

**COMMITTEE OF THE WHOLE – Meeting Minutes
October 11, 2022**

The Village Board met as a Committee of the Whole in the Council Chambers of the Village Hall at 3:00 p.m. on Tuesday, October 11, 2022. In attendance were:

PRESENT:

Village Board

Dan Shapiro, Mayor
Bob Benton, Trustee
Larry Berg, Trustee
Elaine Jacoby, Trustee
Rebekah Metts-Childers, Trustee
Mary Oppenheim, Trustee
Bill Seiden, Trustee

Staff

Kent Street, Village Manager
Andrew Lichterman, Assistant Village Manager/Director Community Development
John Sliozis, Chief of Police
Brian Budny, Deputy Chief of Police
Chris Fry, Deputy Chief of Police
Eric Burk, Director of Finance
Desiree Van Thorre, Management Analyst
Robert Phillips, Director of PW and Eng.
Tyler Dickinson, Asst. Dir. of PW and Eng.
Justin Keenan, Asst. to the Village Manager
Matt Weiss, Director of IT
Clint Case, Bld & Code Enf. Supervisor
Ryan Oates, PW Management Analyst
Daniel Van Dusen, Deputy Village Clerk

Public Comment

There were no public comments on non-agenda items.

Business

1. Discussion of the proposed 2023 Budget

Budget Overview:

Director of Finance Eric Burk provided an overview of the proposed 2023 Annual Budget. He noted that staff began the budgeting process in August and the Village Manager and Finance Director have conducted several rounds of internal revisions with each of the departments prior to tonight's presentation. Mr. Burk noted the current proposed operating and capital budget allows the Village to maintain service levels and move into 2024 with adequate operating reserves above 50%. The proposed 2023 Budget has been placed on file for public inspection, and notice of such was published in the Deerfield Review on September 29, 2022, and is available on the Village's website.

Mr. Burk reported a budget hearing is scheduled for November 7, 2022 with a tax levy hearing on November 21, 2022. Mr. Burk outlined the materials contained in the budget binders including supplemental memorandums, survey information and a capital improvement plan. Mr.

Burk stated there is \$7.9 million budgeted for capital projects in 2023, consistent with the two-year plan discussed during last year's budget process and modified for the budget overages and timing issues of street rehab.

The proposed budget will increase the tax levy by \$176,000 or 2.19%, of which \$156,000 will go to the General Fund and \$20,000 will go towards existing debt service payments. Mayor Shapiro noted Exhibit E on page 5 illustrates how the increase will affect a homeowner with a \$500,000 home. The proposed 2% increase in the EAV, will result in a \$20 increase in property taxes for the typical \$500,000 home. Mr. Burk pointed out that the calculation expressed in the Exhibit is only an estimation and that Cook County hasn't released their EAV numbers yet, which is expected in December of this year. Trustee Oppenheim asked if the projection was consistent with the two-year capital plan established during last year's budget process. Mr. Burk confirmed the proposed budget is in line with the plan and the debt service for the bonds that were issued earlier this year.

Mr. Burk reminded the Board that the Library Board will meet and preliminarily, library staff has indicated their proposal will keep their levy flat for the coming year. 2022 General Fund revenues overall are projected to exceed the budget, largely due to sales tax, home rule sales tax, income tax and interest income all being above budget. Mr. Burk stated that hotel tax numbers are better than 2021, but still short for the 2022 budget. Telecommunications tax, court and local ordinance fines and vehicle licenses are also below budget. Mayor Shapiro asked about the 25% increase in state income taxes and what it is attributable to. Mr. Burk specified the increased figure comes from the Illinois Municipal League estimate and suggested it is attributable to the broader economic forecast. 2022 General Fund expenditures are expected to be below budget largely due to retirements, open positions and the general liability insurance coming in under budget this year.

The police pension contribution of \$1.1 million is above the required budgeted amount of \$443,000. In 2020 the police pension fund was about 84% funded, then in 2021 after a strong investment year that increased to 101%. Mr. Burk advised that it makes sense at some point to reduce or not make the additional contribution. Mr. Burk expressed that this may not be the best time to reduce contributions, and that 2022 has not been a good year with the fund down \$10 million due to the stock market. Mayor Shapiro asked about the average level of funding most municipalities have. Mr. Burk responded that most are at 60-70% and that Deerfield is much further ahead. Trustee Oppenheim pointed out that the higher level of funding for the police pension fund contributes to the Village's AAA credit rating, and that provides a good reason to continue funding at the current level. Mr. Burk agreed that the credit rating agencies do like to see the higher level and it also shows the commitment to our police department and the market in general that the Village is committed to making the contribution for them. Mr. Burk outlined available options including paying the minimum, a number in between or the full amount for another year. Mayor Shapiro suggested continuing the matter to another time but his opinion is to maintain the current level of funding and reexamine the issue in six months regarding investment opportunities. Village Manager Street noted the decision to change the funding level does not need to be made until the end of next year. The 2022 contribution will be made in December, and the Board agreed to continue the current funding level. Trustee Berg asked if there was a target number to maintain a specific credit rating. Mr. Burk pointed out that the

rating is more than just that one piece, however it is an important factor in the credit report and that dropping the funding can result in a lower rating. Mr. Street pointed out that in conversations with the credit rating agencies they ask about pension funding because it is a vital topic in Illinois given the state's history. Mr. Street noted that the agencies also ask about development issues, staff continuity and other indicators regarding the overall health of the organization.

Mr. Burk reported that Highland Park will increase their wholesale water sale rate by \$0.32 this year and next year. The rate increase will be \$0.038 for 2025-2031. Mr. Burk noted that the budget proposes passing the rate increase along to residents, which amounts to a 5% increase in the water rate in addition to the sewer rate increase of \$0.18 or 5%. The purpose of the rate increase is to keep pace with interest costs and build adequate reserves that were discussed in the Baxter and Woodman study done in 2021. Trustee Jacoby asked about passing along the increase and whether that increase is the same as Highland Park residents are paying. Mr. Street noted the rate the Village buys water at is tied to 85% of what Highland Park residents pay. With the proposed water and sewer rate increases, the Baxter and Woodman report shows that the average quarterly bill for water and sewer will increase from \$176 in 2022 to \$185 in 2023, about a \$9 increase per quarter. Mr. Street pointed out that in either 2020 or 2021 Highland Park did not increase their water rate to residents or to Deerfield. Instead, they refinanced bonds and met their obligations.

Mr. Burk reported on the Refuse Fund. The Village contract with Lakeshore Recycling Systems started in May 2021 and calls for an increase of 2-3.5% effective May 2023. Mr. Burk reported that the proposed budget includes a 3.5% increase in the user rate as well as the transfer from the General Fund to Refuse Fund the village has historically done to subsidize a portion of the waste contract. Trustee Metts-Childers asked if that is an annual increase. Mr. Burk confirmed that an annual increase between 2-3.5% is part of the waste contract. Mr. Burk spoke about the commuter parking lot fund and expressed that it has had a tough run through the pandemic due to the decrease in daily and permit parking. Mr. Burk reported the projected 2023 revenues to be roughly the same as 2022 revenues which are down 50% from their peak. Mr. Burk acknowledged the decrease in parking did allow for the opportunity to complete parking lot repairs, but increased expenditures with lower revenues is not optimal.

Revenues are estimated by budgeting conservatively to avoid expecting revenues which may not materialize. Mr. Burk reported that staff uses outside information and other resources to formulate estimates. The Illinois Municipal League estimates the Village will receive local use tax (\$710,000 for 2023), state income tax (\$2.5 million) and motor fuel tax (\$750,000 for 2023). Mr. Burk reminded the Board that the Village received additional revenue in 2020, 2021 and 2022. The state issued the Rebuild Illinois Bonds and the Village received proceeds of \$412,000 in each of those years, totaling \$1.2 million to be spent on MFT eligible projects currently slated for 2024 capital projects. Mayor Shapiro noted we can't count on those types of payments annually. Mr. Burk pointed out that is why the budget shows a decrease in MFT revenue, the Village didn't cut funding, but won't be receiving the additional state funds.

Trustee Benton asked about the effect of electric vehicles and the increase in the price of gasoline. Mr. Burk responded that the future points to an increase in electric vehicles, but he

does not see a rapid change from conventional gasoline vehicles. Trustee Oppenheim suggested that in 10 years we may see the real effect from the prevalence of electric vehicles. Mr. Burk stated staff looks at trends and history to try to prepare revenue estimates, which has not been easy the last couple of years. Sales tax revenues are budgeted at \$5.28 million, which is an increase of \$282,000 based on recent trends like the price of items going up and some new businesses in town. Mr. Burk stated that the sales tax estimates assume that Walgreens national activity continues in 2023 at 75% of the 2022 amount. Mr. Burk has reached out to Walgreens to get an estimate, but they do not know or are unable to share their estimate. 2022 has been better than anticipated on both the revenue and expense sides, so staff will likely return to the Board before the end of the year with a budget amendment. Home rule sales tax is estimated at \$4.1 million and is split 75% to General Fund and 25% to the Infrastructure Replacement Fund.

Hotel tax is estimated to be \$1.5 million, same as 2022, down \$750,000 from its peak in 2019. Electric utility tax is \$1.1 million, same as last year. Food and beverage tax is estimated at \$500,000 to be used for capital projects. The 2022 amount is coming in slightly better than the budgeted amount but still down from a high of \$659,000 in 2019. Telecommunication tax is budgeted at \$1.2 million based on recent history. Staff views this as a declining revenue source as people move towards using cell phone data rather than traditional land lines phones. Building permit revenue is budgeted at \$1.1 million, the same as in 2022 when it was bumped up from \$925,000 to \$1.1 million based on the activity level seen in recent years. This fund has ranged from \$650,000 to \$1.8 million in the past, and has been hard to predict.

Mayor Shapiro asked if the \$1.8 million in revenues in the peak year was related to Horizon. Mr. Burk clarified it was actually in relation to development of the Woodview and AMLI luxury apartment communities. Trustee Oppenheim asked about developers slowing down due to the higher costs of construction and if Mr. Burk was comfortable with the estimation in light of that issue. Mr. Burk reported that if the number comes in above the estimation it will not be by a large surplus and that staff will reexamine the estimation before the final budget. Trustee Metts-Childers asked how corporate headquarters moving out of Deerfield, such as Caterpillar, affects the budget. Mr. Burk responded that it's discouraging to see companies leave and that vacancies over the long term decrease EAV but there is no direct impact from the Caterpillar relocation. He noted the property tax is spread amongst other users and that it's hard to measure the effect the employees of those corporations have by shopping and dining in town. Mayor Shapiro pointed out that the indirect effect is difficult to measure. Trustee Metts-Childers pointed out that some of the impact has been seen in employees for those companies working from home during the pandemic. Mr. Street stated that the interesting piece of that examination is that the sales tax revenues stayed largely the same during COVID because residents were ordering takeout food in town. Trustee Benton observed that new companies are coming to Parkway North to fill vacancies and that Deerfield is a desirable location for office space. Mayor Shapiro noted that it's a constant evolution and that businesses turn over naturally and that the Village's outlook is positive. Mr. Street reiterated that desirable features like the train stations, proximity to O'Hare and good schools will still be in place when companies look to relocate here. The Village needs to position itself to maintain those community features. Trustee Oppenheim spoke about how great it is that we can move on proposals that creatively reimagine how a space can be used and pointed to the Berto Center and the overall success of the community. Mayor Shapiro said he is

excited for the coming year and the proposals for the old Baxter space as well as spaces on Lake Cook Road.

Mr. Burk outlined the expenditures that affect multiple departments, the largest being personnel costs which account for about 40% of the entire budget when excluding the capital improvement projects. Total personnel costs across all departments increased by \$175,000 (1%). General liability and worker's compensation insurance continues to be pooled through the Municipal Insurance Agency, which consists of 25 municipalities participating in the insurance pool. Mayor Shapiro thanked staff for all their hard work compiling all the information.

2. Discussion of Departmental Budget Requests and Summaries

Police Department

Chief John Sliozis provided the Board with an overview of the Police Department budget. Chief Sliozis reported one of the major expenditures in the proposed budget is the remodeling of the Communications Center, which will take place over three months. The total cost will be around \$700,000 and the Joint Emergency Telephone Services Board will provide reimbursements. Trustee Seiden asked when the reimbursements will show up. Mr. Burk responded that the reimbursements have been accounted for on the revenue side of the proposed budget. Mr. Street asked what percentage of the e-911 funds are generated by the Village. Chief Sliozis estimated around 40-50% of the funds are generated by the Village, as the largest member. Mr. Street pointed out that there are fast-evolving technological advances and asked how the new communications center will compare to Lake County's consolidated dispatch center. Chief Sliozis responded that the consolidated center will not be able to provide the same level of service as the newly remodeled communications center will. Trustee Oppenheim asked if there was enough physical space to accommodate the new center. Chief Sliozis answered that there is sufficient space and the room can be configured to add more phones, due to the technological advances allowing for more flexibility. Mayor Shapiro asked about supply chain concerns regarding building materials. Chief Sliozis noted there are some time constraints within contracts, but he is comfortable that once the remodel begins there should not be any setbacks. Trustee Benton asked about the other communities that share our system. Chief Sliozis noted that our partners are happy and that they probably pay less with us than they would with Lake County's Consolidated Center.

Chief Sliozis reported that the Police Department is looking to purchase FLOCK cameras, which are license plate reader cameras. Chief Sliozis noted that Northbrook has one and has been able to read a license plate and alert Deerfield who, in turn, was able to stop the suspect vehicle. Almost all the surrounding communities are working together to position their cameras in locations to help one another and avoid duplications. Chief Sliozis reported that the Village plans to purchase 10 cameras with an initial cost of \$30,000 and maintenance costs of \$25,000 per year. Mayor Shapiro asked if those figures represent the cost for hardware or software relating to the cameras. Chief Sliozis answered that the cost includes both, as there is an ongoing cost associated with maintenance and replacement. Trustee Berg asked if they are stationary cameras or mobile. Chief Sliozis responded that they will all be stationary cameras mounted on poles. Chief Sliozis noted that the cameras do not store personal information. The Police Department will look into the possibility of using seizure funds to pay for the cameras. Trustee

Metts-Childers asked about the lifespan of the cameras. Chief Sliozis responded that most technological equipment has a three- to five-year lifespan. Trustee Benton noted he has seen one on Saunders Road immediately east of Lake Cook Road. Chief Sliozis has seen them as very beneficial to suburban communities in assisting with apprehension.

Chief Sliozis reported that the Police Department will be re-outfitting officers with gas masks with a projected cost of \$16,000. The Police Department is looking into the possibility of buying a drone which could be used in multiple ways by the Village. Chief Sliozis reported that the drone will cost approximately \$25,000 and will be deployed to assist with taking infrared pictures, finding missing people, and surveying rooftops. Additional costs related to the drone include \$6,000 for training. Mayor Shapiro voiced his support for the drone and sees a number of ways the Village could deploy it. Trustee Benton asked about surveillance cameras that already exist within the Village. Chief Sliozis responded that cameras are everywhere; officers always inventory cameras and available footage when an offense occurs, be it from Ring doorbells, parking lot cameras or security cameras. Trustee Jacoby asked which staff members will receive training. Chief Sliozis responded multiple officers will receive training so there will be coverage across multiple shifts. Mayor Shapiro noted the use will depend on the ongoing legislation regarding police use of drones. Trustee Berg asked if Chief Sliozis sees the drone being used by other departments besides Police. Chief Sliozis answered that he believes the drones could be used by other departments with the appropriate planning. Trustee Oppenheim said she believes it could be useful to other departments in flooding events.

Chief Sliozis reported that the Department will be purchasing body cameras in 2024 as required by the SAFE-T Act. The use of body cameras is mandated to be implemented by January 1, 2025. Chief Sliozis reported the estimated expense is \$150,000-\$175,000 for body cameras. This year, \$87,500 from the equipment fund will be set aside to purchase the cameras in FY 2024. There is currently a backlog for purchases and data storage. Mayor Shapiro noted the additional costs of maintaining the data and the associated FOIA requests that accompany body cameras. Chief Sliozis pointed out that there will be costs of \$50,000-\$74,000 for data storage, which is the largest ongoing expense with regard to body cameras. He acknowledged the possible increase in FOIA requests and the possibility of hiring a FOIA officer to handle those requests. Trustee Berg asked if the body worn cameras will replace the vehicle dashboard cameras. Chief Sliozis responded that is an option, but the current timeline to replace the vehicle dashboard cameras is scheduled for 2025. Chief Sliozis noted that it is possible the dashboard camera replacement may be moved to 2024 to combine the body-worn and dashboard cameras into one system. The cost to replace the dashboard cameras is approximately \$100,000.

Mayor Shapiro thanked Chief Sliozis and the Police Department for their thoughtful approach to the budget and for their great work.

Public Works and Engineering

Director of Public Works and Engineering Robert Phillips presented an overview of the Department's proposed budget. Mr. Phillips reviewed the supplemental budget memo which indicates the changes year-over-year and includes a 4% increase in salaries. Mr. Phillips noted there are two new employees in the water division, one in the sewer division and one in the wastewater division. Additionally, Public Works has eliminated one administrative assistant

position, and currently plan to keep that position open. Mr. Phillips reported that salt and fuel prices have increased, necessitating an increase in the budgeted amounts for these commodities. Mr. Phillips reported on the one-time purchases in the budget, including additional Geode GPS units, as well as \$8,000 for a trailer used across multiple divisions to transport an excavator. Streets and Forestry have seen a greater need for tree trimming, tree stump removal and the popularity of the 50/50 tree program. Trustee Oppenheim asked if the proposed budget increase is due to there being more dead trees or because costs are increasing. Mr. Phillips responded that it is a result of both; there is an increase in the costs of tree removal and treatment for diseased trees. Mr. Phillips reported that Public Works is looking to add another 1-1.5 acres of native gardens within the Village. Mr. Phillips specified that building improvements like window replacement and wash bay heater replacement will be split evenly between the Park District and Public Works. Mr. Phillips reported that there is a 3.6% increase for GIS services per the contract. He also noted a 20% increase in the cost of chemicals and petroleum products. Mr. Phillips reported the Department of Transportation requires the completion of a training course for Class A CDL holders which costs \$5,000. Mr. Phillips noted that the Village needs an IEPA inspection of the underground storage tanks. Additionally, the living roof at the Hawthorne Reservoir needs an inspection for a leak issue.

Mr. Phillips reported there is a \$10,000 fee for reading the newly installed Badger water meters. He also noted the WRF facility has a geothermal heater in need of repairs. Public Works is planning on purchasing electric vehicles (EVs) and staff will require training to maintain those vehicles. Mr. Phillips advised the Board that leaf collection prices will increase quickly. The Village currently has four leaf machines, and the cost of similar machines has increased from \$30,000 to \$120,000. Public Works is planning to purchase one new leaf machine in 2023. Mr. Phillips noted the commuter parking lots will be getting new payment collection boxes. Mr. Phillips reported that the VERF (vehicle equipment replacement fund) is budgeted for a \$45,000 increase. Public Works will be purchasing two new message boards and an electric mower that will need a trailer, charger, weed whips, and electric blowers. Mr. Phillips reported Public Works is planning to purchase a sign machine to produce street, regulatory and directional signs in house which will provide the department with more versatility. Trustee Oppenheim asked about the delivery of vehicles and possible delays. Mr. Phillips answered that trucks and vehicles are hard to obtain, however other equipment is available and should not be delayed. Chief Sliozis noted that he has heard of delays up to 11 months in vehicles being delivered. Mr. Phillips reported that a 5-ton truck has been delivered, and that Public Works is planning on holding on to the older truck as a safeguard. Trustee Oppenheim suggested taking a strategic approach to obtaining vehicles which may require reusing older equipment. Trustee Metts-Childers asked if there will be an increased workload with the elimination of an administrative assistant position. Mr. Phillips noted that workload management is important and he will continue to evaluate the personnel needs of the Department. Mayor Shapiro asked about the purchase of EV chargers. Mr. Phillips answered that the purchase of five EV chargers will be included in the Capital Improvement Plan. He also noted that the EV chargers should be installed by the end of the year. Trustee Oppenheim expressed her excitement about the electric landscaping equipment the Village is purchasing. Mr. Phillips reported that the electric mower Public Works is planning to purchase is a quiet, efficient and very robust piece of equipment. Trustee Oppenheim noted residents don't like the noise from gas-powered landscape equipment.

Trustee Oppenheim asked if Public Works will need to use all four message boards. Mr. Phillips responded that they will be used and stressed their importance on road projects. Trustee Benton noted that some projects require a board for two directions at an intersection.

Mayor Shapiro thanked Mr. Phillips for the presentation and the Public Works and Engineering Department for their great work.

Mayor Shapiro noted that the budget discussions will continue at the next Committee of the Whole, which is scheduled for October 25, 2022.

Adjournment:

There being no further business or discussion, Trustee Oppenheim moved to adjourn the meeting. Trustee Metts-Childers seconded the motion. The motion passed by unanimous voice vote.

The meeting was adjourned at 4:50 p.m.

Respectfully submitted,

Daniel Van Dusen
Deputy Village Clerk