

**COMMITTEE OF THE WHOLE – Minutes of Meeting  
October 13, 2016**

The Village Board met as a Committee of the Whole in the Council Chambers of the Village Hall at 6:00 p.m. on Thursday, October 13, 2016. In attendance were:

Village Board

Harriet Rosenthal, Mayor  
Thomas Jester, Trustee  
Robert Nadler, Trustee  
William Seiden, Trustee  
Barbara Struthers, Trustee  
Alan Farkas, Trustee  
Dan Shapiro, Trustee

Staff

Kent Street, Village Manager  
Andrew Lichterman, Assistant Village Manager  
Barbara Little, Director of Public Works and Engineering  
Eric Burk, Finance Director  
David Fitzgerald, Management Analyst  
Robert Phillips, Deputy Director of Public Works and Eng.  
Justin Keenan, Public Works Analyst  
John Sliozis, Police Chief  
Tom Keane, Deputy Police Chief  
MaryAnne Glowacz, Police Communications Director  
Clint Case, Code Enforcement Supervisor  
Brandon Janes, Wastewater Superintendent  
Matt Weiss, Computer Systems Coordinator

Public Comment

None

2017 Budget Overview

Capital Program Funding Review

Manager Street reported that staff prepared a capital program funding option based on the direction given at the last budget workshop meeting. Finance Director Burk reported that by refinancing the 2008 bond issuance and extending the date debt service so that it is level in the last 8 years, \$2.5 million could be raised without raising the property tax levy. He noted that a 1 percent prepared food and beverage tax would bring in approximately \$500,000 per year, and that money could go be used to pay debt service associated with the bond issuance. Current bonds would be refinanced at a lower interest rate.

Trustee Farkas inquired how the estimate for the prepared food and beverage tax was calculated. Mr. Burk stated it is based on Illinois Department of Revenue figures from Deerfield restaurants for the previous year. Trustee Seiden inquired about the prepared food and beverage tax in surrounding communities. Mr. Burk reported many comparable communities have a similar tax at 1 or 2 percent including Highland Park, Buffalo Grove, Lake Bluff, Wheeling, Skokie and others.

Trustee Jester stated he would rather see a long-term plan for bonding capital projects. He is not a fan of the proposed prepared food and beverage tax and would prefer to raise the tax levy to cover the projects.

Mayor Rosenthal noted that in April there will be some turnover on the Village Board, and she believes the long-term funding issues should be handled by the new Village Board. Trustee Struthers noted that she does not think a prepared food and beverage tax would hurt local restaurants, but would bring in revenue from non-residents that benefit from the Village services and infrastructure.

Trustee Nadler noted that the prepared food and beverage tax would be a continuous source of funding and not a one-off revenue. Trustee Farkas stated this would be a strategic time to implement such a tax, as the property tax levy would stay flat and a number of new restaurants are opening in town. Manager Street noted that such a tax must be administrated locally by Village staff. However, the funds would not be susceptible to a funding sweep by Springfield.

Trustee Jester suggested using the funding from the prepared food and beverage tax to fund bonds for capital projects. Mr. Burk noted the 2008 bond proposed for refinancing is currently set to expire in 2028. Refinancing and extending this bond would keep the tax levy flat while also lowering the interest rate on the bond. Trustee Jester noted that interest rates are historically low right now, so it is a good time to issue bonds.

Trustee Farkas suggested that if the revenue from the prepared food and beverage tax is more than projected, it could be used to pay down the bond early or to use those funds directly on infrastructure to lower the amount of bonding required. Trustee Shapiro inquired if, due to the low interest rates, the Village Board should be more aggressive with capital improvements. Deputy Public Works Director Phillips stated that 66 streets and cul-de-sacs have been identified as needing improvements in order to get the capital program in maintenance mode. He noted that this would require an estimated \$25 million to complete.

Trustee Farkas stated that he believes the Village should act conservatively due to the current State budget problems. He suggested waiting until the 2017 construction season, when the State budget may be clearer and the prepared food and beverage tax revenues are realized, before being too aggressive. Trustee Jester stated the Village needs to prioritize water and sewer work to reduce inflow and infiltration. Trustee Struthers stated she would prefer being more aggressive on road projects as this is a concern she most often hears about from residents.

Mayor Rosenthal asked if there is consensus to follow the recommendation outlined in the memo from Finance Director Burk. Trustee Jester stated he was not on board with just refinancing the 2008 bond and would prefer to issue more debt so that the Village can aggressively complete the necessary sewer and water improvements as well. Manager Street noted there was a general consensus to implement a 1% prepared food and beverage tax that would help fund capital improvements (or their associated debt service), keep the property tax levy flat by refinancing the 2008 bond issuance and extending the debt service payments, and issuing a new \$2.5 million bond to complete the 2017 capital improvement program, as presented. Manager Street noted that staff will bring a final report to the Village Board for further consideration.

Trustee Jester noted that he liked the inflow and infiltration memo. It shows progress and a lot of work still to do. He pushed for implementing a closing ordinance to help reduce I/I. Trustee Nadler suggested working on a closing ordinance outside of the budget process.

### Police Department Budget Review

Chief Sliozis noted the biggest expense next year is the marked squad fleet at \$250,000, which is all in the Vehicle and Equipment Replacement Fund (VERF), and \$30,000 for equipment to streamline records. The overall budget increase is 2.7 percent.

Trustee Farkas inquired if the budget took into account the dispatch consolidation issues. Chief Sliozis noted the Police Department is not making major purchases until there is a definitive answer. Closure on this issue is not expected until 2018.

### Community Development Budget Review

Building and Code Enforcement Supervisor Case report that the Building Division budget consists of only operating costs. He noted that a few prices have changed for outsourced services, but those expenses are generally pass-through funds that the applicant reimburses.

Mayor Rosenthal asked about the permit processing time. Mr. Case stated it is getting faster and now takes about three weeks to process a building permit. He noted the response time is a result of teamwork with the Engineering Division. The overall budget increase is 5 percent, with 4.5 percent of that increase being the result of contractual pass-through funds.

Principal Planner Ryckaert reported very few changes from last year's budget.

### Public Works & Engineering Budget Review

Mr. Phillips reported estimates for material costs use a five-year average and noted there is an increase in training costs for water sampling and other state mandated training. He reported the budget reflects increased spending for water leak detection and water meter inspection and replacement. Trustee Jester inquired if this increase was enough to make a major improvement in the current amount of water loss. Trustee Struthers requested a list of what is being done and recent successes in reducing the water loss. Mr. Phillips noted that Public Works will start to provide a quarterly report on their progress and reported that crews have replaced some large water meters and identified and repaired a significant leak under Deerfield Road that is anticipated to yield good results. He noted the goal is to reduce water loss from 22 percent to about 8 percent.

Trustee Farkas inquired if the forestry budget was down due to completing removal of ash trees. Mr. Phillips reported that it was, but some funds remain as staff is continuing to replace trees.

Mayor Rosenthal inquired if there would be enough work for staff once Deerfield Road is completed. Mr. Phillips reported that the Deerfield Road project used an outside engineer, which requires staff supervision, but the smaller projects planned will require staff engineering support. Trustee Struthers noted that any down time should be spent on permit reviews to reduce the permit review time.

### Finance Department Budget Review

Mr. Burk noted there is a reduction in salary for the Finance Department due to moving an employee to a different department. He noted there are increases in training expenses that are

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required for staff. He noted that some expenditures in his department are due to incentive agreements with Walgreens and transfers to other funds.

Mayor Rosenthal noted that Mr. Burk has joined her on a Northwest Municipal Conference committee to be more up to date on issues from Springfield and how that will impact the Village's finances.

#### Administration Department Budget Review

Mr. Lichterman provided highlights for this year's proposed budget. He noted a proposed 15.7 percent increase in salaries, about half of which is from the reallocation of the custodian position from Finance into Administration. He noted an increase in training for IT staff, as no training was included in last year's budget. The significant project budgeted for next year is the replacement and upgrade of the Village Board room audio visual equipment, which has had some recent failures and is ten years old.

#### IT Budget Review

Mr. Lichterman reported that the budget for IT is spread out among all departments. Computer Systems Coordinator Weiss reported the focus of the IT spending this year is on security and governance to make the Village run efficiently. He noted his goal is to work smarter and keep staffing levels the same while maximizing the useful life of equipment while being safe. Trustee Struthers inquired about hacking and security. Mr. Weiss noted that these are constant threats and that IT tries to be as safe as possible. He noted that staff will be required to complete a security awareness training before the end of this year.

Mayor Rosenthal thanked staff for a reasonable and concise budget and the Village Board for its input. Trustee Nadler stated the budget is good and reasonable. He is thankful and grateful to not have to force cuts at this point in time and encouraged future fiscal responsibility moving forward.

Mayor Rosenthal noted that the Village has cut positions through attrition over the years to put us in a good financial position today.

Trustee Seiden stated he appreciates staff's work on the budget. He thought the requests were reasonable.

Manager Street concluded that the budget will be presented at the November 7 Public Hearing.

The meeting adjourned at 8:27 p.m.

Respectfully submitted,  
David Fitzgerald,  
Management Analyst