

**VILLAGE OF LINCOLNWOOD  
PRESIDENT AND BOARD OF TRUSTEES  
COMMITTEE OF THE WHOLE MEETING  
BUDGET WORKSHOP  
VILLAGE HALL COUNCIL CHAMBERS  
FEBRUARY 13, 2018**

**Call to Order**

President Bass called the Committee of the Whole Budget Workshop meeting of the Lincolnwood Board of Trustees to order at 6:07 P.M., Tuesday, February 13, 2018 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 Deputy Village Clerk Ashley Engelmann the following were:

PRESENT: President Bass, Trustees Sugarman, Ikezoe-Halevi, Hlepas Nickell, Spino (Attending Electronically), Jasel Patel (6:09 P.M.), Ron Cope (6:20 P.M.)

ABSENT: None

A quorum was present. Also present: Timothy Wiberg, Village Manager; Ashley Engelmann, Assistant Village Manager; Charles Meyer, Assistant to the Village Manager; Heather McFarland, Management Analyst; Robert Merkel, Finance Director; Steve McNellis, Community Development Director; Interim Chief Rottner, Laura McCarty, Parks and Recreation Director, Douglas Hammel, Development Manager, Nadim Badran, Assistant to the Public Works Director, Randy Rathmell, Acting Deputy Police Chief, Mike Hansen, Fire Chief, Melissa Rimdzius, Superintendent of Parks and Recreation, Tom Jacobson, ClientFirst, Ben Harris, Accountant, Ray White, Deputy Fire Chief, Hart Passman, Village Attorney, Steven Elrod, Village Attorney

**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. Mr. Wiberg stated that 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 2018/19 budget. Mr. Wiberg stated that as part of the Budget Packet the Village included the line item Budget per the Mayor's direction.

Mr. Wiberg highlighted that if we were unable to make it through the process tonight then the Village would be able to schedule another meeting to review the budget or matters in closed session.

**1. Budget Process/Village Operating Structure**

Mr. Wiberg noted that this process begins each year in October. The budget team is overseen by the Village Manager and Finance Director. Draft budgets are due in December and reviewed with each Department in February in advance of the Budget Workshop. The Budget Workshop is an opportunity for staff to present the draft budget and discuss policy issues with the Village Board. In March staff meets with the Village Board Finance Committee to review the updated budget. The budget is presented for formal consideration to the Village Board in April.

Mr. Wiberg provided an overview of the Village Fund Structure:

- General Fund: \$21.8 million - accounts for half of the total expenses and includes personnel, contracts and

general expenses.

- Water & Sewer Fund: \$12.2 million – the Village allocates all revenue for water into this fund and recently included sewer into this fund.
- Three TIF Districts: \$2.5 million – the three tax increment funding (TIF) districts within the Village operate with their own fund.
- Motor Fuel Tax: \$1 million - appropriated on a prorated basis to the Village and used for improvements to the roadways.
- Transportation Improvement Fund: \$300,000 – 2 cents per gallon goes into this fund annually.
- Debt Service Fund: \$200,000 – the fund is utilized to pay down outstanding debts and the Village currently has very little debt left in this fund.
- Property Enhancement: \$50,000 - provided to help with business facades, but is not always used by businesses.
- ComED ROW: \$540,000 - We are using this for the Touhy Overpass and are responsible for 20% of the total cost.
- Private Sewer Fund: \$25,000 - We allocate this money to help cover the expenses to help residents with private sewer replacement.
- Police Pension: \$2.8 million - Our annual fund obligation has increased to \$2.8 million based on actuarial statements and direction from the Village Board to increase the Village's contribution to the Pension.

#### General Fund Revenues

- Mr. Wiberg provided an overview of the General Fund Revenues and stated that sales tax continues to be the largest single source of revenue with 35% of the total revenues.
- Mr. Merkel commented that sources of revenue are well balanced between property taxes, sales taxes, and other taxes. Mr. Merkel added that the revenue from year to year stay relatively flat. Mr. Merkel stated that in comparing revenue from this year to last year the revenue for property taxes went slightly up and sales taxes went slightly down during this period.
- Mr. Wiberg added that economic development continues to be important for the Village to further drive sales tax revenue and to lessen the Village's reliance on property taxes.

#### Lincolnwood Property Owners' Tax Bill:

- Mr. Wiberg provided an overview of the breakdown of property owners' tax bills and explained that approximately 9% of a resident's tax bill comes from the Village while the majority of property taxes are levied by the two major school districts.
- Mr. Wiberg explained that when comparing Lincolnwood's tax rate to other communities in Niles Township Lincolnwood is lower than the five other communities within the Township including Golf, Morton Grove, Glenview, Skokie, and Niles. Tim stated that the Village's placement as the lowest tax rate is a testament to the Board in keeping this tax rate low.
- Mr. Wiberg presented the Cook County Consumer Price Index (CPI) for the tax levy for the past several years. Mr. Wiberg noted that the Village has traditionally limited the tax levy increase to the Cook County CPI in line with non-home rule communities, even though the Village is a home-rule community. Mr. Wiberg stated that the Cook County CPI for this year is 2.1%.
- Trustee Patel asked if the Village's comparative tax rate could be shown or is available. Mr. Wiberg stated that if the Board was interested than that information could be provided to the Board at a later date.
- Mr. Merkel requested that at the end of the meeting they could schedule dates for the Finance Committee.

#### 2. Discussion Concerning the Village's Fiscal Year 2017/2018 Year End Projections

- Mr. Merkel presented the year end General Fund projections for FY2018. Mr. Merkel stated that revenues are projected to be \$300,000 less than budgeted and that a large portion of the revenue decrease is related to a decrease in sales tax, specifically related to car sales, and that a fair amount of property tax bill challenges have come through from property owners regarding their tax bills, which has reduced the expected income from property taxes.

- Trustee Hlepas Nickell asked if commercial properties were challenging their property taxes if the Village would be able to fight the challenge to their assessment. Mr. Merkel and Mr. Wiberg stated that Holland and Knight will challenge anything in TIF districts where the assessment is being challenged on behalf of the Village.
- Mr. Merkel noted that the Village was able to reach 99% of the projected revenues for FY18.
- Mr. Merkel presented the General Fund expenditures and noted savings were due to personnel and reductions in contractual costs.
- Mr. Merkel explained the budgeted deficit of \$1,525,172 for FY2018 as:
  - Increase of \$200,000 in funding for Police Pension as directed by the Village Board
  - An unfunded State Mandate to replace the Starcom Radios for \$230,000
  - The non-recurring capital expense of \$581,000 for the Village's 20% share of the Touhy Overpass
  - A non-recurring capital expense for the Lincoln Avenue Median project for \$466,250
- Trustee Cope asked if the Village would own the Touhy Overpass after the construction is completed and it was stated by Mr. Wiberg that once the project is completed the Village would own the overpass and would be responsible for related maintenance costs.
- Mr. Merkel provided an overview of the General Fund transfer activity. It was discussed that portions of the Water Fund are transferred to the General Fund related to expenses incurred in the General Fund for Water Fund related activities. Trustee Cope asked to clarify what expenses are paid with money transferred from the Water Fund to the General Fund. Mr. Merkel stated that some personnel expenses are charged to the Water Fund and that those transfers are checked by the Village's Auditor, Lauterbach & Amen.
- Trustee Hlepas Nickell asked if the Village shares information with the public on how it compares to other communities and other taxing bodies. It was stated that the Village does provide this information in the Village newsletter, *Connections* and would be shared again per the Board's direction.
- Trustee Hlepas Nickell asked about what the normal process was for making assumptions for revenue and if it was normal to budget the revenue for a possible hotel as the Village did for FY18 and if it was standard for revenue to be budgeted for unapproved projects. Mr. Wiberg clarified that certain assumptions are made as part of the process, including the possible hotel. Mr. McNellis stated that only a portion of the revenue was budgeted for the hotel due to the uncertainty of a hotel being built.

### 3. Discussion Concerning Fiscal Year 2018/19 Financial Forecast

- Mr. Merkel provided an overview of the proposed deficit for FY19 of \$652,762:
  - o It was a Village Board Directive to provide additional funding in the amount of \$220,000 for the Police Pension and that the Village may have some revenues to offset this cost in part that will be discussed later in the presentation.
  - o The Village is required to replace the Fire Department's Starcom Radios in the amount of \$193,000 in line with an unfunded State mandate. The Police radios were replaced during FY18.
  - o Finishing up the Touhy Overpass, which is the Village's 20% cost-share, in the amount of \$288,000.
  - o Mr. Merkel noted that if these items were not in the Budget there would be a small surplus for next year.

Mr. Merkel provided an overview of the Village's General Fund Policy:

- o The Village's General Fund Policy maintains that a fund balance of 25% - 35% of the annual general fund revenue be maintained by the Village and that the Village may use excess funds for the purchase of equipment or capital expenditures.

Mr. Wiberg provided an overview of new revenue being proposed in the Budget:

- Mr. Wiberg provided an overview of the increase to pool pass and camp fees, which had been approved by the Park and Recreation Board. Trustee Hlepas Nickell asked how pool admission sales were doing and Ms. McCarty stated that the Village had sold out in non-resident pool passes the last two years.
- Mr. Wiberg presented the changes to the ambulance fee structure being proposed by the Fire Department. Trustee Ikezoe-Halevi asked if the use of ambulances has increased as the population has aged. Chief Hansen indicated that the ambulance fees are tied to Medicare and Medicaid costs. Trustee Patel asked if there were projections on how much ambulance fees will increase with The Carrington. Chief Hansen indicated that they didn't have a lot of ambulance calls when Lincolnwood Place was first built, but the calls increased as residents aged.
- Resident Pam Lefkowitz asked if Hatzalah's ambulance use is incorporated into the ambulance fee. Chief Hansen said that Hatzalah just went to Advanced Life Support (ALS), which may reduce the need for the Lincolnwood Fire Department to respond to emergencies, but the Lincolnwood Fire Department does get called frequently from Hatzalah and would not anticipate a big change in the usage due to Hatzalah changing to ALS.
- Mr. Wiberg provided an overview of the administrative towing fee that would be applied to those arrested for driving under the influence. Trustee Cope asked what would happen if someone was found not guilty for the DUI and Ms. Engelmann indicated that there is a process for people to follow to appeal the fee if they are found not guilty.
- Mr. Wiberg provided an overview for the proposal to adjust the vehicle sticker. Mr. Wiberg provided guidance that the reasoning for the proposed change in the vehicle sticker was that the Village was on the low-end of the range for vehicle's stickers when compared to other communities. Trustee Cope asked how the change in the vehicle sticker fee would change. Mr. Wiberg stated that the fee resolution with this change would be considered when the Village looks at the fee resolution as part of the budget approval process. Mr. Wiberg said that there was nothing on the agenda for approval tonight and if the policy direction of the Board was to proceed with increasing the vehicle sticker fee then we would bring it forward as part of the annual fee resolution.
- Mr. Merkel provided an overview of the General Fund and noted that it was virtually debt free and that the Village is in a unique position due to our fiscal health. The Board discussed the financial health and future of car dealerships in Lincolnwood and in general as trends change for vehicle purchase and usage.
- Mr. Merkel provided an overview of the sales tax revenue for Lincolnwood and stated that sales tax peaked in 2008 and that the Village's sales tax revenue has remained level since 2013. Trustee Hlepas Nickell asked if the Village had a breakdown as to whether car sales make up the majority of sales tax. It was discussed that the Village only gets sales tax information with organizations that have a sales tax agreement with the Village. It was asked if the Village knew what revenue came out of the mall and it was stated that since the Village does not have a sales tax agreement with the mall then we do not have an idea of revenue. Mr. Wiberg stated that the manager of the mall will be coming to a future EDC meeting to discuss the future of the mall.
- It was asked by Trustee Patel how the food and beverage tax was doing and Mr. Merkel clarified that the revenue is at \$500,000. It was stated by Mr. Merkel that due to the food and beverage tax we receive more specific data regarding the revenue brought in from these types of institutions.
- Mr. Merkel provided an overview for the general fund expenditures and noted that most communities hover around 70%-80% of the General Fund for personnel expenses and that the Village's personnel expenses are at 56%. Mr. Merkel noted that the percentages for the General Fund in terms of personnel and contractual is consistent year to year. It was noted by Trustees Cope and Patel that the privatization of services and contracting out reduces other costs like pensions.

- Mr. Merkel provided an overview of the key general fund expenditures for FY 2019 and highlighted the variances in the form of contractual increases (\$148,000), pension obligation increases (\$220,000) and personnel costs (\$428,000). Mr. Merkel provided explanations as to why the personnel expenses are going up.
- Trustee Hlepas Nickell asked what the normal service life for a fire engine is and if the debt outlasts the vehicle. Chief Hansen stated that the normal life for vehicles is 20 years. Trustee Hlepas Nickell asked if the Village should escalate the repayment schedule. It was discussed that the Village normally uses the vehicles longer than the life of the loans and that the loan was given at a favorable rate that did not encourage an early repayment schedule.
- Mr. Wiberg provided an overview of the significant capital expenses for 2019.
  - Trustee Hlepas Nickell asked if a grant was used previously to fund all of the improvements for the last renovation of Proesel Park. Ms. McCarty noted that some grant funding has been used previously but it normally does not cover all renovations for Parks. Trustee Hlepas Nickell asked if there were grant opportunities available to offset expenses. Ms. McCarty noted that the Village is always looking for grant opportunities to offset costs but there are not many opportunities currently available for parks. Trustee Patel requested that no more sand or water wading areas be added due to complaints that are received. It was noted that the Village was looking at a splash pad option, which are considered popular with kids now. Mr. Wiberg provided an overview for the replacement of Proesel Park equipment and added that an additional \$100,000 is being requested which is a discretionary item for the Board's Consideration. Trustee Patel asked if the footprint was to stay the same for the park. Ms. McCarty stated that the footprint was supposed to stay the same but if certain features are removed, such as the sand, then it would allow for opportunities to do more with the open space. Trustee Hlepas Nickell asked if the footprint is utilized to determine how many children are able to use the area. Ms. McCarty said that the footprint is used to calculate how much equipment could be used but not necessarily a count for how many people at the park. Mayor Bass asked for the Parks Department to look at fundraising efforts to help offset the expenses related to the Park. It was noted that the Friends of the Community Center normally donate around \$20,000 annually to the Park Replacement Program. Trustee Sugarman asked which park was next after Proesel Park. Ms. McCarty noted that it was Flowers Park. Trustee Hlepas Nickell stated that she was in support of replacing Proesel Park but asked for funding options to offset the Village's expenses. Trustee Cope said he was in favor of replacing Proesel Park. Trustee Sugarman said he was in favor of it. Trustee Ikezoe-Halevi said she was in support but that she supported the funding ideas proposed by Trustee Hlepas Nickell. Trustee Patel said he was in support of replacing the equipment. Trustee Spino said she was in support of replacing the equipment and was in support of the idea of expanding the footprint but not necessarily the equipment that is in the park.
  - Trustee Sugarman asked to clarify if the two Police Vehicles that are in the FY19 Budget the same two vehicles that he recently signed off for in the warrant list. Mr. Wiberg stated that was for FY18 and that there would be two more vehicles in FY19 for purchase if the budget were approved. Trustee Hlepas Nickell noted that the purchases of vehicles are on a normal replacement cycle.
  - Trustee Ikezoe-Halevi asked what happens to the equipment that is replaced by the new expenditures. Ms. McCarty stated that the park equipment is donated to *Kids Around the World*, Mr. Merkel stated that the vehicles are auctioned, and Mr. Letson said that the vehicles from Public Works normally go for \$2,000 - \$3,000. Mr. Wiberg noted that donating the park equipment saves money since the Village does not have to include in the request for quotes the removal of the equipment.

Mr. Merkel provided an overview of special revenue funds:

- Mr. Merkel provided an overview of the NEID TIF. Trustee Hlepas Nickell asked if TIF funds could be used for funding public safety expenses related to the TIF. Mr. Passman said that he was not aware of TIF funds being used for that purpose and that he would have to review the redevelopment agreement and research if this type of request would be permitted.
  - o Mr. Wiberg provided an overview for the potable water standpipe and the need to paint the standpipe. It was stated that an inspection in 2017 found that the interior and exterior of the standpipe required routine painting. Mayor Bass stated that the Village would be looking at branding options for the Village including the standpipe. It was stated that the Village would look at branding options that may be incorporated into the design and painting for the standpipe.
  - o Mr. Wiberg stated that the Village is looking at expanding the Public Works Yard. At the request of Mayor Bass, Mr. Letson provided an overview of the needs for the Public Works yard to expand. Mr. Letson presented on the current restrictions presented by the yard in terms of storage for ongoing operations and concerns related to the equipment being kept. Mr. Letson showed pictures of the current yard and garage. Trustee Patel asked if the existing soil shed would be finished. Mr. Letson said that the soil shed will be replaced as part of the project. Trustee Patel asked if the parking in the Public Lot nearby could be utilized for the Village's needs. Mr. Letson said that it could be evaluated but it may not work for the Village's needs.
- Mr. Merkel provided an overview of the Devon / Lincoln TIF and asked for the Village Board to endorse the plan and expenditures for the TIF including streetscape improvements for Devon Avenue and alley paving. Mayor Bass polled the Village Board and all Trustees stated their approval for the presented plan for the Devon / Lincoln TIF.
- Mr. Wiberg presented the Transportation Improvement Fund that was previously presented to the Board and asked for the Board to endorse the plan. Mr. Wiberg provided an overview of the Touhy / Cicero improvement project to alleviate issues with this intersection. Phase I will be funded by an Invest in Cook grant from Cook County.
- Mr. Letson explained the bike lane lining and signing program where the Village would be lining Lincoln Avenue from Devon to Jarvis and Pratt Avenue from the Union Pacific Recreation Path to McCormick. Trustee Cope stated that he was not in support of allowing bike lanes on Lincoln Avenue due to concerns with accidents that he has seen in Chicago related to the shared bike lanes in Chicago. Trustees Spino and Hlepas Nickell stated their support for the bike lane on Lincoln Avenue. Mayor Bass polled if the Board was in support of the bike lanes on Lincoln Avenue and Pratt Avenue. Trustees Sugarman, Spino, Hlepas Nickel, Ikezoe-Halevi, and Patel voted yes. Trustee Cope voted no.
- Resident Pam Lefkowitz asked why bonds would be used in lieu of savings from switching to Evanston to pay for required improvements to the water system. Mayor Bass clarified that the Ad-hoc Infrastructure Committee will be taking up that very issue including funding and will be bringing ideas to the Village Board to determine what improvements are needed and how those improvements will be funded and encouraged Ms. Lefkowitz to attend those meetings when they begin in the near future.
- Mr. Wiberg provided an overview of the IT Strategic Plan and introduced Tom Jacobson from ClientFirst. Mr. Wiberg noted that the IT Strategic Plan guides the Village's information technology projects and will be discussed and approved separately by the Village Board.

#### 4. Discussion Concerning Fiscal Year 2018/19 Discretionary Spending

- Mr. Wiberg provided an overview of the Community Center roof replacement project. Mr. Wiberg noted that the Community Center roof was a flat roof and was last repaired in 1995 and is in need of replacement and must be done within the next two years. Mr. Wiberg said that under the Village's fund balance policy the roof replacement is permitted as a one-time expenditure with excess fund balance. Mayor Bass asked if the drains could be replaced to avoid the need to replace the roof. Mr. Letson clarified that the roof has been worked on by staff but some of the damage from previous water

issues has increased the need to replace the roof. Mr. Letson noted that CBBEL evaluated the roof and stated that the roof needs to be replaced due to the extensive damage to the roof. Trustee Hlepas Nickell asked when the flat roof was remodeled and it was stated by Mr. Letson that the roof was remodeled in 1996. Mr. Wiberg indicated that there isn't currently leaking in the building but there is damage to the membrane in the roof. Trustee Hlepas Nickell asked for the square footage of the property and Mr. Letson clarified that the total square footage was 6,100. Mayor Bass polled the Village Board and Trustee Hlepas Nickell was in favor of the proposal, Trustee Cope said he wasn't familiar enough with the roof but would defer to other Trustees and staff, Trustee Sugarman said he would want to know the price before the Village proceeds (the estimate is \$150,000) and it was noted by Mr. Letson that the final bid and contract would return to the Village Board for approval before a contract is signed, Trustee Ikezoe-Halevi said she was in favor of replacing the roof, Trustee Patel said that he yielded to staff in needing to replace the roof. The Mayor said that the majority decision of the Board was to proceed with roof replacement.

- Mr. Wiberg provided an overview of coverage for the Police Lobby due to the outsourcing of 9-1-1 services to Skokie in March, 2017. Mr. Wiberg noted that when the outsourcing occurred the Police Lobby hours went from 24/7 to Monday through Friday from 9:00 am to 5:00 pm. It was noted that about six months ago the Lobby was expanded to 7:00 am to 5:00 pm and the Mayor has asked for the Village to look at expanding the hours to be open later. Mr. Wiberg noted that as of today it was determined that staffing could allow for the Lobby to be open from 7:00 am to 7:00 pm without additional personnel expenditures. Mayor Bass said that it is a convenience factor for people to be able to access the Police Department outside the normal business hours and would be an additional service for residents. Trustee Hlepas Nickell asked if there were calls for additional service outside of the normal hours. Ms. Engelmann clarified that from March 1, 2017 to February 6, 2018 there were 1,108 general assistance calls or 3.25 calls per day from the Police Lobby. Ms. Engelmann said that the calls were for general requests. Trustee Hlepas Nickell asked what percentage of the calls were emergency calls. Ms. Engelmann noted that Skokie was not aware of emergency calls coming in on the Lobby phone. Trustee Hlepas Nickell asked if the data on calls could be shared. Ms. Engelmann provided copies of the data from Skokie. Trustee Cope asked if there are Officers stationed in the Police Department when people come into the building. Chief Rottner stated that the Department is usually empty because the Officers are out in the street and not in the building. Chief Rottner said that civilians are now doing a lot of the work related to reports so that Police Officers can stay in the field. Trustee Cope asked for the typical tasks needed for a Police Officer when someone comes into the Police Lobby. Chief Rottner and Ms. Engelmann noted there are a number of tasks requested of Police Officers when residents stop by and call for assistance. The consensus of the Board is to expand Lobby Hours to 7:00 pm and to go to the Finance Committee to look at the expansion of hours to 9:00 pm.
- Mr. Wiberg provided an overview of the Mayor's request to add another Police Officer at an annual expense of \$100,000. Trustee Cope asked Chief Rottner if another Police Officer was needed and Chief Rottner stated that in a small Department like Lincolnwood an additional Police Officer would go a long way to helping the community. Mayor Bass polled the Trustees and Trustees Hlepas Nickell, Cope, Ikezoe-Halevi, Patel, and Spino were in support of the additional Police Officer. Trustee Sugarman was in support of the additional Police Officer, but voiced an idea to wait until the new Police Chief is selected to ensure the new Police Chief would like an additional Police Officer. Mayor Bass said that there may be savings available in how full-time staff is managed currently. Mayor Bass said that the Chief is reviewing other options related to possible staffing in the form of part-time and auxiliary officers.

## **Adjournment**

At 9:11 P.M. Trustee Cope moved to adjourn the meeting to Closed Session for the purpose of discussion regarding Employment Matters Per Section 2(c)(1), and Purchase or Lease of Property Per Section 2(c)(5) seconded by Trustee Sugarman.

Upon Roll Call the Results were:

AYES: Trustee Trustees Sugarman, Ikezoe-Halevi, Hlepas Nickell, Spino (Attending Electronically), Jasel Patel, Ron Cope

NAYS: None

The motion passed.

**Reconvention**

At 10:39 p.m. President Bass reconvened the Village Board Meeting.

**Adjournment**

At 10:40 p.m. Trustee Cope moved to adjourn the meeting, seconded by Trustee Hlepas Nickell. The motion passed with a Voice Vote.

Respectfully Submitted,

  
Charles Meyer  
Deputy Village Clerk