

CITY OF WARRENVILLE

FINANCE & PERSONNEL COMMITTEE/
COMMITTEE OF THE WHOLE

**Minutes of Meeting Held on
Monday, January 25, 2010, at City Hall**

A. CALL TO ORDER

Chairman Alderman Dan Leonard called the meeting to order at 7:00 p.m.

B. ROLL CALL

Present: Mayor David Brummel, Aldermen Stu Aschauer, Clare Barry, Christopher Halley (left the meeting at 7:42 p.m.), Dan Leonard, Dave Schultz, Bill Weidner (arrived at 7:26 p.m.), and Matt Wiesbrock

Absent: Alderman Bevier

Also Present: City Administrator John Coakley, Finance Director Kevin Dahlstrand, Treasurer Bob Johnson, City Clerk Emily Larson, Assistant City Administrator Jennifer McMahon, Deputy Police Chief Dave Schar, and Deputy City Clerk Ana Vainisi

C. PLEDGE OF ALLEGIANCE

D. CITIZENS COMMENTS

Mike Hoffman, Second Street, introduced R. W. (Bill) Lindley, a civil engineer familiar with the Fawell Dam. Mr. Lindley summarized his background and experience in keeping the City of Naperville from flooding and helping design the Deep Tunnel Project in Lincolnwood. In his opinion, the removal of the low flow system from Fawell Dam by DuPage County caused it to lose four to five feet of storage. In his opinion, the County did not consider what would happen to Warrenville when the low flow system that carried all non-storm water was removed from use. Mr. Lindley displayed maps from the North Eastern Illinois Planning Commission's (NEIPC) reports on floods from the 1960's and 1970's.

Alderman Leonard suggested that Mr. Lindley continue his report as a possible agenda item on a future Community Development Committee or Public Safety Committee agenda.

George Safford, Willow Lane, spoke of the Bovio family relief event this past weekend, and the successful sale of purple hair extensions to raise money for a family plagued by debt due to serious illness. He praised the Warrenville community for their willingness to help a family in need and stated that hair extensions are still available at Heidi's Salon on Albright Street.

Rocky Falco, Willow Lane, also commended the community spirit that brought neighbors together to help neighbors. He announced that Clay Space would hold a special sale and silent auction for the Bovio family at Trinity Lutheran Church in the upcoming weeks.

E. OFFICIALS AND STAFF COMMENTS

Bovio Fundraiser

Mayor Brummel noted that Warrenville could boast a new distinction, being the only community with a Mayor and City Clerk wearing purple hair extensions. He indicated that over 500 hair extensions were sold and many more are waiting their turn. Heidi's Salon can be reached at 630-393-2435

Alderman's Birthday

Alderman Wiesbrock congratulated Alderman Clare Barry on her recent birthday.

Bovio Fundraiser

Clerk Larson also attended the Bovio fundraiser and said the line was out the door of the VFW lined with people waiting to get their hair done in support and encouragement to the Bovio family. She stated that the Bovio family received a truckload of donated food items from the event, but would continue to need this support in the coming weeks and months. Warrenville Rocks!

F. BUSINESS OF MEETING

1. Project Management Third Quarter Report

Megan Pierce, of Sikich LLP, summarized the third quarter report concentrating on priority one projects from the 2007 Strategic Plan. These projects are approximately 33% completed and are scheduled for final completion by April 6, 2012.

Alderman Weidner arrived at 7:26 p.m.

Alderman Wiesbrock asked what part did this consultant play in the City's Subarea Plan project. Ms. Pierce stated that her firm had not been responsible for any of the planning or actual development. Sikich's role is to keep track of progress and to provide action steps and direction for completion of projects.

10. FY 2011 Budget Process

Director Dahlstrand reported that the FY 2011 Budget process has begun and he and the City Administrator have already started meeting with Department Heads about their priorities. This year, the budget has been culled to include only projects that are likely to be accomplished as opposed to those that staff would "like" to accomplish.

Alderman Halley suggested that the City publish the *Hometown Happenings* newsletter in the local newspaper, because it would provide monetary support to the newspaper in order to keep them in business. He also objected to reducing the Police Pension Fund contributions in any way, stating that all revenues from the red light cameras should be used to support this fund. He felt the City's overspending should not be cause for the pension fund contributions to decrease.

Alderman Wiesbrock clarified that the \$150,000 suggested decrease in Police Pension funding is an amount over and above the payment required by law, which the City will continue to make on a regular basis. The \$150,000 is an overpayment the City had been making in order to pay down the balance faster. Director Dahlstrand concurred that extra money was going to this fund and the

recommendation is for those extra payments be suspended for two years or until economic times improve. The City would continue to make the commitment required by law.

Alderman Wiesbrock did not object to offering the local newspaper funding to publish the *Hometown Happenings*. Director Dahlstrand stated he would look into it.

Alderman Halley asked how much is the City's committed contribution to the pension fund. Director Dahlstrand stated that the City is required to pay in excess of \$650,000, and that amount would increase to \$700,000 by next year. Alderman Halley again blamed the City's overspending for any decrease in payments to the pension fund. Director Dahlstrand explained that the \$150,000 were in addition to the payment required by law. The reason for the shortfall was not due to the City's overspending, but to the state's continued array of unfunded mandates related to pension benefit increases.

Administrator Coakley stated that the State of Illinois sets the pension benefits but the local taxpayers pay for it. In the past, the City had been trying to pre-pay by making additional payments. The law requires that the City to make the minimum payment and the City would never short its pensioners because the pension payments are required by state statute. The recommendation is to only suspend the additional payments for the current fiscal year and the next fiscal year.

Mayor Brummel clarified that the pension fund is like a home mortgage payment, the City had been paying ahead of time when extra cash was available, but would never stop making the required payments. The State of Illinois has passed legislation resulting in an \$80 billion shortfall in pensions. The State makes the rules, but does not have to make the payments for most public employee pensions. It is a difficult situation and part of the mess in Springfield, but it is not the City's intention to short anyone of their pension.

Regarding the *Hometown Happenings* newsletter, Mayor Brummel stated he would stand by the City Council's decision, but he would prefer to see the City keep its own voice in this publication, independent of the local newspaper. The newsletter is published at a modest cost, is informative, and receives much positive praise from residents. He recommended keeping the *Hometown Happenings* on a monthly basis.

ALDERMAN WIESBROCK MOVED, second by Alderman Halley, to include all five recommendations in the FY 2011 Budget, with more details on #2 and #3.

Discussion: Alderman Aschauer expressed his preference for a quarterly, or seasonal, newsletter publication.

MOTION ADOPTED VIA VOICE VOTE

Alderman Halley left the meeting at 7:42 p.m.

2. TAC Hotel/Motel Grant Recommendations

JoEllen Charlton, TAC Chairman, introduced members of the commission present in the audience. She gave a report of each request and the commission's findings and final grant

determination per applicant, including several new programs in the arts category, including Introduction to Clay, Big Band Concerts, and a recital series for young adults.

Alderman Wiesbrock thanked the commissioners for their dedication and noted that some of this year's events will generate a profit. He asked about TAC's policy to require an accounting of proceeds. Ms. Charlton stated that each event is required to produce and submit a final report, which should include all additional revenue received. The information will be utilized by TAC in making future decisions on funding of such programs. Most groups will use the profits to improve the event or build up reserves. Alderman Barry stated that most of these events have budgets much larger than the amount requested. Some, like the WAA will use their additional funds to make improvements to the event for the following year. Others, like the 4th of July, will apply their additional income to a reserve fund they can fall back on in the event of an unsuccessful year.

Alderman Aschauer asked about TAC's policy to subsidize staff time for the Park and Library Districts. Ms. Charlton stated that until last year, TAC would not support staffing costs. However, this year, TAC has adopted a new internal policy giving an exception to the Library District for the concert series. This is a season-long event and the Library hires a part-time individual solely to handle contracting, set up, and take down for this event. The grant funding provides for a portion of that person's salary. TAC does not recommend funding of any portion of any other grant requests associated with staff time costs.

Alderman Aschauer noted that expenses for instructors' fees, advertising, design, and promotion for the Clay Space event appeared to be expenses associated with staff time. Ms. Charlton stated that in this case, Clay Space was employed by the Warrenville Arts Council (the applicant) to coordinate this event, and payment to Clay Space would come from the Arts Council, not from TAC directly.

Alderman Aschauer asked for a cost vs. expenses ratio, or a cost per person study for each event, to determine whether the expenses were reasonable and justified. Ms. Charlton offered to provide that information.

ALDERMAN WIESBROCK MOVED, second by Alderman Aschauer, to recommend that the City Council accept the TAC recommendations and award \$156,450 in Hotel/Motel Tax Grant funding to various applicants per the Tourism and Arts Commission recommendation memo of January 15, 2010.

Discussion: Mayor Brummel thanked the TAC membership and stated this was a case of volunteers helping the community in a positive way, saving the elected officials and staff a lot of time.

Alderman Schultz stated that the City started this program many years ago, but the current TAC has revolutionized the concept and streamlined this very successful program. Alderman Barry also thanked the commissioners for their efforts.

MOTION ADOPTED VIA VOICE VOTE

3. BPAC Request for Permission to Solicit Donations

Assistant City Administrator McMahon presented a request from the Bicyclists and Pedestrian Advisory Commission to solicit monetary and bicycle equipment donations from local businesses for the fifth annual Bike Rodeo. These donations would be used as prizes or to purchase prizes for a drawing at this event.

Alderman Wiesbrock asked if the BPAC has applied for a Council sponsorship for this event. ACA McMahon replied that the City does participate in this event by purchasing bicycles and other items for a total of \$3,000.

ALDERMAN WIESBROCK MOVED, second by Alderman Barry, to recommend the City Council approve a request by the Bicyclists and Pedestrian Advisory Commission to solicit local businesses for item or monetary donations for the 2010 Bike Rodeo.

MOTION ADOPTED VIA VOICE VOTE

4. Class B-3 Liquor Licenses for Walgreens

Director Dahlstrand stated Walgreens Corporation is currently involved in a national program to add beer and wine sales to all of its stores. Walgreens currently operates two stores in Warrenville. One is located at 28 W 104 Warrenville Road and the second is located at 2 S 613 Route 59. Walgreens Corporation has applied for two class B-3 liquor licenseS, one for each Warrenville store to be able to sell beer and wine. Director Dahlstrand stated that the background checks conducted by the Police Department showed nothing that should stop the City from issuing these licenses.

Alderman Schultz noted that other liquor establishments in town were experiencing difficulty with the harsh economic climate and asked whether another competitor would drive them out of business altogether. He asked whether Walgreens had conducted a study on how their sale of liquor would affect other businesses.

Dan Lahey, Walgreens, stated that Walgreens' sale of liquor would be limited to a small selection beer and wine, and would constitute approximately 2% of their retail space, to be provided as a mere convenience for their customers. Walgreens is looking to start similar programs in all their locations.

ALDERMAN WIESBROCK MOVED, second by Alderman Barry, to recommend to the City Council an amendment to City Code Title 3, Chapter 2, Section 7-G, to approve the creation of two additional Class B-3 Liquor Licenses.

Discussion: Mayor Brummel clarified that Walgreens' request was brought forward to the Council in order to create the two required licenses, since the City does not keep unused liquor licenses in existence. He wished Walgreens well in this endeavor.

MOTION ADOPTED VIA VOICE VOTE

5. Increased Budget for Purchase of New Canine

Deputy Chief Schar presented a request for additional funding in the amount of \$1,500 for the purchase of a new canine for the Police Department. DC Schar stated that on October 19, 2009, the Council authorized an expenditure not to exceed \$11,000 based upon the pricing structures provided by vendors at that time. After a review of available canine programs and updating the pricing used by those programs, a request to increase the not-to-exceed funding amount by \$1,500 is being made for a revised total of \$12,500.

Alderman Weidner asked the reason for the increase. DC Schar stated that the price structure had changed since October, the type of training being required, and a titled dog is more expensive because it would already be obedience trained thereby shortening the training process.

Alderman Wiesbrock asked if other departments reciprocate monetarily for assistance provided by Warrenville's canine. DC Schar stated that no money is paid for the service, only the knowledge that the other department would provide assistance to Warrenville when needed.

ALDERMAN WIESBROCK MOVED, second by Alderman Schultz, to recommend the City Council approve an increase in the not-to-exceed funding amount from \$11,000 to \$12,500 for the purchase of a canine replacement, with funding to be taken from the Seized Assets Fund.

MOTION ADOPTED VIA VOICE VOTE

6. Contract Extension with Sikich, LLP for City Audit Services

Director Dahlstrand reported that five-year contract with the City's current auditor, Sikich, LLP, was completed with the finalization of the FY 2009 Comprehensive Annual Financial Report (CAFR). The initial contract included yearly increases of 3% per year, for each of the five years of the contract. Finance Director Dahlstrand held preliminary discussions with Sikich Partner Dan Berg regarding the possibility of extending the auditing services contract for an additional five-years, and Sikich provided a proposal for a second five-year engagement including yearly increases of FY 2010 - 0%, FY 2011 - 0%, FY 2012 - 3%, FY 2013 - 3.5%, and FY 2014 - 4%. The main reason for recommending no change in auditors is Sikich's experience with the soon-to-be ending TIF District #1.

ALDERMAN WEIDNER MOVED, second by Alderman Wiesbrock, to recommend to the City Council approval of a five-year contract extension with the audit firm of Sikich, LLP, of Aurora, IL, to perform auditing services beginning with the audit for fiscal year 2010, and concluding with audit for fiscal year 2014.

MOTION ADOPTED VIA VOICE VOTE

7. Purchase of Electricity for City Purposes

Director Dahlstrand reported that the 12-month NIMEC contract with the successful bidder from the spring 2009 electricity purchase bid will expire in May 2010. The 2010 bid looks to take advantage of opportunities to head off rising electricity prices due to market changes in the cost of electricity over recent months. Due to the commodity nature of electricity prices, it would be unlikely there would be sufficient time to come back to the City Council for contract authorization before the agreements would need to be executed.

Alderman Wiesbrock asked for statistics showing average savings. Director Dahlstrand indicated he would include that information in a future weekly report.

ALDERMAN WWEIDNER MOVED, second by Alderman Wiesbrock, to recommend the City Council authorize Finance Director Dahlstrand to execute a 12-month contract with the successful third party electric supply bidder resulting from the 2010 Northern Illinois Municipal Electric Cooperative (NIMEC) bid process.

MOTION ADOPTED VIA VOICE VOTE

8. Refuse Service Contract

ACA McMahon reported that the City's current refuse service contract with Arc Disposal will expire on April 30. Staff issued a Request for Proposals (RFP) in mid-December and proposals were received from three vendors and were opened on January 18, 2010. These vendors included Allied Waste (Arc Disposal), Waste Management, and Veolia Environmental Services. ACA McMahon reviewed a proposal comparison chart and gave staff's opinion that the most competitive proposal was provided by Waste Management.

Mayor Brummel asked if the Waste Management program would require the City to purchase a minimum number of stickers. ACA McMahon stated that the City would need to guarantee annual sticker sales of 150,000 or the City would make up the difference. The City usually averages between 150,000 to 170,000 stickers per year, but this trend is decreasing due to a greater acceptance of recycling, composting, and other environmentally acceptable ways of disposing of waste.

Alderman Wiesbrock asked if the size of the waste can matters. Matt Hernandez, Waste Management, stated that Waste Management would honor the same weight and size as Arc Disposal.

Alderman Wiesbrock asked if Arc Disposal had been given a chance to re-negotiate their proposal. ACA McMahon stated that Arc Disposal representatives were supposed to be in attendance tonight, but did not show up.

Alderman Wiesbrock asked whether business and industrial pickup were included. ACA McMahon stated that this contract was for residential services only.

Alderman Weidner stated that the previous provider gave flexible service and wondered if the new company would do so also. ACA McMahon admitted that Arc had received very few complaints, but she checked Waste Management's references and all confirmed having a good working relationship with the firm.

MOTION ADOPTED VIA VOICE VOTE

9. Financial Update

Director Dahlstrand stated that previously, he had estimated a shortfall of approximately \$1.5 million, however, after scrutinizing all expenditures, the situation is much clearer now and a more accurate estimate is now available.

Alderman Wiesbrock noted that income tax remittances from the state are down. Director Dahlstrand concurred that not only are the remittances down from originally projected, but the state is remitting them later.

Alderman Wiesbrock asked for a good example of a tax to measure the economic climate. Director Dahlstrand stated that the City's revenue sources are well diversified and that has allowed the City to weather this economic downturn better than most.

Alderman Weidner asked that information be quarterly provided on hotel occupancy stays as compared to other hotels in DuPage County. He also asked for quarterly information on grants that staff is working on. Director Dahlstrand responded that he look into obtaining the information for both requests.

Administrator Coakley stated that staff would continue to keep tracking cash flow according to the budget, however, fluctuations in sales tax and hotel stays are part of a much greater area of DuPage County. When corporate travel is up, hotel stays are up, but in the current climate, corporate travel is down, especially with the closing of several BP offices and Navistar's move to Lisle. He suggested the comparison of local hotel occupancy rates with regional rates would be useful data.

Mayor Brummel noted that the economic situation has forced the City to refine the process of projecting City finances into the future. He thanked Director Dahlstrand for providing helpful and reliable information.

G. CLOSED SESSION

None

H. ADJOURN

ALDERMAN SCHULTZ MOVED, second by Alderman Weidner, to adjourn.

MOTION ADOPTED VIA VOICE VOTE

The meeting adjourned at 9:00 p.m.

Approved: _____

Ana Vainisi, Deputy City Clerk