

CITY OF WARRENVILLE

CITY COUNCIL

Minutes of Budget Workshop Held on Saturday, March 6, 2010
At City Hall

A. CALL TO ORDER

Mayor David Brummel called the meeting to order at 8:00 a.m.

B. ROLL CALL

Present: Mayor David Brummel, Aldermen Stuart Aschauer, Clare Barry, Fred Bevier, Christopher Halley, Dan Leonard, David Schultz, and Bill Weidner

Absent: Alderman Matt Wiesbrock

Also Present: City Administrator John Coakley, Community Development Director Ron Mentzer, Finance Director Kevin Dahlstrand, Public Works Superintendent Mike Smith, Police Chief Ray Turano, Deputy Chief of Administration Services David Schar, Assistant City Administrator Jennifer McMahon, Deputy City Clerk Ana Vainisi

Mayor Brummel introduced the morning's program by stating that Warrentville is one of the communities least affected by the financial distress being experienced by its neighbors. Many municipalities are in financial crisis, while Warrentville's position is reasonably viable because of decisions made by past financial planners and current leaders. He recognized City Administrator Coakley's strong financial leadership and the City Council's ability to make tough economic decisions.

Mayor Brummel requested the Aldermen to listen to the presentations with an open mind, to arrive at changes through consensus, and to discuss their concerns with staff and each other.

C. FISCAL YEAR 2009 BUDGET PRESENTATIONS

1. Budget Overview

City Administrator Coakley thanked the Mayor and City Council for setting the policies for the City and for their support through the budget process. He credited Finance Director Dahlstrand, the Finance Department, and senior staff for their careful review and for watching the bottom line every day.

He presented an overview based on the "Bridging the Gap" theme, and stated that the economic crisis is affecting all communities, but Warrentville appears to be in a position to get through another difficult year, while 2011 may be a challenge, 2012 should see improvements.

He commented on the difficulties of forecasting in difficult economic times, stating that in a lingering recession, it is best to look at other economic indicators. Although the economy appears to be recovering, it may still take up to two more years to start moving forward.

Regarding the rumors that AMC may be looking for a buyer, Administrator Coakley stated that the property is up for sale, but the theater is not going anywhere. Mayor Brummel added that the Warrenville theater is among the highest producing and highest grossing in the Midwest. BP and Navistar slowly plan to transition people out of the area next, this will not change even if the economy improves.

Alderman Halley asked about Navistar's move to Lisle. Administrator Coakley stated that Navistar had originally purchased the Cantera property and then sold it, leasing it back. The owner is an investor and sees no reason why that building will remain empty for long. Mayor Brummel added that Navistar's lease is up in 2016 and they will need to negotiate and/or find a sub-lessor.

2. Financial Activity Overview

Finance Director Dahlstrand reviewed the proposed FY 2011 Budget financial activity:

- Revenues and reserves total \$30.3 M
- Capital expenses, personnel, supplies, services, and maintenance total \$30.3 M

Across all funds, the General Fund will require the net use of fund balance in the amount of \$1,644,118.

Alderman Halley asked about a decrease in property taxes due to foreclosures. Administrator Coakley stated that market value, rather than foreclosure amounts are used as indicators. There will not be an increase in the real estate values until all the foreclosures and short sales are taken up by the market.

Alderman Weidner compared the cost of operations vs. the amount of tax dollars coming in and asked whether the City could continue like this or should staff sharpen their pencils and cut more expenses. Director Dahlstrand clarified that the \$1.6 million in use of reserves includes amounts for projects in funds that could not be spent until the fund was built up. He was referring to the net use of reserves in all funds.

Alderman Weidner asked what could be expected next year as far as the fund balance was concerned. Administrator Coakley stated that for the General Fund, some money is being transferred from reserves, which has been saved up for the purpose of getting through a bad year. This issue would be addressed more later in the meeting.

3. Departmental Presentations: Achievements/Initiatives

City Clerk's Office

City Clerk Larson gave an overview of the City Clerk's division, highlighting 2009-2010 accomplishments, including continuing to edit and publish the monthly *Hometown Happenings* newsletter, updating the Freedom of Information guidelines and fee schedule, as well as launching the Web Access features on the Laserfiche system. For FY 2011, goals include overseeing the April 5 Consolidated Election, implementing the new FOIA regulations, and in general, continuing to provide the same level of service without increasing expenses.

Mayor Brummel noted that the DMMC is actively trying to get some of the more negative changes to the FOIA laws amended and these may be addressed in the near future.

Alderman Weidner mentioned that his department just finished compiling an 8,000 page FOIA request that took several weeks of staff time.

Alderman Aschauer asked about making information public on pending police cases. Chief Turano stated that on-going investigations are exempt from public exposure in order not to compromise the investigation.

Administration Department

Assistant City Administrator McMahon listed the Administration Department's accomplishments during the past fiscal year:

- Applied for and received a \$435,000 grant from the Surface Transportation Board for implementing the Bikeway Plan
- Made technology and communications upgrades
- Accomplished the transfer of ownership of the Community Building to the Park District
- Launched the CN noise mitigation program
- Marketed the 2010 census
- Hosted the quarterly meeting of District 6 representatives
- Conducted the bi-annual cleanup of City records
- Made progress in establishing a Quiet Zone
- Initiated several recruitment efforts
- Continued to monitor the Tronox Bankruptcy/River Cleanup efforts

The Administration Department's goals for FY 2011 include:

- Update the 2005 Community Survey
- Upgrading the City's webpage
- Transitioning to a new waste hauler
- Planning for a bikeway path along Continental Drive
- Archiving email messages on the City's server according to new FOIA regulations
- Establishing a Quiet Zone
- Communicating and educating the public regarding current State legislation

Alderman Halley noted that technology continues to advance and asked whether keeping Channel 10 is still viable. ACA McMahon stated that Warrenville contains 3500 households who subscribe to Cable TV, adding that the information on Channel 10 is now also available on the City's website.

Alderman Weidner indicated that the pie chart, on page iv, did not indicate the grant revenue received. Director Dahlstrand stated he would look into it.

Alderman Weidner stated that the City of Chicago was able to identify neighborhoods that did not respond to last census and target their marketing efforts to those areas. ACA McMahon would look into this suggestion.

Finance Department

Director Dahlstrand listed some of the Finance Department's accomplishments for FY 2010:

- Updated the business license and liquor license process
- Changed the utility billing third party processor

As well as some of the Finance Department's goals for FY 2011:

- Compile a multi-year capital improvement program
- Complete the final closeout of TIF #1
- Administer the CN noise mitigation reimbursement program
- Fine tune the budget process

The Finance Department was challenged by personnel changes and the accounting separation of TIF #1 and TIF #2, as well as the closeout of TIF #1.

With the closeout of TIF #1, Alderman Schultz asked if there would still be more Joint Review Board meetings. Director Dahlstrand stated that there would be at least one more this year for TIF #1, but would continue for TIF #2 until that is closed.

The group took a 10 minute break from 9:32 a.m. to 9:42 a.m.

Community Development Department

Community Development Director Ron Mentzer thanked the City Council for their continued support and stated he understood and respected the tough decisions the Council has to make. He presented an overview of his department's accomplishments during the past fiscal year:

- Management of new development, including a new middle school, two new hotels, and two cancer treatment facilities
- Stormwater management, flooding, and water quality
- Community character issues, such as Route 56 expansion project and undergrounding utilities in Cantera
- Redevelopment initiatives
- Recruitment and personnel issues

Goals for the upcoming fiscal year include:

- Management of new/ongoing building development and building projects
- Economic development activities, including a business retention outreach program, completion of the Route 59/Route 56 subarea plan, TIF #3 planning, and completion of the CCRS#1 site
- Development of new pedestrian and multi/use paths
- Working with IDOT on the Route 56 expansion project
- Assuring compliance with NPDES and IDDES stormwater/floodplain/ and water quality
- Rental property registration, inspection, and crime free program
- Point Oak Drive extension of utilities

Alderman Weidner praised the outreach to business program and suggested the businesses be encouraged to improve their landscaping.

Alderman Halley left the meeting at 10:30 a.m.

Police Department

Police Chief Ray Turano reported on the Police Department accomplishments during the past fiscal year:

- Decentralized department operations
- Developed a new performance evaluation system
- Removed two commander positions
- Made accident reports available online

Police Department goals and objectives for FY 2011 were represented as follows:

- Continue to further implement the 2007 Strategic Plan recommended actions
- Continue to use of technology to enhance public safety
- Continue to foster and expand interagency collaboration
- Implement pro-active enforcement groups to address quality of life issues
- Continue recruitment efforts and explore funding for a School Resource Officer

Public Works

Public Works Superintendent Mike Smith presented the Public Works Department's goals for FY 2011:

- Converted high pressure sodium exterior streetlights to LED, reducing costs by 65%
- Negotiated three additional antennas to existing cellular towers, increasing revenues by \$18,000
- Kept sewer rates steady with no increase since 2007
- Completed the Warrenville Road reconstruction project
- Completed the Thornwilde/Edgebrook curb and sidewalk project
- Replaced all curbs and reconstructed Winchester Circle
- Completed the Galusha Road sidewalk
- Completed resurfacing all TIF #1 roads during the past three years
- Resurfaced several TIF #2 roads
- Completed iron removal system at Winchester well
- Extended water and sewer utilities to the Landon Road area using directional boring
- Extended sanitary sewer on Batavia Road from Emerald Green Drive to Rockwell Street

Superintendent Smith reported on the FY 2011 projects proposed for the Public Works Department:

- Continue to plan for ash tree replacement
- Consider organic additive for snow and ice control
- Maintain current levels of service and personnel

- Replace a 20 year old tractor and a 10 year old bobcat
- Engineering for replacement of Williams Road bridge
- Woodland Road utility extensions
- Briggs and Estes resurfacing
- Convert the Emerald Green lift station from dry well to wet/submersible well
- Work with IDOT on utility line conflicts associated with the Route 56 expansion
- Extend utilities to the Point Oak Drive neighborhood
- Batavia Road curb repairs and resurfacing from federal stimulus funds

Mayor Brummel commended the valuable presentations and the amount of work that gets done by the lean number of staff. Warrenville manages to get by with only the people that are need and they all do a great job.

4. Decision Packages

Administrator Coakley and Director Dahlstrand presented an overview of the decision packages presented for FY 2011:

- Replacement of shower staff at Police Department
- Security cameras for impound lot
- Rental property registration and inspection program
- Facial recognition system
- Site closure of Musselman property (demolition and environmental cleanup)
- Purchase of Police vehicle and pool car
- Replacement of mowing tractor and bobcat
- Warrenville Grove, and Continental Drive, and Middle School pedestrian path connections
- Route 56 Streetscape plan

Alderman Weidner asked about the City's impound lot and its capacity. Chief Turano stated it was located behind the Public Works Garage, and it is full with approximately 17-18 vehicles awaiting disposition via auction. The lot has experienced minor incidents, but no large-scale vandalism.

Administrator Coakley discussed the Community Survey and encouraged action to update the five-year-old document to keep information flowing and find out the residents' opinions of current services and their expectations. He stated it would be especially helpful to get specific citizen input during this recession. Mayor Brummel stated that the first survey proved successful in telling the City the residents' preferences and encouraged its update.

Alderman Aschauer asked why the pool car would cost more than a squad car. Director Dahlstrand stated that the pool car being considered was an alternative-fuel vehicle. Administrator Coakley stated that the current pool car was purchased in 1999 as a former rental and is used to run errands and to attend meetings. It is experiencing mechanical difficulty with the brakes and other problems and it has been out of commission for the past two months.

Alderman Aschauer asked why the pool car is not selected from the used squad cars that are no longer in service. Administrator Coakley stated that squad cars are not always good as pool cars, since they have high mileage or need extensive maintenance work by the time they are no longer used as squad cars. He will have staff review whether there is a used squad car that would work for this purpose.

Alderman Schultz left the meeting at 11:30 a.m.

Alderman Barry questioned the median barriers for Batavia Road. ACA McMahon stated that this item was added to the budget in the event that the Surface Transportation Board would make this requirement in order to grant a Quiet Zone at the Batavia Road CN crossing. There is a possibility it may not be needed.

Alderman Weidner questioned the need for the proposed pedestrian shortcut to the middle school. If no problems have been reported with the current pedestrian system, why try to solve a problem that does not exist.

5. Overview of Major Funds

Capital Maintenance and Replacement Fund

Director Dahlstrand gave an overview of the Capital Maintenance and Replacement Fund. Administrator Coakley noted that only existing infrastructure was included, not new or expanded projects. Director Dahlstrand indicated that little use of fund balance was included in this account, as staff is waiting to see the results of the CIP project. The draft Capital program that will be presented in August or September will address revised expenses and revenues for the CIP. There is currently a structural deficit situation.

Motor Fuel Tax Fund

Director Dahlstrand projected the MFT fund is expecting a loss of \$16,000 in revenues for next year.

Reserve Fund

Director Dahlstrand stated that this fund will continue to grow until the City Council decides how to spend it.

Police Pension Fund

Director Dahlstrand stated that the \$613,000 contribution budgeted for FY 2011 does not include the \$150,000 additional contribution made in FY 2009. That additional contribution was suspended for FY 2010 and the Council still needs to decide whether to suspend it for FY 2011.

Hotel/Motel Tax Fund

Director Dahlstrand stated this fund continues to grow. The impact of the two new hotels cannot yet be known, but has been conservatively projected.

Enterprise Fund

Director Dahlstrand projected that the Sewer Enterprise Fund might require a rate increase in January 2011 based on what Naperville charges to treat Warrenville's waste water. No rate increases are budgeted at this time for water or sewer.

Tax Increment Financing

Director Dahlstrand reported that all external debt is paid off from TIF #1, the final developer share payment will be made in November 2010. This proved to be an extremely successful TIF and the fund will be closed by the end of this year.

General Fund

Director Dahlstrand gave an overview of the General Fund, with five-year projections, including two scenarios: one projecting no changes in the current economic situation, and scenario #2 based on slow economic growth and recovery. He stated how hard it was to accurately predict what will happen in 2013, 2014, and future years due to the recession, reduced income tax income due to high unemployment, and the state's fiscal crisis. However, he pledged to update the projections regularly. He proposed to answer any questions and offered that he and Administrator Coakley would be available to meet individually with each of the Aldermen in the next few weeks.

Mayor Brummel suggested developing a more optimistic scenario as well, since the economy is slowly improving. It would be reasonable to assume that good things can happen again. He commended Warrenville for being in a better position than many other towns and many businesses. Everything here is still moving forward and growth is still anticipated.

Alderman Aschauer commented that the lack of funding by the State would have to be borne by the local taxpayers. Mayor Brummel agreed, stating that the State appears to be balancing their budget on the backs of municipalities. Administrator Coakley concurred, noting that staff's philosophy is not to recommend tax increases (as other towns have done), since people and businesses have enough stress already.

Mayor Brummel emphasized the importance of acting on consensus and proposed further discussion at the March 22 Finance Committee meeting.

Former Mayor Vivian Lund stated that early projections for TIF #1 close out were \$100 million and to finish up with \$174 million is beyond success.

E. ADJOURN

ALDERMAN WEIDNER MOVED, second by Alderman Leonard, to adjourn.

The budget workshop ended at 12:07 p.m.

MOTION ADOPTED VIA VOICE VOTE

Approved: _____

Ana Vainisi, Deputy City Clerk