

**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE MEETING
BUDGET WORKSHOP
VILLAGE HALL COUNCIL CHAMBERS
FEBRUARY 18, 2016**

Call to Order

President Pro-Tem Elster called the Committee of the Whole Budget Workshop meeting of the Lincolnwood Board of Trustees to order at 6:00 P.M., Monday, February 18, 2016 in the Council Chambers of the Municipal Complex, 6900 North Lincoln Avenue, Village of Lincolnwood, County of Cook and State of Illinois.

Roll Call

On roll call by Village Clerk Beryl Herman the following were:

PRESENT: President Pro-Tem Elster, Trustees Bass, Patel, Cope, Klatzco, Spino

ABSENT: President Turry

A quorum was present. Also present: Timothy Wiberg, Village Manager; Douglas Petroschius, Assistant Village Manager; Charles Meyer, Assistant to the Village Manager; Amanda Pazdan, Management Analyst; Aaron Cook, Acting Director Community Development; Robert Merkel, Finance Director; Laura McCarty, Director of Parks and Recreation; Katie Smith Gamroth, Superintendent of Recreation; Ashley Engelmann, Public Works Director; Andrew Letson, Assistant to the Public Works Director; Michael Hansen, Fire Chief; Ray White, Deputy Fire Chief; Robert LaMantia, Police Chief; John Walsh, Deputy Police Chief; Charles Greenstein, Village Treasurer; Joe Mangan, Accountant.

Budget Workshop

Mr. Wiberg provided an overview of the evening's agenda and introductory remarks regarding the state of the Village's finances and what is anticipated for the next fiscal year. A PowerPoint presentation was utilized for all discussions throughout the evening. The purpose of the Budget Workshop is to report on the current fiscal year condition and to receive broad policy direction from the Village Board as staff prepares the draft fiscal year 2016/17 budget. He also discussed macroeconomic reports and predictions from Rick Mattoon of the Federal Reserve Bank of Chicago, a firm known as the Retain Coach, and other governmental statistics.

Before continuing the presentation, Mr. Wiberg proposed a PSI contract negotiations meeting date, the date agreed upon was March 3, 2016, at 3PM. Discussion ensued regarding a date for the Finance Committee meeting, which was scheduled for March 2, 2016, at 8:30AM. Mr. Wiberg inquired whether the Village Board had any comments on the department budget goal status and proposed goals for the next fiscal year, which were included with the meeting packet. No Comments.

1. Discussion Concerning the Village's Fiscal Year 2015/2016 Year End Projections

Mr. Merkel presented the year end General Fund projections for the current fiscal year. The Village is expected to experience a surplus of \$213,281, which is \$486,460 greater than budgeted. Revenues are projected to decrease \$594,829 from the original budget. The majority of the decrease is from sales taxes (\$100,000) and permit fees (\$250,000). Sales tax revenue has remained flat and development on the Purple Hotel site will not begin this year.

Expenses are expected to decrease \$772,969 from the original budget. The majority of the decrease (\$365,000) is due to the reduction in the development benefit payable to SD74. The Touhy/Lawndale TIF was closed during the current year which affected the amounts owed to SD 74. There was also a reduction in personnel costs of approximately \$171,000 due to the many retirements which have occurred during the current fiscal year.

Transfers were also less than budgeted by approximately \$358,000. The construction of the Com Ed Bike path (\$200,000) was deferred to the next fiscal year and the replacement of the phone system in the E-911 Center (\$140,000) was deferred to the next fiscal year.

2. Discussion Concerning Fiscal Year 2016/17 Financial Forecast

Mr. Merkel presented the financial forecast for Fiscal Year 2016/17. The proposed budget projects a deficit of \$775,896 after transfers in the general fund. Mr. Merkel indicated that the projected general fund balance will be \$10,220,155 in the general fund as of April 30, 2017, and that the Village has adequate reserves to absorb this deficit. Staff projects \$20,442,203 in revenues for next year with adjustments of approximately \$20,000 in fee increases and \$20,266,199 in expenditures. There was concurrence from the Village Board to proceed with the staff recommendation for revenue adjustments.

Mr. Merkel continued to present the key general fund revenue issues including property tax, sales tax and a budgeted reduction in state income taxes from the local distributive fund. This adjustment was made due to the uncertainty of the budget impasse that is affecting the State of Illinois. Staff reported that they will continue to monitor the situation in Springfield. Mr. Merkel also presented a sales tax history chart for the last nine years which shows that sales tax revenue has not yet recovered from the 2009 recession and has been stagnant for the last six years. The Village is still approx. \$500,000 lower in sales tax revenue as compared to FY2008.

Mr. Merkel continued to present the key general fund expenditure issues including salaries and benefits, pension contributions and the need to purchase new radios for the Police Department due to the FCC requiring all public safety agencies on UHF systems to vacate the current radio frequency by 2021.

Mr. Wiberg continued the discussion regarding other proposed expenditures including the purchase of police vehicle replacement, the final payment on the fire engine purchase, replacement of playground equipment at GG Rowell Park and the Lincoln Avenue median beautification project.

Mr. Wiberg continued with a discussion of a proposed storage tax. The Village currently has three storage facilities located in the Village. The Village Board asked for more information on this subject and Staff will present at the next Village Finance Committee meeting. No other comments regarding the financial forecast were received.

3. Discussion Concerning Fiscal Year 2016/17 Policy Issues

Mr. Wiberg provided an overview for a proposed storage tax. The Village currently has three storage facilities and they are located in sales tax producing areas. Discussion ensued and the Village Board asked for additional information to be presented at the next Village Finance Committee meeting concerning issues related to the proposed tax.

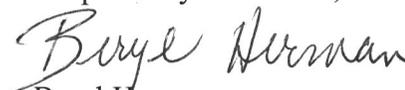
Mr. Wiberg also discussed outsourcing the maintenance of the landscaping of the street medians, the aquatic center and the Village campus beds. The cost would be offset by the reduction of one seasonal staff member. After discussion, the Village Board agreed to the proposal for inclusion in the FY2017 budget.

Mr. Wiberg then provided an overview of the activity in all other funds of the Village. Discussion ensued regarding the annual water fee increase from the City of Chicago which is estimated to be 5%, effective July 1, 2016. As per past Village Board direction, staff budgeted the fee increase as a pass through to the residents effective May 1, 2016. Mr. Wiberg presented and summarized the major expenditures planned for next and future years. Mr. Petroschius summarized the major technology related expenditures planned for next year.

Adjournment

At 8:55P.M. Trustee Cope made a motion to adjourn Committee of the Whole. Trustee Bass seconded the motion. The motion passed by voice vote.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Beryl Herman".

Beryl Herman
Village Clerk