

**Staff Responses to Council Questions**  
**March 12, 2013**

**All Expense Related Items**

*All Expense Related Agenda Items (Materials Testing, Vehicle Purchases, Zoning Ordinance Contract, FOP Contract, Manager Contract, Attorney Contract, Concord Unit II Street Reconstruction)*

*Is the Village positioned to respond to potential changes/reductions in state shared revenues, especially reductions in the Local Government Distributive Fund?*

Yes, the Village is positioned well to respond to these potential changes. Changes to the Local Government Distributive Fund being considered by the State range from capping the Village's revenue at its current level (no reduction, but no future growth) to reducing the Village's revenue by over \$550,000 per year. By budgeting conservatively for revenue and carefully monitoring and limiting expense increases as determined in the Long-Range Financial Plan process, the Village is on strong financial ground that would allow it to withstand and adjust to revenue reductions over the long term.

Here are some specific actions the Village has taken to strengthen our financial condition and prepare for potential reductions in state shared revenues that would affect the General Fund.

Increased the Balance in the General Fund - The fund balance in the General Fund now stands at \$19.11 million, up \$3.67 million from the 2009 fund balance. This was achieved primarily through expense reductions pursuant to the Long Range Financial Plan. In 2012 the Village spent \$1.43 million less in the General Fund than was spent in 2007. This fund balance allows the Village to withstand changes in the Local Government Distributive Fund and provides time for the Village to strategically respond to the long term impacts of the changes.

Eliminated the Operating Deficit in the Transportation Fund - In 2012 the Village executed an agreement with PACE for the operation of the Grove Commuter Shuttle. Under the revised agreement, all costs of operating the bus system is now paid for by the bus riders and PACE. Village funds are no longer used to support the bus system. Prior to this action, the bus system was operating at an annual deficit and the General Fund was used to cover the deficit. This action eliminated the use of General Fund revenues to pay for the annual operating deficit.

Created the Stormwater Utility - In 2013 the Village launched a stormwater utility. The entire cost of owning and operating the stormwater system is now supported by stormwater fees paid by all properties in the Village. This action eliminated the use of General Fund money for stormwater operations.

*Can the Village delay these expense related items to wait and see how the State's actions during this legislative session will affect Village revenues, especially the Local Government Distributive Fund? How would these delays affect the Village?*

Yes, the Village could delay the approval of the expense related items. However, the proposed reduction in the Local Government Distributive Fund would directly affect only the expenses in the General Fund (Zoning Ordinance & Subdivision Contract and employee contracts).

A delay in the approval of the FOP contract would likely result in the filing of an Unfair Labor Practice by the FOP and would not likely change the cost of the contract..

A delay in the approval of the contract with Duncan & Associates would result in the Village not implementing

the Comprehensive Plan. This would reduce the effectiveness of the recommendations found in the Comprehensive Plan.

A delay in the salary increases for the Village Manager and Village Attorney would reduce Village salary expenses in the General Fund by approximately \$16,000 in FY13.

A delay in the purchase of replacement vehicles would likely increase the annual vehicle maintenance expenses in the Fleet Maintenance Fund while increasing the fund balance in the Equipment Replacement Fund.

The expenses for the materials testing contracts are supported by the Stormwater, Water and Capital Funds. There is no Local Government Distributive Fund revenue in these funds. Delaying these contracts would result in the delay of infrastructure improvements in the Stormwater, Water and Capital Funds.

**6. Consent Agenda E-G. Materials Testing**

*Is this service related to the state law changes that affected the Grove Street construction last year?*

No, materials testing is a part of all construction projects and is the process used to make sure that concrete, asphalt, stone and soil are used and constructed (for example, the quality and density of the material) as detailed in the project specifications. A very minor portion of the work performed under these contracts may be related to testing required by the EPA regulations associated with Clean Construction and Demolition Debris (CCDD), but the CCDD is not the focus of testing.

*How do we plan on using the three firms? How will work be assigned to these firms?*

The majority of the work included in these contracts will be for material testing and inspection of concrete, asphalt and aggregate base for the construction and maintenance of streets. The contracts are split up among the pre-qualified firms. Specific projects will be assigned to each firm, and budgets for each project will be established and tracked separately within the individual contracts. Work will be assigned to the three forms based on work load and availability.

**7. Active Agenda B. Motion: Approve a Labor Agreement with the Illinois Fraternal Order of Police Labor Council**

*How many FOP members are there and how many are maxed out on step increases?*

There are currently 54 FOP members, with 41 of them maxed out at Step 7.

*How frequently do FOP members move up steps?*

Once per year, until they reach the maximum.

*What is the % increase from step-to-step?*

<b>May 1, 2012 through April 30, 2013 (2%)</b>			
<b>Step</b>		<b>Annual Salary</b>	<b>% Incr</b>
Start		59,524	
Step 1	After 1 year	62,915	5.7%
Step 2	After 2 years	66,915	6.4%
Step 3	After 3 years	70,986	6.1%
Step 4	After 4 years	75,162	5.9%
Step 5	After 5 years	79,492	5.8%

Step 6	After 6 years	83,991	5.7%
Step 7	After 7 years	89,181	6.2%
<b>May 1, 2013 through April 30, 2014 (2%)</b>			
<b>Step</b>		<b>Annual Salary</b>	<b>% Incr</b>
Start		60,715	
Step 1	After 1 year	64,173	5.7%
Step 2	After 2 years	68,253	6.4%
Step 3	After 3 years	72,406	6.1%
Step 4	After 4 years	76,665	5.9%
Step 5	After 5 years	81,081	5.8%
Step 6	After 6 years	85,671	5.7%
Step 7	After 7 years	90,964	6.2%
<b>May 1, 2014 through April 30, 2015 (1%)</b>			
<b>Step</b>		<b>Annual Salary</b>	<b>% Incr</b>
Start		61,322	
Step 1	After 1 year	64,815	5.7%
Step 2	After 2 years	68,936	6.4%
Step 3	After 3 years	73,130	6.1%
Step 4	After 4 years	77,432	5.9%
Step 5	After 5 years	81,892	5.8%
Step 6	After 6 years	86,527	5.7%
Step 7	After 7 years	91,874	6.2%

*What is the total straight time payroll cost increase (dollars, including step advancement) of the proposed FOP contract?*

Contract year beginning May 1, 2012 - \$141,000

Contract year beginning May 1, 2013 - \$139,000

Contract year beginning May 1, 2014 - \$ 73,000

The increase amounts reflected above assume full employment (no promotions, retirements or other separation) for current bargaining unit members.

*What is the total straight time FOP payroll for 2009, 2010, 2011, 2012 and proposed?*

2009-\$3,394,278

2010-\$3,384,040 (reduced headcount by 2)

2011-\$3,473,572

2012-\$3,683,192

**8. First Reading A. Motion: Award a Contract for \$941,849.15 to John Neri Construction Co., Inc., Addison, IL, for Washington Street Improvements**

*How will the planned improvements affect the Village's ability to reconfigure the intersection of*

*Washington Street and the railroad tracks at a future date?*

This project does not preclude the Village from completing a full reconfiguration and streetscape in the future. Staff's goal has been to maintain an acceptable pavement surface on Washington Street in anticipation of a future project that might provide opportunities to reconfigure the intersection with the railroad tracks. However, the road is no longer in an acceptable and maintainable condition. The proposed project primarily consists of underground improvements (watermain, storm sewer and sanitary manholes), patching where there are curb and pavement base failures, and milling and overlaying the surface.

*Please explain the traffic management plan. How will vehicular and pedestrian traffic be handled during the construction process?*

The management of traffic during construction was carefully considered during the preparation of construction drawings and discussed with property and business owners along this corridor. Two-way traffic will be maintained throughout the project. During short periods of time, one lane may be closed to traffic to allow certain activities to be performed, but the contractor is required to use flaggers during such times. Should it become necessary to close the road to traffic entirely, for the installation of deep manholes or pipe crossings, detour signage will be used. The contractor will be charged \$1,500 per day if the road does need to be closed to traffic, so staff does not anticipate that the road will be closed for extended periods of time, if at all. Pedestrian traffic should not be significantly impacted except when portions of sidewalk are removed and replaced, but this should be limited to a maximum of 10 days. Access to businesses will be maintained.

**8. First Reading C. Motion: Award a Contract for \$3,020,000.19 to A Lamp Concrete Contractors, Inc., Schaumburg, IL, for Concord Square Unit 2 Roadway Improvements**

*How many more areas were constructed with the pozzolonic material? What conditions are the others in?*

The last of the major subdivisions that staff believes were constructed with pozzolonic base material are the two that are scheduled for reconstruction in 2013. There are other, smaller street segments throughout the community that may have pozzolonic base, but these areas have not shown signs of failure. The Village will continue to maintain these street segments pursuant to the street maintenance schedule.

**8. First Reading D. Resolution: Approve Final Plat of Subdivision with Exceptions for 4729 Woodward Avenue**

*Could the Village charge a fee for cash in lieu of curb and gutter?*

Yes, the Village Council may charge cash in lieu of improvements. Cash in lieu of improvements is charged when the Village plans on making the improvements in question at a future time as part of an overall improvement plan. The Village does not plan on constructing curb and gutter on existing streets that do not have curb and gutter. Therefore, staff does not recommend charging a fee in lieu of curb and gutter because the Village would collect the fee but has no plans on making improvements.

*If the Village does not charge a fee for cash in lieu of curb and gutter, are the owners of the three lots being treated the same way as current residents, especially if the Village decides to install curb and gutter at a future date?*

If the Village does not charge a fee in lieu of curb and gutter, the property owners would be treated the same as the current residents. If the Village decides to construct curb and gutter on streets that are not currently improved with curb and gutter, the Village will have to determine a funding source for these improvements. The funding source would be applied uniformly to the residents including existing residents and the residents of the new houses to be constructed.

*As noted, there is no curb and gutter now as reflects the neighborhood. What would the procedures be if the Village would want to do that work in the future? This was possibly addressed in the Plan*

*Commission but was unreadable.*

If the Village Council decided to construct curb and gutters on existing streets not currently improved with curb and gutter, staff would develop a proposed plan for designing and constructing the improvements. The plan would include prioritization of improvements, a funding source and an overall schedule. If the plan is approved by the Council, staff would begin designing the improvements and preparing for construction. This would be a major change in infrastructure improvement policy and would likely take a significant amount of time to review and consider.

***Manager's Report***

*Did the Village charge a fee to D99 for the training? Where did D99 train before this and how much did it cost the district?*

Yes, District 99 paid a fee that covered materials and staff costs. District 99 indicated they had not received training since 2007; staff was not able to determine the provider of the previous training.

**Non-Agenda Related**

*Have there been any lot consolidations approved this last week? If so, please provide address(es) and names of petitioner(s) and number of lots consolidated in each request.*

Yes, the following lot consolidations were approved:

618 Wilson - Janowiak, Kara & Alan: One home on two existing lots. Petitioners are constructing an addition with a foundation exceeding 350 sq ft in size.

329 Indianapolis - Greenscape Homes: Existing house will be torn down and new home will be constructed.

309 3rd Street- John and Deborah Roberts: Existing house on three lots. Petitioners will tear down the existing house and build a new house