

Minutes
Special Village Board Workshop
FY 11/12 Budget Workshop
Glen Ellyn Village Board of Trustees
March 21, 2011

Time of Meeting: 6:00 P.M.

Present: President Pfefferman; Trustees Comerford, Hartweg, Ladesic, Thorsell, Henninger; Village Clerk Connors. Trustee Cooper was absent. Staff present: Interim Village Manager Burghard, Schrader until 9:10p.m., Noller, Minix, M. Pekarek, Hulseberg until 8:35 p.m., Norton, and Kolze until 9:10p.m., Vesevick until 7:45p.m.

1. Roll Call

President Pfefferman called the Special Board Workshop to order at 6:00 P.M. with a roll call. President Pfefferman, Trustees Hartweg, Ladesic, Thorsell, Comerford, and Henninger responded "Here."

2. FY11/12 Budget Overview

Interim Finance Director Larry Noller gave a general review of the eleven funds to be discussed. General Fund items had been discussed at the March 7, 2011 budget workshop. Mr. Noller recalled that the total FY 11/12 budget was \$39.2 million which was \$2.5 million lower than FY 10/11.

3. Budget Overviews

- Recreation Director Matt Pekarek presented the Recreation Fund, which is an enterprise fund, explaining that it involved seven properties including Lambert Lake, Panfish Park, and the largest – the Village Links at 240 acres. Co-op Park is a joint venture with the Glen Ellyn Park District. The Village Links is the only revenue source for the Fund. Mr. Pekarek presented the revenue and expenses for the Village Links and after capital expenses and debt service, he expects a profit for FY11/12. The Village Links receives a lot of feedback from customers which helps manage the golf course. Also, benchmarks help assess its position against peer courses and the Village Links rates at the top of public courses. He stated that the Village Links is very popular and surveys show that it ranks 2nd after Lake Ellyn Park as the most popular Glen Ellyn recreation site. He noted that the golf course is under duress due to price competition and the fact that golf is not as popular as it once was. The Village Links, Lambert Lake and Panfish Park are primarily for water retention and flood control. About 55-60 acres can flood in a severe storm. There are about 6.1

miles of lake banks. Mr. Pekarek explained that no grants for facilities upgrades appear to be available at this time and any change in parking configuration for Lambert Lake would require a capital investment. Changes to the Village Links clubhouse could require tax payer subsidy. Possible solutions are being investigated.

- Professional Engineer Bob Minix presented the Motor Fuel Tax Fund. The revenue comes from the State of Illinois and is based on \$26 per capita, or approximately \$700,000. Funds are used by the Public Works Department for day-to-day operations, occasional capital improvements, salt purchase and street lighting. The department is investigating LED for street lights, a sample of LED street lights are in place in the Maryknoll area.

The budget workshop was suspended at this time for an announcement that previous public information that there was going to be a discussion regarding annexation agreements in the Glencrest Subdivision would not be held tonight. Due to Open Meetings Act requirements, the item could not be added to tonight's agenda. The actual Public Hearing will appear on the agenda for the meeting of March 28, 2011. Planning and Development Director Staci Hulseberg displayed a map of the properties involved. Some members of the public who live near the Glencrest Subdivision were present with questions. A Glencrest Subdivision homeowner, Alfred Schuller, 1S628 Brook Court, who will be affected by the annexation agreement, asked a number of specific questions. It was explained that the Public Hearing will take place on March 28, 2011. For those who are annexing and want to know about the amount of tax increase, they could provide their name and address and Ms. Hulseberg would perform a rough calculation and provide it for them.

- Professional Engineer Bob Minix presented information on the Parking Fund portion of the budget. He explained that revenue came from permanent and leased commuter parking fees collected in the downtown area. A map displayed the location of some permit and some metered parking areas in the downtown. The some permit lots are oversold to be sure that the lots are full each weekday. The money collected is used for capital projects such as road maintenance (seal coating and striping) and professional services. The Village is looking into storm water management and becoming more "green" by using more electric vehicles and electric generators.
- Professional Engineer Bob Minix presented the Equipment Services portion of the budget. There are 140 pieces of equipment to service and recommend for replacement when necessary. Fuel purchase is the responsibility of Equipment Services and the amount shown in the draft budget is low. Fuel cost is being reevaluated for FY11/12. The replacement of the fuel island at the Reno Center is unexpected and will cost more than earlier projected. The purchase of 10 vehicles has been deferred due to excellent maintenance.

- Professional Engineer Bob Minix presented the Capital Projects Fund budget. It is used to fund such projects as road rehabilitation, street maintenance, and sidewalks. The revenue comes from utility taxes (gas, electric and telephone), the real estate transfer tax, and property taxes. Property tax is the main income for this fund as bonds are paid off. Mr. Minix gave a recap of FY10/11 projects and explained how the monies were obtained. He then outlined the projects that are planned for FY11/12 giving their costs and the funds and grants that will contribute money toward the over-all total. Mr. Minix detailed deferred/delayed projects and possible timing for those items. He noted that some projects have been deferred for a long time. He presented a chart giving a long-term financial plan for capital projects and explained there are streets that need extensive repairs. He suggested the Village Board revisit the master plan in three years. Civiltech is being recommended as the design engineering firm for all the projects for the up-coming fiscal year because of their wide knowledge and excellent staff. They were one of the vendors who agreed to lower their rate last year at the Village's request.
- Professional Engineer Bob Minix presented the Water and Sewer Fund explaining the Village provides service to 9,000 water/sewer customers. This is the Village's largest revenue source. Water is purchased from the DuPage Water Commission whose cost to the Village is expected to rise 10%. Capital outlay to maintain water and sewer is about \$3 million. The cost to Glenbard Wastewater Authority for FY11/12 is budgeted at \$3 million. Scheduled capital projects for water are: one time valve inventory to have input into the GIS system; Newton tank maintenance and maintenance contract similar to the Cottage Avenue tank (the cost will be spread over five years); and a standby supply at a couple of locations in the Village. Scheduled sewer costs are: a new GWA intergovernmental agreement; clearwater identification that prevents infiltration of rainwater into sanitary sewers – ongoing I/I reduction; and repair/upgrades at the South Park lift station to extend the life of the facility. Mr. Minix recommended an increase in utility bills for water of 5% and sewer of 10%. The Fund has a reserve policy of 25% that must be met. Mr. Minix was asked if he could bring a chart or graph showing what portion of a resident's water/sewer bill is applied to what project. That will be available at a future meeting.
- Assistant to the Village Manager-Administration Kristen Schrader presented the Facilities Maintenance Reserve Fund. She detailed a list of the properties maintained

by Facilities Maintenance which includes numerous Village-owned properties as well as the Civic Center. Only two capital projects are planned for FY 11/12. They are the purchase of a generator for Fire Station #1 and the upgrade of electrical service on the 2nd floor of the Civic Center.

- Assistant to the Village Manager-Administration Kristen Schrader presented the Solid Waste Fund which is an enterprise fund. She explained that, beginning in 2008, recycling revenues were down, but now have begun to rise. The Village received about \$80,000 in recycling revenue, but may still require an increase for refuse service for residents. In 2012, the Village will be sending out an Request For Proposals for a new refuse contract.
- Interim Finance Director Larry Noller discussed the Debt Service Fund. The Fund is used for the payment of the Village's bonds except the Village Links and is funded by property taxes. It dropped \$520,000 due to paying off bonds. \$6.82 million was refinanced in November 2010 which lowered interest rates. Except for the Village Links, the Village will complete payment of all bonds by 2014.
- Interim Finance Director Larry Noller presented the Corporate Reserve Fund which is used for loans to other entities or Village funds. The Glen Ellyn Historical Society arranged reimbursement of their loan with the assistance of an anonymous donor in FY 10/11. There are currently no plans for this Fund.
- Interim Finance Director Larry Noller presented the Insurance Fund which includes health, general liability and workers' compensation insurance. The increase for health and liability insurance for FY10/11 was over-budgeted which will result in a rebate to the funds and agencies. The surplus was over \$1 million and there is no need to retain this large amount of money in the fund.

4. Home Rules Sales Tax Discussion

Interim Finance Director Larry Noller presented a review of the Home Rule Sales Tax which must be considered annually. He detailed how much is proposed to be collected in the current fiscal year and how it will be used. He noted that there is a projected cash reserve deficiency of \$570,540 which indicates the Village will not meet its 25% goal for cash reserves. The Village is allowed to fund pensions using the Home Rule Sales Tax, but after 2015, it is projected that the Home Rule Sales Tax may not be able to fully fund its pension obligations solely from the Home Rule Sales Tax. Mr. Noller indicated that

sales tax revenue is up 6% and there appears to be some recovery, but it is slow. He recommended keeping the Home Rule Sales Tax at 1%.

Diane McGinley, 293 Abbotsford, spoke in favor of allotting some of the Home Rule Sales Tax to downtown organizations/activities and moving pension funding elsewhere in the budget such as to the General Fund.

President Pfefferman polled the Village Board members present and all agreed they were in favor of retaining the Home Rule Sales Tax at 1%. This was not a formal vote.

5. Reminders

Trustee Henninger and President Pfefferman each thanked Village staff for their work on the budget. It is sincerely appreciated.

Monday, April 11, Regular Village Board Meeting; Public Hearing and First Reading of the FY 11/12 Village Budget.

Monday, April 25, Regular Village Board Meeting; Second Reading and Final Budget Adoption of FY 11/12 Village Budget.

6. Adjournment

Trustee Hartweg moved and Trustee Comerford seconded to adjourn the meeting at 9:50 p.m. All present voted "Aye." Meeting adjourned.

Respectfully Submitted,

Suzanne R. Connors
Village Clerk