

SPECIAL BOARD MEETING
Village Hall, 102 S. Second Street

March 27, 2017 - 6:00 pm
Village of West Dundee

I. CALL TO ORDER:

President Nelson called the Special Board Meeting to order at 6:25 pm.

II. ROLL CALL:

Present were Village President Christopher Nelson, Trustees Dan Wilbrandt, Michelle Kembitzky, Tom Price, Pat Hanley and Andy Yuscka. Trustee Billy Pflanz was absent.

Also present were Village Manager Joseph Cavallaro, Finance Director David Danielson, Community Development Director Timothy Scott, Public Works Director Eric Babcock, Fire Chief Randy Freise and zero (0) people in the audience.

III. PLEDGE OF ALLEGIANCE:

Trustee Kembitzky led those in attendance in the Pledge of Allegiance.

IV. APPROVAL OF AGENDA:

MOTION: Moved by Trustee Yuscka and seconded by Trustee Hanley to approve the agenda as presented. Motion passed unanimously by voice vote.

V. VILLAGE PRESIDENT'S REPORT: There was none.

VI. REPORTS AND QUESTIONS FROM TRUSTEES & WORKING GROUPS:

There were none.

VII. VILLAGE STAFF REPORTS: None other than the item on the agenda.

VIII. QUESTIONS FROM THE AUDIENCE: There were none.

IX. UNFINISHED BUSINESS:

A. FY 2017/18 Budget Presentation Continued

Manager Cavallaro advised that the goal of this evening's meeting is to present the remainder of the Fiscal Year 17/18 Budget. General Fund Revenues and the Police Department were presented at the March 20, 2017 Board Meeting.

General Fund (Fund 1) Expenses: Manager Cavallaro presented the Legislative budget, noting that the budget proposal is slightly above that of 2016/17. The increase correlates to a proposed fee increase for Police and Fire Commissioners, based on increased workload. This will be further discussed and presented as an ordinance for consideration at a later date. Trustee Kembitzky recommended that newspaper subscriptions be renegotiated for a lower rate.

Manager Cavallaro presented the Administrative & Finance Department. A new full-time position is requested within this department to replace two budgeted part-time positions, with a net budgeted increase of \$1,000. One of the part-time positions is currently staffed by Barbara Cleary, who is desired for full time employment. The other part-time position is not staffed. The

computer equipment and replacements budget for the Village as a whole is included in the Administration budget, and has been decreased by approximately \$20,000 from the 2016/17 budgeted amount. Trustee Kemitzky asked that FICA numbers be reviewed.

Manager Cavallaro presented the Legal Division budget, noting a slight decrease, as there will be no collective bargaining this year with the Police or Fire Unions.

Chief Freise presented the Fire Department's proposed budget, providing an overview of the department's 2016/17 accomplishments, including implementation of the shared Chief and Fire Prevention Officer contracts, and 2017/18 goals, including continuance of functional and corresponding decrease in both overtime and part-time personnel costs. Chief Freise noted that, in terms of long-term capital requests, they expect three pieces of equipment will need to be refurbished over the next few years.

Director Scott presented the Community Development Department budget request. He provided an overview of the department's accomplishments for the current fiscal year and goals for the coming fiscal year, as well as major re/developments recently completed, underway and anticipated in the coming year. He stated that both permit fees and inspection fees collected have increased 2 years in row. He noted that an increase in hours for the Village's Code Enforcement Officer has been requested, from 16 to 20 hours per week.

Director Babcock presented the budget request for the Streets and Buildings & Grounds departments, providing an overview of each department's 2016/17 accomplishments and 2017/18 goals, including improved record keeping for hydrant maintenance to benefit the Village's ISO rating. He noted that, with the restructuring of the Public Works Department this past year, the percentage of salaries for each employee have been reallocated across the various divisions, resulting in changes to these line items in Streets, Buildings & Grounds and Water & Sewer. The leaf collection program was briefly discussed. This will be an ongoing topic of conversation based on the need for equipment replacement.

Water and Sewer Fund (Fund 2): Director Babcock presented the budget request for Water Treatment and Sewer Treatment divisions, providing an overview of each department's 2016/17 accomplishments and 2017/18 goals. In regards to water treatment, he briefly discussed the budgetary expectations for treatment sale, electricity and gradual increase in radio remote meter installations. In regards to sewer treatment, discussion was held regarding new estimated debt service repayment obligations that will be due to the Fox River Valley Water Reclamation District (FRWRD). It was noted that treatment charges have increased from both FRWRD and East Dundee.

Director Danielson and Manager Cavallaro presented Water and Sewer Fund revenue expectations. A 2.5% increase in water and sewer billing rates has been budgeted to account for continued increases in the expenses related to providing water and sewer services. It was noted that a 2.5% rate increase budgeted last year for this purpose, but was not implemented.

An additional 5% rate increase plus a \$15 per bill flat fee for capital projects have also been budgeted, to be earmarked and identified specifically to fund infrastructure improvement needs of the water and sewer systems. It is estimated that this will generate \$288,000 annually. A 6-year capital projects plan specific to sewer and water infrastructure has been identified at an average cost of \$450,000 annually, which will need to be reprioritized to fit budget allocations each year.

Under this billing structure, an average bill measured at 10,000 gallons of water utilization would increase from \$89 to \$110 for 60 days of service, which continues to place West Dundee's water and sewer rates in line with other area communities. An ordinance will be presented at the April

24 Board Meeting for formal consideration and approval of the rate increase, which would go into effect June 1.

Motor Fuel Tax Fund (Fund 3): Director Danielson noted that this is a Special Revenue Fund, with revenues projected by the State of Illinois. \$190,000 is being transferred to the General Fund to help fund Streets Department operation. Fund balance is maintained to be utilized as needed for emergency road projects or repairs.

Capital Projects Fund (Fund 4): The focus of this budget discussion is to center on resolving the funding formula to fund capital projects and equipment replacements.

Manager Cavallaro provided an overview of the identified recurring revenue sources for Capital Projects, noting a \$392,735 beginning available fund balance and ongoing reserve amount of \$500,000 set aside as an emergency fund. Revenues of \$550,000 have been identified as funding for this year's capital projects plan, including \$300,000 as specifically identified through the property tax levy and \$250,000 in General Fund budget reductions. A 6-year capital projects plan has been identified at an average amount of \$900,000.

An overview was provided of bond proceeds accounting for the Huntley Road Reconstruction and Widening Project, as well as individual department vehicle and equipment replacement requests. The need for a regular Streets & Infrastructure Program beyond available funding was discussed.

Discussion was held regarding identifying additional funding sources to achieve a \$900,000 program, including the possible use of fund balance, versus reprioritizing capital project needs to fit the \$550,000 available new revenues. Discussion regarding the possible use of fund balance will be revisited prior to the final adoption of the Budget.

Community Development Fund (Fund 5): An overview of economic and bond accounting for the Downtown Plan Implementation incentives accounted for within this fund were reviewed. The transfer of funds from Fund 5 to the General Fund for operation of Public Safety Center #2 has been decreased from \$545,000 to \$500,000.

A brief overview of the Debt Service Fund (Fund 6), TIF #2: Spring Hill Gateway (Fund 7), SSA #4: Carrington Reserve (Fund C), and SSA #9: Downtown (Fund F) were provided.

The 2017/18 budget presentation is now concluded. Continued budget discussion will be scheduled for both of the April Board Meetings. A Public Hearing will be scheduled for April 10. The Public Hearing notice will specifically note the proposed Water and Sewer billing rate increase. Budget adoption is scheduled for a vote at the April 24 Board Meeting.

X. MISCELLANEOUS:

Trustee Kembitzky thanked Manager Cavallaro for instituting a Weekly Manager's Report.

XI. ITEMS TO BE DISCUSSED AT A LATER MEETING:

- April 10 – FY 2017/18 Budget Public Hearing
- April 24 – FY 2017/18 Budget Adoption
- April 24 – Ordinance regarding Water and Sewer billing rate increase
- Discussion & ordinance regarding increase in fee paid to Police & Fire Commissioners

XIII. ADJOURNMENT:

MOTION: Moved by Trustee Kembitzky seconded by Trustee Hanley to adjourn the Regular Board Meeting. Motion was approved by voice vote.

The Special Board Meeting adjourned at 9:23 pm.

ATTEST:

Kim Tibbetts
Deputy Village Clerk

Christopher Nelson
Village President