

MINUTES OF COUNCIL BUDGET REVIEW WORKSHOP

VILLAGE OF DOWNERS GROVE

DOWNERS GROVE, ILLINOIS

OCTOBER 20, 2009

Mayor Ron Sandack welcomed Council, staff and visitors to the budget review session at 8:55 p.m. in the Village Hall Council Chambers following the Regular Council meeting.

Present: Mayor Ron Sandack; Commissioners Marilyn Schnell, William Waldack, Sean P. Durkin, Geoff Neustadt, Bruce Beckman

Absent: Commissioner Bob Barnett

Staff: Village Manager Dave Fieldman; Deputy Village Manager Mike Baker; Village Attorney Enza Petrarca; Director of Community Development Tom Dabareiner; Director of Communications Doug Kozlowski; Director of Public Works Naneil Newlon; Acting Fire Chief Jim Jackson; Police Chief Bob Porter; Director of Social and Health Services Andy Matejcak; Director of Financial Services Judy Buttny; Director of Information Services Liangfu Wu; Assistant Director of Public Works Mike Millette; Management Analyst Brandon Dieter; Intern Jamie Belongia; Village Clerk April Holden

The Mayor welcomed everyone to this budget review session. He asked Village Manager Dave Fieldman to review tonight's agenda.

Village Manager Dave Fieldman encouraged comments from the public. This is the 4th budget review session and is the last of the staff presentations. He reviewed the schedule for future budget workshops.

Mr. Fieldman said tonight's discussion would focus on the Community Investment Program, facilities and infrastructure.

Community Investment Program

Mr. Fieldman said the key concepts with respect to the Community Investment Program are that strategies are in place for each type of infrastructure, there are dedicated funding sources, there is a systematic means of prioritizing projects, and the proposed budget is based on the Strategic Plan and Long Range Financial Plan.

Mr. Fieldman then reiterated that one of the 2013 Strategic Plan goals is top quality

infrastructure and facilities.

With respect to funding, Mr. Fieldman said the needs exceed funding sources. He then reviewed the schedule of debt service future payments.

In terms of recommended strategies, Mr. Fieldman outlined the following: Prioritize infrastructure and facility needs; issue debt on a pay as you use basis at regular three-year intervals and maintain moderate debt level; pledge revenue sources, both existing and alternate; and implement strategies beginning in 2012.

Naneil Newlon, Director, Public Works, provided an overview of the Village's capital systems. Capital programs include stormwater, streets, water system, sidewalk, bikeways, parking, major buildings, public safety systems, and street lights. She said tonight's focus would be on three major programs: Streets, stormwater and water system.

The objectives in terms of streets are to maintain street segments at the most cost-effective level; improve roadway drainage where possible; link major street repairs with utility schedules; reconstruct street segments in poor condition; continue to apply for federal funds for street maintenance; and implement PAVER, software that records and stores information needed for effective pavement maintenance management. PAVER provides for a pavement condition index (PCI) which is a pavement deterioration curve. Ms. Newlon displayed a chart of standard PCI ratings from good to failed over time. It allows for money to be spent as streets deteriorate. In response to Council questions, Ms. Newlon said it provides for a maintenance plan.

The objectives in stormwater are to have a complete design of all high-priority WIIP projects in 2009; address prioritized "critical" drainage areas; maintain and improve conveyance systems including storm sewers, channels and creeks; and meet the conditions of the National Pollutant Discharge Elimination System (NPDES) Phase II permit. Ms. Newlon noted that design work has been completed.

With respect to the water program, the objectives are to replace mains based on age and break history; replace mains in coordination with other projects; replace 2" meters to enhance revenues; and continue to develop the use of Supervisory Control and Data Acquisition (SCADA) to maximize operational efficiencies.

Funding Sources, Prioritization, and Summary of Project Allocation

Mr. Fieldman provided a chart of revenue sources for CIP-related funds.

Revenue Sources for CIP-related Funds		
Fund	Program	Major Revenue Source(s)
Motor Fuel Tax	Streets - Maintenance	Motor Fuel Tax
Capital Projects	Streets Bikeways Facility Maint. Sidewalks Traffic Projects	Home Rule Sales Tax Telecomm. Tax
Parking	Parking Projects	Parking Fees
Stormwater	Stormwater & Drainage Projects	Property Tax Home Rule Sales Tax
Water	Water System Projects	Water Fees
Anticipated grant funding for Capital in 2010 is \$3,073,000		

Mr. Fieldman reviewed the following prioritization criteria for the CIP: Public health/safety/welfare; agency partners; economic development; environmental sustainability; Council policy; local, state or federal regulation; cost effectiveness; grant funding; link with other capital projects. He then provided a project summary of the types of projects, total cost and sources of funding.

Project Summary

Project Type	Total Cost	Source(s) of Funding
Stormwater	\$16,560,000	Property taxes, sales taxes
Streets	7,345,000	MFT, capital, grants
Water	2,225,000	Fees
Sidewalk	2,014,375	Capital, Ogden TIF, grants
Bikeways	835,000	Capital, grants
Parking	150,000	Fees, grants
Major Buildings	145,000	Capital
Public Safety	116,000	Capital
Traffic	35,000	Capital
Street Lights	35,000	Capital
TOTAL	\$29,469,375	

Ms. Newlon said the majority of the funds for sidewalks is for the Ogden Avenue sidewalk program. A small portion, \$205,000 is for new sidewalks. There is no change in the fund for sidewalk repairs and maintenance. She noted that bikeway funding comes from grant funds.

Commissioner Schnell noted that most grant funds are on a reimbursement basis. She said the Village is still waiting for state grant money for the parking deck. She said she would like guarantees with respect to anticipated grant money.

The Mayor noted that Mr. Nicolay recently reported on funding from the State including reimbursement funds for the parking deck construction.

Mr. Fieldman said the parking deck was unique in that the Village made the decision to go ahead with the project without assurances which is not the case with the projects under discussion tonight. He said staff will report on the grant status with the bid documents.

Mr. Fieldman then described capital projects that have received grant funding and the specific source of funding.

Mr. Fieldman reviewed the projects proposed to be funded in 2010 in the Capital Improvement Fund as well as the cost of each project and the priority ranking. The total cost of these projects is \$4,707,575. Additionally, the proposed Stormwater Improvement Fund for 2010 is \$16,560,000 and the proposed Water Fund for 2010 is \$2,225,000. The Mayor noted that the

stormwater projects require dedicated sources to pay for the bonds.

Commissioner Durkin asked as to the impact of the 2010 census on the MFT funds as those funds on based on population. Mr. Fieldman said staff does not anticipate a significant increase in population. With respect to the stormwater funds, staff is proposing to spend the balance of the \$25 million in bond proceeds in 2010.

John Schofield asked how the recommendations in TCD3 report received today would be integrated into the budget plans. Mr. Fieldman said TCD3 has a long horizon as it looks 20 years into the future. Staff feels that nothing in the report is inconsistent with what's being recommended in the budget.

Commissioner Waldack referenced the previous budget meetings. He asked about reducing the capital budget by \$1 million to \$28 million and using that money in the General Fund.

Mr. Fieldman said some funds are earmarked legally and some projects are funded from dedicated funding sources. He said capital projects have a component of "pay me now or pay me later" in that projects that are delayed must eventually be done and often at a higher cost. The Mayor said we are experiencing that now. He added that grant money often includes a local match and we cannot take those funds and apply them elsewhere.

Commissioner Schnell asked for a breakout of the request of \$145,000 for major buildings. Mr. Fieldman said this is for the maintenance of municipal buildings. It is not for new construction. The largest category is \$120,000 which is a grant for the Civic Center roof.

Chris Fregeau asked about sidewalks. She said new sidewalks represent less than one percent of the CIP. This is equal to the level ten years ago absent those years when sidewalks were skipped entirely. She asked how much of the Village remains without sidewalks and the total cost. She said earlier plans called for 1 ½ to 2 miles per year. Mr. Fieldman said this matter will be discussed by the Transportation and Parking Commission at their November meeting. Ms. Fregeau said she would have thought that would have been a factor.

Mr. Fieldman said staff is considering a bond issue in 2012 in order to finish sidewalks.

Ms. Fregeau said the Village of Lisle spends \$500,000 a year on sidewalks. She noted that a 50% cut is huge. Doing less than a mile a year projects this out and people are forced to walk in the street. This fund took a major hit.

The Mayor commented that many funds are proposed to take a major hit. He further commented that the Village will extinguish a lot of debt in 2012.

Ms. Fregeau said she feels the Village is making a cut without fully understanding the implications and details. It is hard to imagine a more important public safety issue than Budget Review Session – October 20, 2009

sidewalks.

Commissioner Beckman referred to the chart allocating dollars for each of the project types. He said Mr. Fieldman alluded to the fact that we are locked into these dollars. He asked if staff could provide information as to what segment of each project type is locked in. For example, in sidewalks, what percent is TIF and what is capital.

Thomas LeCren referenced the street matrix and noted that Washington from the tracks to Maple is not scheduled for work until 2014. He said this street is a disgrace. Mr. Fieldman said this is an example of how the staff applies the PCI. Several years ago a decision was made not to invest in streets. Some streets will not be improved until they have reached the failed level and can be fully reconstructed. The Mayor said for years the streets were not maintained and those funds were used for the operating budget. It is more efficient to let some streets fail and then re-do them. Mr. Fieldman spoke to the incremental cost of maintaining poor to failed streets as compared to the cost of maintaining streets that are in good condition.

Ms. Newlon said once the PAVER evaluation is completed staff will have more data. Many factors go into the timing of reconstruction.

The Mayor added that at one time there was talk of reconfiguring Washington Street as ideas were being contemplated.

Commissioner Waldack asked, in terms of long range planning, if the matrix would be redone if a particular street failed sooner than expected, or if it would be better to have a reserve fund for emergency projects. Mr. Fieldman said staff has started with the concept of a patching program to address emergencies. Ms. Newlon said the reserve came from excess money due to favorable bidding on current year projects. She said the timeframe for completion of the PAVER evaluation is the end of this year.

A resident from Valley View noted that the theoretical basis for this strategy makes sense, but if you live on a failing street it is intolerable. He said patch work was not completed on his street and he is looking for some relief.

Mr. LeCren asked about charging the schools for the DARE program. The Mayor responded that staff will work with the schools if they wish to contribute to the program.

Ms. Fregeau suggested that funds may be with the school foundations and not necessarily with the school district.

Mr. Schofield noted that staff is working hard on 10% of a resident's tax bill and that this has been a very open process. He suggested that people need to pay attention to the other 90% of one's tax bill. The Mayor said our process is well attended and we have new people engaged and focused.

Ms. Fregeau extended her kudos to staff and noted that the FY2010 budget process started the day after this year's budget was passed.

The Mayor said many other towns are struggling more than we are and do not have any new ideas.

Mark Thoman asked about identifying the streets that are not going to be repaired and whether there is a procedure to notify residents on those streets.

Commissioner Waldack said it is nice to hear from residents. The Council needs to figure out how and/or what to cut. He urged people to keep communicating with the Council. Mr. Fieldman said to expect more discussion among Council members at the budget workshops scheduled for November 3 and 17. He said staff will post an updated schedule on the website. He expects there will be revisions to the budget after November 3. Revisions will be summarized online.

Commissioner Schnell noted that some e-mails say not enough is being done in terms of cutting the budget. We cannot continue to spend and tax. We are trying to be conservative and if something is continued, something else must be cut. We need to be frugal and keep tax increases to a minimum.

Commissioner Waldack said currently the proposal is a \$50 tax increase on a \$300,000 home. He suggested this be displayed visually on the website.

Kay Selfridge said she wrote to the Council and the Manager about Meals on Wheels. She read her letter. She said people are frightened that the service will be discontinued. She suggested that Council members visit those who receive meals. She thanked the Council for listening. The Mayor noted that this is a difficult decision-making process.

Tim Meaney said to maintain the Meals on Wheels program would cost \$1.00 additional on taxes for an average household. The Mayor said there is no shortage of good organizations that would like to receive tax dollars.

Tammy Karam said the Counseling and Social Services Department brings in some revenue. She asked if revenue as a result of fund raising efforts could be dedicated to a particular program. The Mayor said staff could look into this. Commissioner Durkin asked if there would be a way to direct United Way contributions to projects.

Ms. Karam asked as to the status of the Counseling and Social Services building if the department is eliminated. Mr. Fieldman said the issue of space and building assets have a longer term focus and staff would put a long range strategy in place.

The Mayor said there will be additional opportunities for input, but eventually Council will begin to make decisions. He said he is pleased with the participation level.

There being no further discussion, the meeting was adjourned at 8:45 p.m.

April K. Holden
Village Clerk