

**MINUTES OF BUDGET WORKSHOP #1
OF THE GURNEE VILLAGE BOARD**

**GURNEE VILLAGE HALL
MARCH 7, 2016**

Call to Order

Mayor Kovarik called the Budget Hearing to order at 5:01 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; David Ziegler, Assistant Village Administrator/Community Development Director; Scott Drabicki, Village Engineer; Jack Linehan, Assistant to the Village Administrator; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; Chris Velkover, Information Systems Director; Tom Rigwood, Director of Public Works; Fred Friedl, Fire Chief; John Kavanagh, Deputy Fire Chief; Kevin Woodside, Police Chief; Saundra Campbell, Deputy Police Chief; Willie Meyer Deputy Police Chief; Al Marquardt, Communications Supervisor; Ellen Dean, Economic Development Director

Roll Call

PRESENT: 6- Wilson, Ross, Garner, Thorstenson, Balmes, Hood
ABSENT: 0- None

Budget Overview

Mayor Kovarik stated this is one of the most important meetings of the year. She stated Trustees had a chance to meet with staff one-on-one; therefore, tonight's presentation will be a higher-level review.

Mr. Muetz said that this Budget Workshop would be an overview of the Fiscal Year 2016/2017 Proposed Budget. Mr. Muetz, along with his management staff, walked the Village Board through a PowerPoint presentation, answering questions along the way. The presentation and questions are summarized as follows:

FY 2016/2017 Process

- Strategic Plan updated at the end of 2015
- Multi-Year Financial Forecast November 23, 2015
- Multi-Year Capital Plan December 21, 2015
- Annual Budget Workshops March 7th & 28th, as well as April 4th
- Quarterly Status Reports throughout the fiscal year
- Annual audit in October 2016

Priorities & Initiatives for FY 2016/2017

- Goals
 - Provide highest possible services while keeping taxation and other charges at a minimum.
 - Address the following five Strategic Plan Key Performance Areas:
- Exceptional Village Services and Staff
 - Additional Police Officers (2)
 - Public Education Specialist
 - D.A.R.E. Program – which was suspended in 2015 due to manpower
 - Neighborhood Watch
 - Village Website
 - Financial Software Replacement
 - Succession Planning/Diversity Focus
- Fiscal Sustainability
 - General Fund Balance \$24.8m or 64.5%
 - Enhanced Planning
 - Multi-Year Financial Forecast
 - Multi-Year Capital Plan
 - Resource Interruption Action Plan
 - Update Financial Policies
 - East Grand Corridor
- Well Maintained Infrastructure
 - \$10.4m Proposed in FY 2016/2017
 - \$5.4m Transportation
 - \$3.3m Vehicles & Equipment - \$1.1m of this is

- the Fire Dept. ladder truck
 - \$1.1m Water & Sewer – More than has been spent in the last 5 years combined
 - \$411k Stormwater Management
 - \$180k Buildings & Improvements
 - Safe and Livable Community
 - Fire Grant and Mobile Technology
 - Comprehensive Land Use Plan
 - Pedestrian Improvements
 - Community Events
 - Legions of Craft Beer Festival
 - Frostyfest
 - Families on the Fairway
 - High Quality Lifestyle
 - Strategic Priority Alignment
 - Blue Ribbon Committee
 - Pedestrian Mobility
 - Partnerships
 - Chamber of Commerce
 - Visit Lake County

Budget Factors

- Reliance on Sales Tax
 - On-Line vs. Brick and Mortar – The Village is highly reliant on sales tax and Internet sales continue to have an impact.
- Tourism
 - Six Flags opening a new attraction in 2016 but attendance is still weather dependent.
- State Budget Situation
 - LGDF Impact – The Governor has once again mentioned reducing the share to municipalities. Governor sent a letter last week indicating that if compromise cannot be reached, cuts, possibly to shared revenue, will have to be made. This isn't the first time the Village has had to look at contingency planning because of a threat to resources. In late 2014 the state identified a reduction of the LGDF fund to balance their budget. Management Staff in all departments went through an exercise internally to identify what could be done in the event of a sudden reduction in resources. The Village's reliance on economically sensitive revenues such as sales tax, makes it more susceptible to interruptions in resources caused by more than just the state budget situation. As part of the strategic plan update staff identified the need for a resource interruption action plan. This plan will formalize and build on the exercise the departments went through in 2015.
- Water & Sewer
 - Rate Plan – The Village's new rate plan goes into effect May 1st, however declining usage will result in the Utility Fund remaining flat.

Budget Results

- The budget is balanced.
- The budget continues the commitment to capital.
- The budget includes planned use of fund balance.
- The budget maintains the Village's AAA Bond Rating.
- The budget maintains healthy fund balance.
- The budget adheres to the GFOA Budget Award guidelines.

FY 2016/2017 Proposed Budget

FY 2016/2017 Proposed Budget All Funds

- All Funds (Including Transfers)
 - Total Revenues - \$64.4m (+2.7%)
 - Excluding Pensions - \$57.3m (+5.0%)
 - Total Expenditures - \$63.3m (+2.6%)
 - Excluding Pensions - \$59.8m (+2.1%)
 - Net Surplus - \$1.1m
- Excluding Pensions – (-\$2.6m) – This is the result of a planned spend-down of fund balance.

- The General Fund has a \$14k surplus.
- The 911 Fund includes the 2nd of 3 payments on the Motorola lease, after next year the fund is projected to have a slight surplus moving forward
- The Impact Fee Fund drawdown is a transfer to the capital fund for Stormwater management. The Village has slowly been using some of the impact fees built up over time to supplement some of the capital improvements (balance \$1.8m)
- The Capital Fund drawdown is simply spending General Fund surplus transferred from prior years (balance \$3m), per our forecast discussion and capital plan we continue to transfer General Fund surpluses to fund future year capital projects.
- Golf Course Fund deficit is simply a contractual obligation that we have a certain amount set aside for emergency use, we are not planning on spending anything.
- The Utility Operating Fund deficit is to fund water and sewer capital. Water and sewer capital will be funded by transferring \$300k from the General Fund from expiring debt and a drawdown of about \$400k annually for the next 5 years.
- Revenues by Category
 - Taxes make up almost 50% of all revenues almost all of which are sensitive to the broader economy.
 - Charges for service, primarily water & sewer charges make up 16.7%.
 - Intergovernmental revenue includes income tax and the WWFPD contact makes up about 12%.
 - Contributions consist of the village's contribution to the pension funds and the contribution toward the ladder truck from WWFPD.
 - Transfers are the revenue side of transfers between funds.
 - Investment income, Fines, licenses and permits and proceeds from the sale of assets are all under 4%.
- Expenditures by Category
 - As a service organization salaries and benefits make up almost 55% of the total budget.
 - Followed by repairs and maintenance at almost 20%, this is where the street program is categorized
 - Debt and transfers makes up 10% overall.
 - And commodities professional services and contracts, and insurance make up the remaining 15%.
- Personnel Changes
 - Information Systems is decreasing by 1.00 due to not converting a contractual position to full-time as was planned in the FY 15/16 budget.
 - Public Works is decreasing by 0.50 as a full-time secretary position has been converted to part-time.
 - Police is increasing by 2.50 due to 2 police officer positions and 1 public education specialist position. In addition, a secretary was converted to part-time during FY 15/16.
 - Fire has a slight decrease as a Fire Inspector is being converted back to full-time in the Department, and a secretary position has been reduced to part-time.
 - In addition, the budget included a part-time code enforcement position and 2 additional summer helpers in Public Works.
- Debt Obligations
 - The Police facility bonds are paid off in FY2018.
 - The Macy's bonds are paid off in FY2023.
 - Park District obligation expires in FY2021.

General Fund

General Fund – All Departments – Revenues

Finance Director Brian Gosnell presented the following information to the Village Board.

- Overall revenues are up 2.7% or about \$1m from the FY 15/16 budget at \$38.4m total.
- The largest increases from the FY 15/16 budget are in the taxes category, due primarily to increased amusement and food & beverage tax.
- Seeing a flattening and even a slight decrease in sales tax collections so hopefully that is not a sign of things to come. Staff budgeted conservatively and may bring it down even further before the final budget depending on how December's numbers come in.
- Fines & forfeitures are up as staff anticipates the red light cameras to be uninterrupted by construction.
- Taxes and fines & forfeitures make up 60% of the overall increase.

General Fund – All Departments – Expenditures

- Total expenditures are up 0.9% or about \$325k to just under \$38.4m.
- Salaries and benefits are the primary drivers due to contractual COLA and step increases and personnel changes.
- There is a large increase in the Police and Fire pension contributions due to some new GASB pronouncements that require a more conservative approach to determining the Village's actuarial report.
- The transfers category is down \$1.2m and that is due to the Portillo's agreement in this fiscal year, the remaining \$225k of that agreement is in the form of a rebate and is included for next year, although it looks like the need the whole \$225k will not be needed.

General Fund – Administration

General Fund – Administration

Budget

- The General Fund Administration Department proposed budget for FY2017 is \$1.53m, a 5% increase over the FY 15/16 budget
- Salaries & Wages is up 8.4% due to COLA and step increases, and the promotion of a Finance Assistant to Assistant Finance Director.
- That promotion is offset by savings in the W&S fund by replacing a full-time finance assistant with a part-time position.
- Repairs & Maintenance is down significantly due to the reduced maintenance expected on the Village's financial software. There is no maintenance charged in the first year of new software but we will see that expense come back in FY 17/18 at a lower amount than we have been paying.
- Capital is up due to some computer replacements and the virtualization project that staff will talk about in a bit.

Personnel

- The only change in the General Fund is the promotion of a Finance Assistant II position to Assistant to the Finance Director.

Capital

- Capital Improvement Fund (304)
 - Finance Software Replacement \$175k
 - Document Management System \$37.5k
- W&S Capital Fund (523)
 - Finance Software Replacement \$175k

FY 15/16 Results

- Long-Term Planning
- Investment Advisor Agreement & Policy Update
- Accounting RFP
- Auditing Services RFP

- Finance Software RFQ
- Website RFP
- Legions of Craft Beer Festival

FY 16/17 Initiatives

- Long-Term Planning- Resource Interruption Action Plan
- Financial Software Conversion
- Financial Policies Update
- Lean Committee
- Document Management
- Website Completion
- Succession Plan/Diversity Focus
- East Grand Corridor Study
- Public Transportation Enhancement

Mayor Kovarik asked if the Lean Committee was based on Six Sigma. Director Gosnell said the Lean Committee is a public sector approach, but similar in nature.

General Fund – Information Systems

General Fund – Information Systems

Information Systems Director Chris Velkover presented the following information to the Village Board.

Budget

- Salaries & Wages is down due to not converting the contractual employee to full-time.
- Contractual is up due to not converting an employee to full-time.
 - The contractual option provides flexibility, but creates risk due to potential turnover.
- Professional Services were reduced due to budgetary constraints.

Personnel

- The only change is not converting a contractual employee to full-time as approved in the FY 15/16 Budget.

Capital

- General Fund (101)
 - Server/Monitor/UPS \$2.9k
 - Software Licensing \$3.1k
- Capital Improvement Fund (304)
 - LAN/MAN Improvements \$122k – includes fiber optics links between Village facilities, as well as microwave back-up links.
 - Security Enhancements PD \$25k – relates to outdoor cameras and security access control. FY 16/17 efforts will nearly complete the multi-year project.
- W&S Capital Fund (523)
 - Security Enhancements \$45k
 - SCADA Improvements \$125k – relates to equipment replacement.

FY 15/16 Results

- Radio Console, Radio Voter & 9-1-1 Answering Equipment Replacement
- Police Station Phone System Replacement
- Point to Point Data Links / Pembroke / Mills Substation
- Financial Software RFP
- IP Camera & Video Switching Deployment
- SCADA System Controllers /Backhaul
- Public Safety Virtualization Server Refresh

FY 16/17 Initiatives

- Financial Software Implementation
- Website Implementation

- Virtualization Server Refresh (VH & PW)
- Intrusion Detection and Prevention
- Client Switch Stack Replacement
- SCADA - Controller Replacement / WAN Radios / IP Video
- Outdoor Wireless Access Points

Mayor Kovarik discussed bringing fiber to the community. She stated the Village is working to set up a meeting with Comcast to discuss their current offerings. Director Velkover provided the Board some background information on Google, AT&T and Comcast efforts in other parts of the country.

Trustee Thorstenson asked for clarification on who provides the fiber between Village facilities. Director Velkover stated that fiber is owned by the Village. He also stated that wireless point-to-point connections are used for Village facilities outside the Village center area.

**General Fund –
Public Information**

General Fund – Public Information

Assistant to the Village Administrator Jack Linehan presented the following information to the Village Board.

Budget

- Professional Services is being reduced as the website project will be split over 2 fiscal years.
- The remaining categories have small variances.

Capital

- General Fund (101)
 - Website Contract \$35,000
 - \$22,000 in FY15/16 and \$25,000 in FY16/17 for initial cost, \$9,300 annual maintenance beginning 16/17.

FY 15/16 Results

- Public Information Officer Transition
- Website Redesign RFP Completed
- Keeping Posted+ - 29,823 homes reached
- Facebook page launch -650 new “Likes”
- Updated Logo and Village branding

FY 16/17 Initiatives

- New Website that is mobile-friendly
- Improve transparency score on new website
- Meeting recordings hosted externally
- Expand partnerships with Keeping Posted+

Trustee Garner asked about the Village’s transparency score as it relates to the website. Administrator Muetz reviewed a few items that will be posted on the new website that will help boost that rating.

**General Fund –
Planning/Building
Safety**

General Fund – Planning/Building Safety

Assistant Administrator/Community Development Director David Ziegler presented the following information to the Village Board.

Budget

- Overall budget is \$1.2m.
- Professional Services has the largest variance and includes funding for the Comp Plan update as well as document scanning.

Personnel

- Overall headcount remains unchanged for FY 16/17, however there is some reallocation of positions. This includes a part-time code enforcement position and transitioning the fire inspector back to the Fire Department. He also stated the Senior Planner position is in the budget. Administrator Muetz stated the Police

Department is going to help identify code violations in the community and funnel those to Community Development to help increase efficiencies.

Capital

- General Fund (101) \$16.1k
 - Computer Software & Hardware \$15k
 - Additional Mobile Devices for Inspectors

FY 15/16 Results

- Completed Zoning Ordinance Update – June 2015 Adoption
- Increased utilization of Permit Software

FY 16/17 Initiatives

- Comprehensive Land Use Plan Update inclusive of Pedestrian/Bicycle Plan
- Scanning project to bring in historical docs into Permit Software
- Update Subdivision Ordinance

General Fund – Engineering

General Fund – Engineering

Budget

- Salaries & Wages is increasing as the new Engineer position will be filled for the whole year.
- Professional Services includes funding for document scanning.

Personnel

- Overall headcount remains unchanged for FY 16/17. Administrator Muetz stated the additional Engineer in FY 15/16 has allowed staff to reduce contractual employees by 1.

Capital

- General Fund (101) \$23.4k
 - Computer Software & Hardware \$14.9k
 - Purchase (2) Traffic Counters \$8k

FY 15/16 Results

- Updated 5-Year capital Improvement Plan
- Completed largest roadway maintenance program in village's history

FY 16/17 Initiatives

- Continue Updates and Refinements to Capital Plan
- Subdivisions Ordinance Update
- Complete next phases of Welton Plaza construction
- Complete Pedestrian Enhancement Project (Six Flags)

General Fund – Building Maintenance

General Fund – Building Maintenance

Village Engineer Scott Drabicki presented the following information to the Village Board.

Budget

- Funding will focus on continued maintenance of Village Hall, Mother Rudd and the Washington Street landscape median.
- Village Hall requires some roof work in FY 16/17.

Administrator Muetz stated staff is still looking into a process to bring all facilities under a single maintenance program.

General Fund – Public Works

General Fund – Public Works

Public Works Director Tom Rigwood presented the following information to the Village Board.

Budget

- Salaries & Wages is increasing based on budget assumptions.
- Contractual has increased due to EAB treatments and mowing.
- Commodities has decreased due to salt supplies on hand.
- Repairs & Maintenance has decreased due to vehicle maintenance improvements.

Personnel

- Overall headcount remains unchanged for FY 16/17, however a full-time secretary is being converted to part-time and 2 additional summer helps are being added.

Capital

- General Fund (101)
 - Computer Software & Hardware \$8.3k
- Capital Improvement Fund (304)
 - Vehicles (Plow & Pick-up) \$279k
 - Equipment (Hydro Excavator/Mini-excavator) \$270k
- Water & Sewer Capital (523)
 - Equipment (Hydro Excavator) \$207.5k

FY 15/16 Results

- Revised Snow and Ice Control Plan
- LED Street Light Upgrades
- Traffic Control Sign inspection/upgrades
- EAB Treatments, Removals & Re-planting
- Storm Sewer basin inspections/repairs

FY 16/17 Initiatives

- Snow and Ice Control Operations
- LED Street Light Upgrades
- Traffic Control Sign inspection/upgrades
- EAB Treatments, Removals & Re-planting
- Storm Sewer basin Inspection/repairs

Administrator Muetz stated funds have also been included to address weeds and other landscape maintenance issues along State routes.

Trustee Balmes asked how effective the EAB treatments have been. Director Rigwood stated the treatments have been effective, but eventually the trees will have to be removed.

Trustee Garner asked how much we are spending on EAB treatments. Administrator Muetz stated \$30k has been budgeted; however, there are also removal and replacement costs. He stated the Public Works Department has made good progress on reducing the percentage of ash trees as it relates to the overall number in the parkways. Trustee Garner clarified that the funds spent are really to slow down the overall removal process. Staff concurred with that statement.

**General Fund –
Vehicle
Maintenance**

General Fund – Vehicle Maintenance

Budget

- The overall budget is basically flat compared to FY 15/16.
- Repairs & Maintenance is increasing to address fuel tank maintenance.
- Commodities has decreased due to vehicle maintenance improvements.

Personnel

- Overall headcount remains unchanged for FY 16/17.

Capital

- General Fund (101)

- Computer Software & Hardware \$8.3k
- Capital Improvement Fund (304)
 - Vehicles (Plow & Pick-up) \$279k
 - Equipment (Hydro Excavator/Mini-excavator) \$270k
- Water & Sewer Capital (523)
 - Equipment (Hydro Excavator) \$207.5k

FY 15/16 Results

- Hired new Fleet Administrator
- Hired Fleet Mechanic
- Continued replacement & upgrades of Village vehicles/equipment
- CFA data analysis in controlling repair costs

FY 16/17 Initiatives

- Continue replacement & upgrades of Village vehicles/equipment
- Continue CFA data analysis in controlling repair costs
- Village fuel system inspection/clean-out

General Fund – Police

General Fund – Police

Police Chief Kevin Woodside presented the following information to the Village Board.

Budget

- Salaries & Wages has increased due to staffing requests.
- Employee Benefits has increased due to staffing requests and pension contributions.
- Personnel is down due to no promotional testing required in FY 16/17.
- Professional Services has decreased due to legal fees and photo enforcement expenses.
- Utilities is decreasing due to point-to-point wireless improvements that reduce the need for leased phone lines.

Personnel

- Management is proposing three additional positions in the Police Department; two Police Officers and one Public Education Specialist. The 2 additional officers will be assigned to the Visitors Oriented Policing unit. The Public Education Specialist will assume the D.A.R.E. program responsibilities, instruct in-service police training and assist with the Citizen Police Academy. In addition, the Department converted a full-time secretary to part-time during FY 15/16.

Capital

- General Fund (101)
 - Computer Software & Hardware \$74k
 - Radio (Motorola Lease) \$100k
 - E-Citation \$70k
 - Body Cameras \$75k
- Capital Improvement Fund (304)
 - Squads (4) \$190k
 - Detective Vehicle (1) \$23k

FY 15/16 Results

- Explorer Post
- StarCom Portable Radio
- Research/Purchase Interoperable Radios
- Phone System Upgrade
- Staff Reductions through attrition
 - Admin Commander
 - Secretary to Part-time

FY 16/17 Initiatives

- Visitor Oriented Policing
 - 3 additional officers
- E-Citation
 - Program Implementation
- Body Worn Cameras
 - Program Implementation
- On-Line Incident Reporting
 - Program Research

Mayor Kovarik stated that a body camera proposal would appear before the Village Board later this fall for discussion.

General Fund – Communications

General Fund – Communications

Budget

- Salaries & Wages has increased as personnel have been transferred from the 911 Fund to the General Fund.
- Employee Benefits and Personnel are also impacted by this transfer.
- Capital has been transferred from the General Fund to the 911 Fund, therefore this category has decreased.

Personnel

- Headcount has a slight increase as a part-time position has been transferred to full-time.

Capital

- General Fund (101)
 - Capital has been moved to 911 Fund
- 911 Fund (203)
 - Computer Software & Hardware/Motorola Lease Payment \$318.6k

FY 15/16 Results

- 911 Consolidation
 - Study Phase
- Telephone Upgrade
 - NG911
- Video Wall Upgrade
 - Enhanced Security Video
- Radio Console Upgrade
 - StarCom Compatibility

FY 16/17 Initiatives

- 911 Consolidation
 - Implementation Phase

Mayor Kovarik asked for clarification of 911 Consolidation, specifically how it relates to the County. Trustee Thorstenson asked about the Village's ability to provide service to other communities. Chief Woodside stated there is capacity, depending on who the Village partners with. Mayor Kovarik stated that both the State and County has consolidation efforts in effect; however, there is no definitive path forward.

Trustee Balmes asked for clarification on the Village's ability to absorb other centers compared to being absorbed. Mayor Kovarik stated there is currently no center that can handle the workload.

Information Systems Director Velkover stated there are long-term and short-term goals. He reviewed State legislation that is affecting centers providing service to fewer than 25,000 in population.

Trustee Balmes asked if wireless communication is being taxed. Director Velkover stated yes and provided additional information to the Board.

Trustee Garner questioned how consolidation may impact service levels.

Director Velkover responded that service level between centers varies greatly and must be carefully reviewed during any consolidation efforts.

General Fund – Fire

General Fund – Fire

Fire Chief Fred Friedl presented the following information to the Village Board.

Budget

- The overall budget is up 3%.
- Salaries & Wages are up based on contractual provisions.
- Employee Benefits have increased due to workers compensation insurance and pension contributions.
- Capital has increased due to funding for protective gear.

Personnel

- Headcount has a slight reduction as a full-time secretary will be converted to part-time effective May 1st.

Capital

- Capital Improvement Fund (304)
 - Ladder Truck (WWFPD 50% Donation) \$1.1m
 - Outdoor Warning Sirens \$25k
 - EMS and Fire Reporting Upgrade \$60k
 - Pre-Emption System \$5k
 - 90/10 DHS Matching Grant Program (Fire Equipment and Fire Inspections) \$95k
 - Station Upgrades \$80k

FY 15/16 Results

- Upgraded to Cardiac Monitor Defibrillators on ALS Engines.
- Self-Contained Breathing Apparatus Upgrade.
- Implemented a Computerized Fire Scene Accountability System.
- Placed in Service Ambulance 1341, Utility Truck 1351 and Fire Prevention Vehicle 1395.

FY 16/17 Initiatives

- EMS and Fire Reporting Software.
- Continue a Strong Partnership with the WWFPD.
- Work within the Fire Service Community to find Strategic Partners for Shared Dispatch Services.
- Partner with the Business Community to Provide Public Education Materials.

General Fund – Foreign Fire

General Fund – Foreign Fire

Budget

- Foreign Fire budget is up based on an expected increase in revenue.

General Fund – Contractual

General Fund – Contractual

Village Administrator Pat Muetz presented the following information to the Village Board.

Budget

- Funding has been included to continue events such as the Craft Beer Festival and Gurnee Days.
- The contribution to Visit Lake County has been based on the current agreement with stipulates that 20% of hotel/motel tax, not including KeyLime Cove, is shared.
- The debt service for the aquatic center has been budgeted based on the repayment schedule.
- The Gurnee Mills Recapture has been budget based on the contractual requirement, however staff anticipates the full amount will not be expended.

Trustee Ross requested that the Visit Lake County percentage be increased by 20% to 22.5% which would be about a \$20k increase. Administrator Muetz stated this would take Village Board action at the future meeting. Mayor Kovarik stated this is a good investment; however, we need to be cautious given the issues at the state-level. Trustee Administrator Muetz said staff can build in the increase, and if the Board doesn't amend the agreement, the money doesn't get spent and it will be surplus. Trustee Thorstenson stated tangible deliverable should be included in an agreement amendment. She further stated she supported the request, but wants to be sure that the community understands the benefit. Trustee Balmes stated the major attractions in Gurnee contribute to the Bureau and that historically Gurnee has been the largest contributor among all community partners. She further stated this must be carefully considered. Trustee Garner stated that additional contribution by the Village will also benefit other communities. He further stated these communities should also be contributing more. Trustee Ross stated other communities have been asked to contribute an additional 10%. Administrator Muetz said the initial ask was greater than 2.5%, however, staff felt 2.5% was a good starting point.

Roll Call to reconvene the meeting

At 6:40 p.m. the group took a 57 minute break in order to hold the regular Village Board meeting. Mayor Kovarik reconvened the meeting at 7:37 p.m.

PRESENT: 6- Wilson, Ross, Garner, Thorstenson, Balmes, Hood
ABSENT: 0- None

911 Fund

911 Fund

Information Systems Director Chris Velkover presented the following information to the Village Board.

Budget Revenue

- Changes in the state funding have a goal of remaining net neutral, therefore revenues have been held flat.

Budget Expenditures

- Motorola Lease Payment Year 2 of 3.
- Maintenance will start in FY 17/18.
- Fund balance will start to increase after the Motorola lease is paid off.
- State does have some grant funding available for consolidation.
- Village is working with Baker Tilly/IXP as it relates to consolidation. This is the same vendor that Lake County has used for Phase 1 and Phase 2 studies.

Capital

- Motorola Lease Payment Year 2 of 3
 - Includes Radio Consoles, Radio Voting, 9-1-1 Answering Equipment \$318.6k
- CAD Software Licenses / Enhancements \$20k
- Monitor Changes / Replacements \$9.1k

FY 15/16 Results

- 9-1-1 Answering Equipment Replacement.
- Radio Console / Radio Voter Replacement.
- Siren Control System.
- GPS / AVL Repeater.
- Video Display Improvements.
- Lighting Improvements.

FY 16/17 Initiatives

- Reallocate Funding between 9-1-1 and General Fund.
- Regional Dispatch Consolidation.
- Monitor Changes/ Replacement.
- Rugged Tablet Integration.
-

Motor Fuel Tax Fund

Motor Fuel Tax Fund

Finance Director Brian Gosnell presented the following information to the Village Board.

Budget Revenue

- The MFT fund accounts for funds administered and shared by IDOT and are restricted in use to transportation systems.
- Staff expects revenues of about \$930k, largely based on an estimate from the Illinois Municipal League.

Budget Expenditures

- Funds are used entirely for the road resurfacing and reconstruction program.
- FY 16/17 expenditures total \$925k.

Impact Fee Fund

Impact Fee Fund

Budget Revenue

- The impact fee fund accounts for fees collected as a condition of development to offset increased costs associated with transportation and Stormwater impact.
- Minimal activity in this fund following the mid-2000s.
- The balance in the fund is about \$1.9m at 4/30/15.
- Anticipated revenue is only interest on that balance of \$500.
- These funds are restricted based on the impact fee charged.

Budget Expenditures

- The Village has been slowly drawing down this fund to supplement the Villages capital plan for sidewalks and Stormwater management through a transfer to the Capital Improvement Fund.
- The transfer is \$100k again this year.

Asset Forfeiture Fund

Asset Forfeiture Fund

Budget Revenue

- Very little activity, only \$40 in interest.
- This fund had a balance of 70k at 4/30/15.

Budget Expenditures

- No expenditures planned in FY 16/17.
- Funds are restricted to police-related expenditures.

Capital Improvement Fund

Capital Improvement Fund

Budget Revenue

- Total revenue of \$5.7m, primarily from home rule sales tax and a contribution from the WWFPD to offset the cost of a ladder truck.

Budget Expenditures

- Consistent with the capital plan discussion in December.
- Primarily transportation system capital of \$4.5m between roads and sidewalks.
- \$411k in stormwater management.
- \$2.4m in vehicles and equipment including \$1.1m ladder truck.
- \$180k in building improvements.

Debt Service Fund

Debt Service Fund

Budget Revenue

- The debt service fund is used to pay the principal and interest on the Village's outstanding general obligation debt
- Revenue includes a transfer from the General Fund of \$2,047,575

Budget Expenditures

- Expenditures consist of payments of the various bonds and fees associated with required disclosures and paying agent fees.

Special Service Area #2

Special Service Area #2

Budget Revenue

- Special Service Area #2 accounts for the debt service on bonds issued to extend utilities to Hickory Haven subdivision.
- Revenue is collected via tax bills for those residents in the special service area.

Budget Expenditures

- Expenditures consist of payments for the bond issue.

Golf Course Fund

Golf Course Fund

Budget Revenue

- No revenue anticipated in FY 16/17.

Budget Expenditures

- Per the contractual agreement with the management company, the Village budgets \$100k in case the course cannot remain self-sustaining.
- The Village did not have to expend any of these funds in FY 15/16 and does not expect to any funds in FY 16/17.

Utility Operating Fund

Utility Operating Fund

Budget Revenue

- Revenues are budgeted at \$8.17m, flat from FY 15/16
- The first increase of the multi-year rate plan will go into effect on May 1, however the Village and JAWA anticipate decreased water usage, so that partially offsets increases realized by the rate adjustment.

Budget Expenditures

- The total budget is \$8.52m, an increase of \$1.2m from FY 15/16
- This is mainly a result of a \$1.5m transfer to the Utility Capital Fund.
- Previously the Utility Capital Fund just showed a budgeted deficit, but with the multi-year capital plan, staff thought it would be easier to identify the amount used for capital by transferring it from the Utility Operating to the Utility Capital Fund

Public Works Director Tom Rigwood presented the following information to the Village Board.

Personnel

- As discussed earlier, a full-time secretary will be converted to part-time. In addition, during FY 15/16 the utility billing clerk was converted to part-time.

FY 15/16 Results

- Pembroke Water Tower on contractual maintenance program.
- Hydrant painting program – Year 3.
- Completed Village wide valve exercising program.
- Annual testing of large meters for accuracy/accountability.

FY 16/17 Initiatives

- Hydrant Painting program – Year 4
- Hydrant replacement program – Year 1
- Well #1 repairs & upgrades.
- Hydrant flushing & inspection.

Trustee Balmes asked about the timing of the water tower at the Fire Department coming down. Director Ziegler said staff is still working with the cell companies.

Utility Capital Fund

Utility Capital Fund

Finance Director Brian Gosnell presented the following information to the Village Board.

Budget Revenue

- Revenue consists mainly of the transfer from the Utility Operating Fund, as well as a small amount of licenses and permit revenue.
- Total revenue is \$1.6m.

Budget Expenditures

- FY 16/17 expenditures total \$1.6m.
 - \$552k Vehicles & Equipment
 - \$260k Production & Pumpage
 - \$540k Distribution
 - \$100k Storage
 - \$150k Lining & Spot Repairs
- This is more than the Village has spent in the last 5 years combined.

Police Pension Fund

Police Pension Fund

Budget Revenue

- Revenue includes the Village and employee contributions, along with investment income.
- The total revenue is expected to be about \$3.9m.

Budget Expenditures

- Expenditures in the fund include primarily service pensions and professional services for a total of \$2.35m in expenditures.

Fire Pension Fund

Fire Pension Fund

Budget Revenue

- Revenue includes the Village and employee contributions, along with investment income.
- The total revenue is expected to be about \$3.2m

**Budget
Expenditures**

- Expenditures in the fund include primarily service pensions and professional services for a total of \$1.1m in expenditures.

Director Gosnell said that concludes the FY 16/17 Budget proposal. Administrator Muetz stated that staff will go back and adjust figures now that it has a few more months of data. The plan after that is to bring it to the Board on April 4th for a wrap-up presentation and formal consideration.

Trustee Ross asked about equipment to clear sidewalks. Mayor Kovarik said she has talked to the school about providing service to those within 1.5 miles of the campus. One district does offer transportation, one doesn't. Administrator Muetz stated he would include funding in case the school doesn't come through.

It was moved by Trustee Balmes, seconded by Trustee Garner to adjourn the meeting.

Voice Vote: ALL AYE: Motion Carried.

Adjournment

Mayor Kovarik adjourned the meeting at 7:55 p.m.

**Andy Harris
Village Clerk**