage Water Commission (DWC), where we purchase water from. Director Dittman also presented this information to the Municipal Services Committee. The last time the Village Board passed a water rate increase was January 1, 2015, a 12% increase. Since 1/1/2015, the DWC has passed a combination of rate decreases and rate increases; the cumulative effect over the past five years was a 0.45% rate increase. As part of the last Village rate increase on 1/1/2015, the Village Board confirmed the usage of a minimum bill.

The Village has a tiered water system and residential is billed differently than commercial (commercial is quite complex and varies based on usage and meter size). For purposes of this discussion, only residential usage is noted. Residential usage above 36,000 gallons is billed at a higher rate. Residential rates are \$9.67/1,000 gallons. Director Dittman described the way the minimum bill was calculated and presented statistics on minimum bills issued in 2019. Trustee Neal and Administrator Pabst discussed possible changes to the water billing structure. Mayor Trilla brought up considering a nominal monthly surcharge for businesses, such as Westmont charges. Asst. Administrator Mertens discussed considering conducting a water rate study to determine the true cost of the water system, including infrastructure, that is fair for residents and businesses today and into the future. Mayor Trilla raised the question of the Village's leaks and implementing a leak detection system. Trustee Neal asked if our grant person could locate a grant to cover the costs.

Director Dittman then turned the presentation to discretionary items for the Board's consideration. Some of these items were previously included but have since been removed due to the economic uncertainty we are facing, for additional consideration by the Board. The first item is vehicles, which are not currently included in the budget: Police Chief/Admin vehicle for \$38,000; Building Official vehicle for \$38,000; and Water/Public Works (split 50/50) 5-ton International dump truck with plow package for \$179,000 and 1-ton Ford F-550 with plow package for \$91,000.

Mayor Trilla and Trustee Kelly brought up the subject of police staffing, and what the numbers would look like. Trustee Mistele discussed the age of officers and their proximity to retirement and hiring two new officers now and two more in the next budget. Mayor Trilla asked for consensus to hold all Discretionary Items #1-9 for a minimum of six months. Trustees Kelly, Neal and Davi agreed. Trustee Oggerino asked if the six months was carved in stone, Mayor Trilla replied no.

The next discretionary item discussed was the Village Hall parking lot. This item was previously brought up as a discretionary item the last two budget years. At the time, a grant to partially cover the cost of installing brick pavers in the Village Hall lot would offset the cost, however the grant has since expired. The discretionary item being presented now is just resurfacing of the current asphalt,

at an approximate cost of \$60,000. Asst. Administrator Mertens commented that this is just grinding off the top two inches and re-paving; if we wait six months to decide we will miss the construction season and would need to wait until the following budget year. It is part of the MFT bid (not to be paid with MFT monies), and we would get numbers from the bid process. Trustee Mistele commented on the structural integrity of the lot.

Director Dittman asked Supt. Coons to describe the next discretionary item, which is a sidewalk extension in front of Gower West School at an approximate cost of \$55,000. Supt. Coons gave a brief overview of safety complaints received. Director Dittman mentioned that if it is school district property, should the school contribute? Mayor Trilla noted that the district has plans to put a facility on that part of the property. Trustee Neal mentioned perhaps Burr Ridge can join in on the cost sharing. Supt. Fenske noted that Burr Ridge students that attend are bussed to and from school.

The next discretionary item reviewed was TIF Consulting Fees for \$60,000 to conduct a TIF feasibility study to include stormwater remediation efforts at Executive Plaza and a redevelopment plan of the Village's industrial/hospitality district. Administrator Pabst added that if needed it could be delayed to another budget year.

The next discretionary item, Village entrance signs, was also discussed at a Municipal Services committee meeting. The cost of \$35,000 would cover two wooden breakaway signs at the two Village entrances on Route 83. Some other towns use electronic signs with advertising. A discussion about alternative signage, placement and IDOT rules ensued.

At the February budget meeting the Board directed staff to add \$20,000 to the budget for the Village to do its own advertising for the hotels, and to put a one-year hiatus on participating in the DuPage Convention and Visitors Bureau, due to the uncertain status of multiple hotels. The \$20,000 advertising was added and then removed during the cuts. Mayor Trilla and Trustee Neal agreed it should be revisited down the road when all four hotels were open.

Director Dittman noted that questions had been asked regarding Park Special Events, including which of them were included in the budget and what their underlying costs were. Events that are currently included are: Children's Special Events (Halloween/Easter Egg Hunt) for \$3,000; Family Movie Night for \$1,500; Tree Lighting for \$4,900; Back to School for \$500; 5k Race/Walk for \$13,600; Children's Holiday Party for \$5,000; and Community Picnic for \$3,000. A lengthy discussion about each event transpired, and the consensus was to leave the amounts in the budget, however, before the event is scheduled to take place, it be would revisited with the Board to determine if the event should proceed or be cancelled.

Additional discussion about police staffing ensued.

Director Dittman described the Village's current health insurance contribution rates and outlined other possible scenarios of cost sharing. The analysis includes all full-time employees, both union and non-union. Currently, the Village pays 100% of the premium of a single employee. For

employees selecting another tier, the Village backs off the cost of a single employee and then the employee pays 20% of the remainder. Other options for consideration would be employees contributing: 0% single/20% other tiers (not subtracting the single premium for other), 10% single/20% other, 10% single/25% other, all 20%, or all 25%.

Of the 38 current eligible employees, six do not take the insurance and are paid the health buyback amount. The remaining 32 are 15 union and 17 nonunion. A discussion ensued about what is occurring in the marketplace for other Villages. The savings would be lessened if the union did not accept this.

The last discretionary item that Director Dittman discussed was the Community Resource Center interior buildout, which is estimated to cost \$1,423,250. There is not a 100% confirmed funding source to cover the cost; some grant revenue may be received, but that may be only 50% of the cost. This could be revisited in six months to see if grants were awarded and determine a supplemental revenue source at that time.

The impact to the General Fund if all discretionary items were added in would be additional expense of \$1,864,250, or 75 reserve days. The impact to the General Fund if Park Special Events were removed and health insurance contribution rates were changed would be a reduction of expense of a maximum of \$107,718, or 4 reserve days. After extensive discussion, the consensus of the Board was to leave all discretionary item expenditures out except the Village Hall parking lot and TIF consulting fees, a total of \$120,000. The consensus of the Board was to leave the park special events in, but to bring to the Board for discussion before the event, and to leave the health insurance contribution rates as is.

MOTION: Made by Trustee Mistele and seconded by Trustee Kelly to adjourn the Special Meeting at the hour of 7:57 pm.

ROLL CALL VOTE: AYES: Trustees Davi, Kelly, Mistele, Neal and Oggerino. NAYS: None.

ABSENT: Trustee Berglund

MOTION DECLARED CARRIED

PRESENTED, READ, AND APPROVED

_____, 2020

Frank A. Trilla, Mayor

Minutes transcribed by Director of Finance Carrie Dittman.