

**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE MEETING
BUDGET WORKSHOP
VILLAGE HALL COUNCIL CHAMBERS
FEBRUARY 9, 2015**

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 6:07 P.M., Monday, February 9, 2015 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 Douglas Petroschius the following were:

PRESENT: President Turry (by phone until 7:15 PM), President Pro-Tem Elster, Trustees Patel, Cope, Klatzco, Leftakes, Elster

ABSENT: Trustee Sprogis-Marohn

A quorum was present. Also present: Timothy Wiberg, Village Manager; Douglas Petroschius, Assistant Village Manager; Charles Meyer, Assistant to the Village Manager; Amanda Williams, Management Analyst; Timothy Clarke, Director of Community Development; Robert Merkel, Finance Director; Janice Hincapie, Director of Parks and 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; Tim O'Connor, Detective; Travis Raypole, Sergeant.

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 2015/16 budget. He also discussed macroeconomic reports and predictions from Rick Mattoon of the Federal Reserve Bank of Chicago, a firm known as the Retail Coach, and other governmental statistics. Discussion ensued.

Before continuing with the presentation Mr. Wiberg proposed scheduling a date for the Finance Committee to meet to review the proposed budget in detail. A meeting was scheduled for February 25, 2015 at 3:30 PM. Mr. Wiberg continued to inquire if the Village Board had any comments on the department budget goal status and proposed goals for next fiscal year which were included with the meeting packet. No comments were made.

1. Discussion Concerning the Village's Fiscal Year 2014/15 Year End Projections

Mr. Merkel presented the year end projects for the current fiscal year. The Village is projected to experience a deficit of \$290,636 which is more than the \$196,247 surplus that was budgeted. The majority of this difference was due to the Union Pacific Right-of-Way not being purchased and the Village as unable to distribute a surplus to the taxing bodies from the Northeast Industrial (NEID) Tax Increment Financing (TIF) District Fund that would have been considered revenue to the general fund. Telecommunications Tax revenue is lower than budget as is permit revenue budgeted for the construction of the Shoppes at Lincoln Pointe development. Mr. Merkel presented the Village's total fund balance of \$10,106,562 in the General Fund and indicated that the Village has adequate reserves to absorb this deficit. There were no comments by the Village Board.

2. Discussion Concerning Fiscal Year 2015/16 Financial Forecast

Mr. Merkel presented the financial forecast for Fiscal Year 2015-16. The proposed budget projects a deficit of \$310,024 after transfers in the General Fund. Mr. Merkel indicated that the projected total fund balance will be \$10,106,562 in the General Fund and that the Village has adequate reserves to absorb this deficit. Staff projects \$20,513,735 in revenues for next year with adjustments of \$40,000 in fee increases and \$20,161,534 in expenditures. Discussion ensued regarding the fee increases which consist mostly of parking ticket increases. Chief LaMantia reported that based on the surrounding communities the average parking ticket fee is \$29 and the current Village fee of \$20 has not been increased in over 10 years. The purpose of increases is not to increase revenue but to help gain compliance with Village parking laws. There was concurrence on 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 other taxes. Discussion ensued regarding the Local Government Distributive Fund which is distributed on a per capita basis from the State of Illinois' Income Tax. Staff and the Village Board are concerned that the State of Illinois may utilize these funds to aid their revenue challenges, thus reducing funds coming to the Village in the amount of \$1.2 million. Staff reported that the Village will continue to monitor the situation in Springfield and work with the Northwest Municipal Conference to ensure that the Village's funds are not reduced. Mr. Merkel reported that the Village's debt payments will be reduced significantly as this year the Village is paying its final payment for the 2004 GO Bonds. Per past Village Board direction staff will be using what would have been paid to the GO Bond to pay off the Fire Truck loan early thus avoiding future interest payments. Discussion ensued and considerations were made to foregoing the early payment of the Fire Truck loan thus making those funds available to pay for a potential reduction of LGDF revenue. The Village Board concurred with staff's recommendation to make the payoff the Fire Truck loan in Fiscal Year 2015-16.

Discussion ensued regarding other proposed expenditures including the replacement of the E911 Dispatch Center system, improving the Proesel Park Shelter, Police vehicle replacement, and replacing a Fire Engine. There was consensus to proceed with staff's recommendations and make the necessary improvements or replacements. No other comments regarding the financial forecast were received.

3. Discussion Concerning Fiscal Year 2015/16 Policy Issues

By way of background Mr. Wiberg reminded the Village Board of the recent presentation by the Police Pension Fund at a previous Committee of the Whole where the Police Pension Board members reported that the State of Illinois requires that all municipal pension funds be 90% funded by 2040. The Village's Police Pension Fund is funded at 49%. The Pension Board members suggested that the Village contribute more money than what is required by the department of insurance which will boost investment and ultimately help achieve the funding requirements. Recent funding obligations have been relatively flat but staff is anticipating future increases. Staff is proposing an increase of \$0.02 per gallon of fuel on the Village's municipal Gasoline Tax and earmark that new revenue for the Police Pension Fund. It is estimated that this will provide an additional \$280,000 in revenue. The total Gasoline Tax would increase from \$0.03 to \$0.05 per gallon of fuel. Discussion ensued regarding concerns of the burden to residents, non-residents sharing the burden, competition between area gas stations, and the other community taxes. There was direction to proceed with the Gasoline Tax increase for the purpose of earmarking the funds for the Police Pension Fund. Mr. Wiberg indicated that staff would propose an Ordinance to the Village at a future Village Board meeting and notify the local gas station operators.

Mr. Wiberg 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 15% and was enacted on January 1, 2015. As per past Village Board direction staff budgeted this fee increase as a pass-through cost to the residents but it will be effective May 1, 2015. The Village Board concurred. Discussion ensued regarding the Vac-con machine which is due to be replaced for the cost of \$375,000. The Village Board directed staff to proceed with the replacement. Mr. Wiberg presented and summarized the major capital expenditures planned for next and future years. Mr. Petroschius summarized the major technology-related initiatives planned for next year and Mr. Wiberg indicated that the proposed Strategic Master Technology Plan would come before the Finance

Committee meeting for further review. Mr. Wiberg reported that the open-session portion of the workshop is concluded. The Village Board thanked staff for their work on the budget and their presentation.

Adjournment to Executive Session

At 9:00 PM Trustee Patel moved to adjourn the Committee of the Whole to Executive Session for the purpose of discussion of personnel. The motion was seconded by Trustee Klatzco.

Upon Roll Call the Results were:

AYES: President Pro-Tem Elster, Trustees Patel, Cope, Leftakes, Klatzco

NAYS: None

The motion passed.

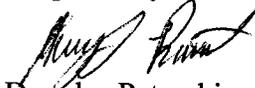
Reconvention

At 9:56 PM President Pro-Tem Elster reconvened the Committee of the Whole.

Adjournment

At 9:56 P.M. Trustee Cope made a motion to adjourn Committee of the Whole. Trustee Klatzco seconded the motion. The motion was approved by voice vote, 5-0. The Committee of the Whole was adjourned.

Respectfully Submitted,



Douglas Petroschius
Deputy Village Clerk