

MINUTES OF COUNCIL BUDGET REVIEW WORKSHOP**VILLAGE OF DOWNERS GROVE****DOWNERS GROVE, ILLINOIS****OCTOBER 10, 2015**

Mayor Martin Tully welcomed Council, staff and visitors to the budget review session at 8:08 a.m. at Fire Station 2, 5420 Main Street.

Present: Mayor Martin Tully; Commissioners Bob Barnett, David S. Olsen, Greg Hosé, Gina Vattimo, Bill White, Bill Waldack

Absent: None

Staff: Village Manager Dave Fieldman; Deputy Village Manager Mike Baker; Village Attorney Enza Petrarca; Director of Community Development Stan Popovich; Director of Communications Doug Kozlowski; Director of Public Works Naneil Newlon; Fire Chief Jim Jackson; Acting Police Chief Bill Budds; Director of Financial Services Judy Buttny; Assistant Director of Information Services Bill Herman; Assistant Director of Public Works Stan Balicki; Assistant Director of Public Works Andy Sikich; Director of Human Resources Dennis Burke; Deputy Police Chief Kurt Bluder; Deputy Fire Chief Matt Daly; Emergency Management Coordinator Mary Pratt; Performance Manager Analyst Allison Deitch; Assistant Finance Director Carol Hogan; Stormwater Administrator Karen Dalton Lange; Management Analyst Megan Miles; Risk Manager Chanay Mackey; Village Clerk April Holden

Mayor Tully led those present in the Pledge of Allegiance to the Flag.

Mayor Tully welcomed everyone to the budget review session. He introduced himself and asked Council and staff to introduce themselves.

The Mayor said this is the beginning of a long and important process to talk about the fiscal year 2016 (FY16) budget. The Mayor said he appreciated residents being at this meeting. Much of the budget is driven by strategic planning that occurs during the year. This process will end with the adoption of the budget. He reviewed the budget schedule and said there will be many opportunities for the Council and public to review and comment. The budget document is on the Village's website. He then asked Village Manager David Fieldman to begin his presentation of the FY16 Village of Downers Grove budget.

Dave Fieldman, Village Manager, said there are seven key points to the FY16 budget:

- Balanced General Fund
- Fund Balance maintained at the recommended level
- Property Tax Levy increase for required contributions to public safety pensions
- Staffing reductions of 3.7 full-time equivalent (fte)
- Continued investment in infrastructure
- No increase in Stormwater Utility Fee due to a \$300,000 transfer from the Sidewalk Fund
- Funding for priority action items

Mr. Fieldman said the FY16 budget assumes no State budget impact. Staff continues to monitor State actions and is well positioned to implement short-term reductions if needed. The Council and community would be engaged in finding long-term solutions.

Property Tax Levy

Mr. Fieldman asked Deputy Village Manager Mike Baker to address the property tax levy.

Deputy Village Manager Mike Baker said the property tax levy is the primary revenue source for the General Fund. The Village levies a specific dollar amount. The Township Assessor determines the taxable value of the properties that are located within the Village and that will be subject to the Village levy. The Village does not levy a rate. The tax rate is simply determined mathematically by dividing the Village's levy by the taxable value of all properties within the Village. The proposed levy is an 8% increase over last year due to the Fire and Police Pension Funds. All other levies remain the same.

The taxes paid to the Village for a typical house in Downers Grove for FY16 will be \$608.68 or a proposed property tax increase of \$44.18. The impact of the budget on a typical house is \$62.54 for the year: A property tax increase of \$44.18; no stormwater utility fee increase; and a water fee increase of \$18.36. Mr. Baker noted that there are many taxing bodies on a tax bill and most of the property taxes paid go to taxing bodies other than the Village. The Village accounts for only about 8.76% of the total tax bill.

Mr. Baker then discussed public safety pension funds. These are designated trust funds for the safe-keeping and operations of pensions. They are managed by autonomous boards, the make-up of which is set by state law. The Village Council does not set or control pension fund budgets. The Village only affects expenses through staffing levels and salaries. Mr. Baker said both the Fire and Police Pension funds are financially sound. The Village makes 100% of the required contributions to the pension funds and has a 15:1 ratio of net assets to benefits paid.

Mayor Tully noted that the Village is funded at the required level.

Mr. Fieldman said that is correct. The Village has \$15.00 for every \$1.00 we expect to pay out.

Commissioner Olsen noted that multiple factors contribute to a resident's tax bill. He has heard a number of people ask about reassessment notices. Downers Grove Township administers this program. He pointed out that Downers Grove Township is a separate entity from the Village of Downers Grove, and a separate unit of government.

Mayor Tully said he is not hearing any Council member suggesting a levy increase other than the mandatory property tax levy for the two pension funds.

Commissioner Barnett noted there are some adjustments in the budget. There are reductions in staff and transfer of funds that allow for the property tax levy to stay flat. Reductions include not building sidewalks and four fewer employees. He remains critical of staffing levels and believes we have pressed the margins in terms of staff capacity and service. We are not having service level discussions.

Mayor Tully said it takes a lot of work to keep the property tax levy flat, and there is a service level conversation inherent in that. Now is the time to have the tax levy conversation if anyone contemplates raising the levy. He said he would like to have the conversation about reallocating funds today as well.

Commissioner José said the tax levy is about \$300,000 larger than it could be as a result of the transfer to the stormwater fund. We could lessen the impact of the tax levy.

Commissioner White said that would cause a stormwater increase.

Commissioner José said the property tax comes 74% from residents while the stormwater utility fee comes 47% from residents. Every study shows you pay less under the stormwater utility.

Commissioner White said the purpose of the 2016 discussion of the stormwater utility is whether it is fair to charge people for stormwater services they don't use in order to keep property taxes low.

Commissioner José said if the Village is going to have the utility, then let's have it or let's get rid of it.

Commissioner White said this is a 2016 discussion.

Commissioner Barnett said this has a huge impact on the property tax levy.

Commissioner White said that is why we need time to have this discussion.

Commissioner José said there are different ways to get that time.

The Mayor pointed out that there are also some external reasons to wait. If there is a property tax cap imposed on the municipalities, we cannot give up a revenue fund like the stormwater utility.

Commissioner Barnett said we have to decide what the best route is for our residents and take action. Every year we discuss possible actions that could take place in Springfield.

Commissioner White said there is a question of the constitutionality of the stormwater utility. A pause is the most prudent way forward.

Commissioner José said it is constitutional until the courts say it is not. We have identified our stormwater problems several times over the last decade. Either we use the revenue source or we don't; either one likes the model or does not.

Regarding the property tax levy, Commissioner Waldack said the budget for FY15 is under by \$600,000. He appreciates the work of staff. This is a budget – a plan – the money is not being spent upon approval of the budget.

Mayor Tully said the levy is a certainty and has to be adopted at some point. The budget is subject to votes to authorize spending.

Mr. Fieldman said the budget sets maximum expense levels; any purchase of \$15,000 or more goes to the Council for approval and authorization.

General Fund

Finance Director Judy Buttny said the General Fund is the Village's main operating fund. It is made up of many revenue sources, the top four being property tax, sales tax, utility tax and income taxes. It supports and reflects long-range planning actions recommended by Council. She said that 78% of the General Fund expenses are for personnel.

The General Fund is balanced in 2016, with revenues and expenses at \$46.29 million and a fund balance of \$17.9 million, which is about 38% of the General Fund expenses. This fund balance level is consistent with Standard and Poor's guidelines to maintain the Village's AAA rating.

Revenues and expenses are projected to increase by 3.3% due to the property tax increase for the pension levies. Expenses have been controlled by a net staffing reduction of 3.7 fte staff and a 2.2% decrease in non-personnel expenses.

Ms. Buttny then turned to related funds – Health, Risk Management, Fleet Services and Equipment Replacement funds. These are all internal services funds that track costs for providing each of these services to Village departments. Revenues in these funds come from

contributions from Village departments. These funds stabilize expenditures in the General Fund. Solid performance in these funds is tied to the Village's AAA rating. In some of these funds, expenses exceed revenues because of savings in previous years.

Ms. Buttny said the Village self-insures for both the Health and Risk Funds. The claims are paid from Village funds rather than paying premiums to an insurance company. The benefit of being self-insured is that the Village pays only its claims and administrative costs.

The Health Fund has revenues and expenses of \$7.6 million. Premiums for 2016 are increasing by 4%, which compares to an industry standard of 8%. Ms. Buttny noted that the Village has a strong interdepartmental wellness program and the focus in 2016 will continue to be on wellness.

The Risk Management Fund has revenues of \$2.6 million and expenses of \$2.7 million. Work-related injuries are decreasing, from 53 in 2011 to 17 year-to-date in 2015. The Village recently had a review and assessment of exposures and safety and risk control programs by an independent third party. The score was 97 out of 100. The focus in 2016 continues to be on safety.

The Fleet Services Fund has revenues of \$1.7 million and expenses of \$1.8 million. This fund accounts for repair, maintenance and fuel for the Village's fleet. Fuel prices were lower than anticipated in 2015, resulting in a favorable variance that will be passed back to the departments in 2016. The Village has also recently outsourced parts management and inventory, which will provide discounts on the purchase of parts. Efficiencies will allow the Village to shorten downtime for public safety vehicles, getting them back on the road more quickly to serve the community and will allow the Village to reduce staff and vehicle count.

The Equipment Replacement Fund has revenues of \$1.38 million and expenses of \$2.87 million. Purchases in 2016 were delayed due to state budget uncertainties. The deferred vehicles are reflected in the 2016 budget. This fund provides a dedicated funding source for equipment that is replaced on a routine basis. The goal is to minimize the cost of owning and operating vehicles by replacing them when the annual cost of repairing and maintaining them is greater than the annual cost of purchasing and maintaining a new vehicle.

Mr. Fieldman said these five funds represent a huge investment outside of the General Fund.

Mayor Tully said that personnel expenses made up 77% of the budget last year; for FY16, it is 78%. He noted that this is significant.

Commissioner Barnett said that, short of personnel cuts, there is no reason to expect personnel costs to do anything but increase. Property taxes pay for slightly more than 1/3 of our personnel costs. This will not sustain itself. Flat property taxes with the same service levels are not sustainable. The Village is a service organization with over 40,000 people depending on us. He sees the budget document as a side step as opposed to a forward step long term.

Mayor Tully said this budget works for 2016, but it is unsustainable for 2017 and beyond. There are real threats to revenue streams from Springfield.

Commissioner Barnett agreed that Springfield will not make things easier.

Mayor Tully said Springfield has already made things more difficult by not making appropriations.

Commissioner Olsen commended staff for a terrific budget overall. Efficiencies and headcount reductions are a testament to the leadership of the staff. Regarding the future, we are here to discuss this budget. He is comfortable moving forward according to what's been presented. The budget reflects the long-range planning and we are setting ourselves up to accomplish our goals in 2016.

Commissioner José said one success is the reduction in work-related injuries from 53 to 20. We have an overall healthier workplace.

Commissioner White said that, while he has issues with the budget, the General Fund is sustainable. Pension funds are a challenge and infrastructure funding is complicated.

Commissioner Waldack said staff is doing a good job managing the General Fund. There is a price tag associated with increasing service levels, which could perhaps be addressed in the future.

Commissioner Olsen noted that Section 1 of the staff report addresses Meals on Wheels. The FY16 budget does not include funding for this. He noted that he intends to support this program in the future. The staff report notes that discussion should take place in the budget discussion.

Commissioners Waldack and White agreed.

Commissioner Barnett asked about the resident survey.

Mr. Fieldman said it is a high priority action item.

Commissioner Barnett said he hears criticism of Village services. There is a desire for a higher level of responsiveness as it relates to services.

Mr. Fieldman said staffing is down 50 fte in the last 7 or 8 years. People are trying to do more with less. We have tried to maintain service levels and reducing personnel expenses is the number 1 goal. Staff is frustrated by service levels as well. This is a discussion of whether the Council and community see fit to provide more resources.

Commissioner Barnett said less people are doing more. If we expect a better tomorrow, there will be some limit to that. He thinks we are shorting ourselves by focusing entirely on flat head costs and flat tax levies.

Commissioner Waldack said a survey will show that there are many "wants."

The Mayor said there is a serious disconnect on costs. We need a slider scale tool to enter a service level and find the cost of that service. That changes the criticism quickly. The budget presents a balanced General Fund, a reserve balance and maintains service levels. This is not a sustainable path. There are other ways to achieve service levels and we need to be mindful of that.

The Mayor called for a break at 9:05 a.m.

The meeting reconvened at 9:22 a.m.

Stormwater, Water and Capital Projects Funds

The Manager asked Nan Newlon, Director, Public Works, to review the stormwater fund and other capital funds.

Nan Newlon, Director, Public Works, introduced Andy Sikich and Stan Balicki, Assistant Directors for Public Works.

Ms. Newlon provided a pie chart of the FY16 capital budget. The proposed capital budget is \$18.1 million, allocated by the following major program types: 39% for streets, 24% for stormwater; 23% for water and 14% is a combination of program types including sidewalks, parking facilities, major buildings, traffic signals and street lights.

Ms. Newlon then addressed the Stormwater Program. There are three major watersheds or drainage areas that are drained by the three creek systems in the Village – Lacey Creek, St. Joseph's Creek and Prentiss Creek. There is a total of over 11 miles of creeks within the Village. We have over 130 miles of storm sewer, 7,000 drainage structures, 140 miles of open ditches, 47,000 feet of pipe culverts, and 315 stormwater storage basins. In 2015, the Village will complete several important stormwater projects. She showed slides of the Lacey Creek streambank restoration work. She said the Village purchased three properties in 2015 located in the floodplain and floodway.

With respect to the Stormwater Fund, Ms. Newlon said the proposed budget has no fee increase for 2016. It includes the transfer of \$300,000 from new sidewalk construction to the Stormwater Fund, it continues construction of capital projects that reduce flooding and improve drainage throughout the Village, it calls for spending down of the fund balance and it also calls for purchasing properties and preparing engineering plans for projects identified in the 2014 Flood

Study. A bond issuance in 2018 is planned to provide funding for these projects. The future of the stormwater utility as a funding source was identified as a high priority action item by the Council and is planned for consideration in 2016.

Ms. Newlon reviewed the planned expenses for 2016 in the Stormwater Fund, including operations and maintenance, debt service, and capital expenses. She then reviewed 2016 maintenance activities amounting to \$2.02 million. To date, the activity level with respect to maintenance includes 170 drainage related requests for service and over 400 stormwater related inquiries. She then reviewed the projects planned for 2016 amounting to \$4.4 million.

Mr. Fieldman said that even with the investment in stormwater projects, we are not close to the recommended levels of spending. We are doing about half of the recommended maintenance activities, and we do not have enough money to do all the recommended projects. Projects identified in the 2014 Flood Study are not scheduled for work until 2018; there is so much more to do. One of the challenges is how to go about achieving sustainability. This is our #1 challenge.

Mayor Tully said that beyond anything else, Council hears concerns about stormwater and flooding issues. People say they expect the Village to address stormwater and flooding issues. We have a watershed improvement plan and a prioritization list of projects that will address stormwater and flooding issues and we have the associated estimated costs. We are only at approximately 50% of where we need to be in terms of addressing the issues. That is insufficient and inadequate. Streets and sidewalks are on target, but 50% for stormwater is not good enough. We need to focus on stormwater projects. It is not meeting expectations. Transferring \$300,000 into the Stormwater Fund is great, but it is not enough. When the stormwater utility was created in 2013 as a dedicated revenue source to fix this problem, Council did not immediately assess the fee at the full amount needed to get us to the recommended levels. A decision was made to phase in fees over time. We are doing a disservice by not phasing in planned fee increases. We are going to have to fund it. We are not funding this at the recommended level. We should increase it.

Commissioner José agreed that 50% is unacceptable. He is concerned that the \$300,000 are property tax dollars that will probably be in demand in other places. We have to have a longer horizon than just FY16. Costs only go up to construct these projects. This is the universal issue. He noted that even a five-year-old child tells horror stories about flooding. We need to better to address this.

Commissioner White asked if it is appropriate to charge a utility fee for people in one watershed to pay for capital improvements in another watershed. This has not been addressed or answered by this Council. Before we commit ourselves to having a stormwater utility to pay for operations and maintenance and make a massive capital improvement plan, we need to discuss that question. The strongest argument in favor of the stormwater utility is to avoid deferring maintenance. We are not tempted to short the maintenance component if capital improvements

are funded one way and operations and maintenance are funded another way. That discussion did not take place and it should take place in 2016. The pause this year is do that.

Commissioner Olsen said the LRP identified stormwater as a top priority action item. We may not come to a full consensus, but we need the broader conversation in 2016 and he looks forward to having it.

Mayor Tully said he agrees that the conversation as to how to fund stormwater will be held later; however, we need to properly fund stormwater. We are not sufficiently funding stormwater both in terms of capital and maintenance. He feels it is appropriate to fund stormwater through the stormwater utility.

In response to Commissioner José, Mr. Fieldman said, in 2011, when Council and staff were looking at how the utility could be structured, one option was that capital projects could continue to be paid for through general revenue sources like property taxes, and maintenance activities could be paid using the stormwater utility.

Commissioner Barnett said both of those options were discussed - the separation of capital vs. operating and the concept of one watershed paying for another. Commissioner Barnett said he agrees with the Mayor and Commissioner José that we have a problem that demands attention and funding. This needs to be funded and Council has ducked the increases. He asked if Council should be provide funding in 2016 for a program that leads to a referendum question as to how stormwater should be funded. This would ask what we want to do and how quickly we want to get there. He recommends asking the public if they think this is a problem and are they willing to fund this. He would like to get community input so future Councils do not hedge on this matter. It is time to budget money to take on this issue front and center.

Mr. Fieldman said money budgeted from the resident survey could be used for this purpose. It could be handled within the proposed budget.

Mayor Tully said stormwater has been underfunded for the last two years.

Commissioner White said the Village has been doing the projects that were intended to be done. We need community consensus and the community needs to decide. Using funds across watersheds is a complicated question the Illinois Supreme Court may decide on.

Commissioner Barnett said he heard in long-range planning that some Council members would like to find a way to eliminate the stormwater utility. He would like to know if the public would prefer that the Village retain the utility or that it be funded by publicly directed bond issuances.

Mayor Tully said a hybrid approach would be to fund maintenance through the utility and capital projects through property tax.

Mr. Fieldman said the Long-Range Plan calls for moving funds from the sidewalk fund to the stormwater fund for one year in order to continue work. The second step is to discuss this future funding in 2016.

Commissioner Waldack said he is fine with the budget the way it is. The feedback he has had from the public is that they do not want the stormwater fee. He does not like multiple pots of money.

Mayor Tully noted that the stormwater fee is included in the water bill and is more highlighted than it would be on the tax bill.

Commissioner José said the Village has many other pots of money.

Commissioner Barnett asked the effect of not transferring the \$300,000.

Commissioner José said the transfer is a sticking point to him because it is unsustainable and could lead to larger increases to the stormwater utility fee in the future. He recommends giving that money back to the residents and dealing with the stormwater utility while we have it. Until it is changed, we should operate as it currently exists.

Commissioner Olsen said he supports the current budget and the \$300,000 transfer.

Mayor Tully said we have a plan as it relates to funding stormwater and we should stick to it. We have found a way to deviate from it and he will continue to complain about that.

Bill Wrobel said he supports Commissioner White's premise. Many of the exemptions are in the St. Joe's Creek watershed, except for Marquette Manor Church. There are 300 homes in Knottingham doing the heavy lifting while exemptions are in St. Joe's Creek. Maybe the exemptions should be revisited. He is not against the fee, but it should be revisited as you go forward.

Gordon Goodman said he is pleased to see the land acquisitions. He asked about project SW-80 for \$1.6 million. He said in the Orchard Brook area, the common land on Highland Avenue has natural plants and provides an important component of the water management system.

Mr. Fieldman said SW-80 includes improvements to areas identified as a result of the April 18, 2013, flood event. The Village will move forward in 2017/18 after identification of specific properties and land acquisition.

Dr. Goodman said these are important long-term investments for the Village.

A resident commented on the graphics in the budget and how they help explain issues.

Jon Povlivka asked about work scheduled in 2016 for Clyde Estates as he thought that project was to be completed this year.

Ms. Newlon said that allows for completion and restoration work that might not get done this year.

Mr. Povlivka asked if that would include bioswales. Ms. Newlon said it could, if the residents want them. It is being done on a voluntary basis.

Mr. Povlivka said this is all about choices at a Village level. He asked if we going to spend money for bioswales or correct flooding issues that are affecting people's property. He asked about other expenses in terms of whether they are absolute necessities.

Mayor Tully asked if project SW-073, downtown water quality improvements, is being driven by the need to comply with the Clean Water Act requirements. Ms. Newlon said it is.

Commissioner White noted there is a grant for this work from DuPage County.

Commissioner Barnett asked for a breakout on all projects that are not discretionary.

Rich Kulovany said that people look for Council to take a leadership role. He said no one wants extra fees, but he urged Council to be prudent about not eliminating a funding source. Be brave to solve these problems.

Laurel Bowen said Webster Street flooded about 30 years ago which cost the Village. We need a policy to address issues rather than talking about them after the fact. Developers are being allowed to split lots for two houses instead of one. Sidewalks also affect stormwater. Land should not be allowed to be developed.

Tom LeCren spoke about the creation of the stormwater utility and a discussion at that time about a fee vs. property taxes. The stormwater utility has done what it should do. If it switched back to property taxes, it is hidden and individual homeowners will be paying 70% of the cost of stormwater. He urged Council to review the fee to include all properties again. He noted that everyone pays for work on the streets whether they use a particular street or not.

Commissioner White said that projects that are paid for from property taxes benefit all, but a fee should benefit the payer. It is not clear that stormwater can be a utility. Stormwater operations and maintenance is for work that needs to be done, but capital and debt service expenses may not qualify as fees.

Ms. Bowen asked about SW-053, drainage improvements for Clyde Estates. Ms. Newlon said it is for restoration.

Commissioner Waldack noted how policy affects future costs. Some policies may exacerbate conditions and he would like to look into this.

Commissioner Barnett said the stormwater process started in earnest in 2005. The cost of the identified needs amounted to \$300 million. Many Councils have worked on this and will continue to work on this. We need to make a commitment to this and not hedge on it. We need commitment from the community. It is important to understand that there will still be needs in 50 years no matter how much money is spent. It is a huge problem.

The Mayor said he is an advocate of funding stormwater at the recommended level and catching up on funding that was not done in previous years.

Water Fund

Stan Balicki, Assistant Director, Public Works, presented information regarding the Water Fund. The Water Fund is an enterprise fund and revenue is generated from water customers. The objectives for the water system are to provide safe and reliable drinking water, operate and maintain the water system in the most cost-effective manner, and achieve stable and sufficient water rates. The source of water supply for the Village is Lake Michigan from the DuPage Water Commission. The system is a significant Village infrastructure investment consisting of seven elevated water storage tanks with a storage capacity of eight million gallons; six rate control stations; over 233 miles of water distribution main; 2,800 each of fire hydrants and main line valves; and a supervisory control and data acquisition system (SCADA). The Water Division operates the system on a daily and emergency basis.

Mr. Balicki said the FY16 budget projects revenues of \$18.34 million and expenses of \$18.65 million. The revenues include a \$3 million IEPA loan and a recommended rate increase of 6%. The DuPage Water Commission rate is expected to increase by 4% in 2016. The other 2% is the result of Village expenses. The cost of water is a pass-through cost. The Village will not know the cost until May or June 2016.

In terms of expenses, the largest cost is the cost of the water at \$8.97 million. Operations and maintenance, debt service, and capital expenses make up the additional costs. Outside of the cost of water, the largest expense is for main replacements.

Commissioner Barnett asked if staff anticipates an increase if the pass-through cost is higher than anticipated. Mr. Fieldman answered affirmatively.

Commissioner Barnett asked if the project at 55th and Maple is tied into County work or if it could be deferred.

Mr. Balicki said that project has been under consideration for a long time and staff is trying to complete it before the roadway is done.

Chris Fregeau asked about estimated and proposed revenue.

Mr. Fieldman responded that staff deviated from the plan due to low interest rate loans from IEPA.

Ms. Fregeau also asked about controlled assets.

Capital Projects

Andy Sikich, Assistant Director, Public Works, addressed Capital Projects including streets, sidewalks, and other capital projects.

With respect to streets, the Village owns and maintains approximately 167 miles of roadways, 260 miles of sidewalk, and 19 traffic signals. The Village's objectives for the management of the capital infrastructure program are to use a systematic approach to maintain infrastructure at the most cost-effective level and to coordinate the timing of projects to minimize cost and inconvenience while maximizing project benefits. Mr. Sikich provided examples of various capital improvement projects. A great deal of roadway maintenance was performed this past year, including resurfacing, crack filling and pavement patching. Sidewalk maintenance, replacement and accessibility improvements were also performed.

In terms of revenues and expenses for FY16, Mr. Sikich said staff projects \$7.42 million in revenues and \$9.91 million in expenses. The difference represents the spending down of the remainder of the bond proceeds issued in FY12 for street reconstruction projects, which are anticipated to be completed in FY16.

In 2010, the Village set a goal to reduce the percentage of streets needing reconstruction to 1% by the end of 2015. Mr. Sikich said he was happy to announce that this objective has been met. The roadway maintenance program is the largest proposed project in FY16 at \$4.2 million.

Mr. Fieldman said the Capital Projects fund shows the \$300,000 transfer out from sidewalks.

Mayor Tully expressed his appreciation for getting the roads to maintainable levels. The commitment by Councils, the community and staff should not be underestimated.

Commissioner Waldack asked if the Emerald Ash Borer eradication is for both eradication and replacement. Mr. Fieldman said both are included in this project.

Commissioner Olsen asked about the Ogden Avenue sidewalk project found in Tab 1 of the budget book. Mr. Sikich said this includes property acquisition in 2016. There will be no construction until 2017.

Commissioner Olsen said he is pleased to see this and supports moving forward.

Mayor Tully asked if new sidewalk construction would be on a case-by-case basis. Mr. Fieldman said that is correct and is a one-year approach. This will be funded as it becomes necessary.

Dr. Goodman asked about how new sidewalk installation would be initiated. He asked as to the status of the sidewalk policy and if it has been relaxed.

Mayor Tully said the Village achieved terrific success. There are some challenges and changes to the approach as we reach the final segments. Council is discussing matters such as whether certain areas should have sidewalks on both sides of the street. We are moving toward resident initiation and neighborhood identification for future sidewalk installation.

Mr. Fieldman referenced sidewalk strategies and solutions in the Long-Range Plan.

Dr. Goodman said the policy has not changed, it is being interpreted in a transitional way.

The Mayor said a consensus was reached in the long-range planning sessions.

Dr. Goodman said he is very glad Council is pursuing a different approach now. He thanked the Council for moving in this direction.

Mr. Kulovany spoke about replacements in kind. It is worth considering those streets that are not of minimum width and have a plan to address them over a 20-year period.

The Mayor said it would be necessary to have the conversation about funding.

Commissioner Barnett said Council has decided not to have that conversation until 2016.

Mr. Wrobel said he sits on the Transportation and Parking Committee (TAP). He asked Council to consider allocating funds to address traffic calming.

Mr. Fieldman said there has been a shift from a resident-driven approach to traffic calming to a more neighborhood-driven approach through neighborhood traffic studies. Now calming measures are put into road reconstruction projects. Staff will still respond to resident requests.

Mr. Wrobel then spoke regarding value for work that has been done. The road in his subdivision was rebuilt four or five years ago and last week some work was done to correct issues. He feels he is getting value. He urged Council and staff to make contractors responsible for their work. He expressed concern about the integrity of the streets and street repairs.

The Mayor asked if staff has a list of identified traffic calming projects. Mr. Fieldman said no.

The Mayor asked if there is a mechanism to fund projects, if there were a list.

Mr. Fieldman said TAP is looking at exploring ways to fund projects.

Mr. Wrobel said there was a list at one time, but it was put on reserve.

Ms. Fregeau said she started advocating for sidewalks 20 years ago. She's happy to see over 90% of the Village with sidewalks. Sidewalks provide safer places to walk and that was always her focus. It was meant to be proactive and responsive to residents. She asked Council to reserve the right to construct sidewalks as needed and necessary. She asked them not to ignore this issue.

Dr. Goodman agreed with Ms. Fregeau's statement to continue to work on pedestrian safety. He urged Council to consider a pedestrian circulation plan, especially considering neighborhoods with cul de sacs. As Council is not so focused on building sidewalks, but on requests for pedestrian circulation, he asked Council to look at the possibility of connections through easements or other tools. Pedestrian circulation is still a problem in the community.

Commissioner Waldack said Council has heard about traffic calming, sidewalks, bike paths and walkability. These are cultural issues that make Council responsible for responding to neighborhoods. He would like to be proactive with respect to projects.

Mr. Fieldman said 80-90% of the budget has been discussed. He said he had no further presentation. He asked if there were questions.

Commissioner Barnett said Commissioner Waldack brought forth the DuPage Senior Citizens Council contribution. When that was first brought up, Commissioner Barnett said he was trying to make the point that the budgets are statements of priorities/values. In the 2016 budget, he would like to establish a fund regarding expenditures to social service programs. Creating a fund would help Council to talk about it. He encouraged his colleagues to have a list for discussion.

Mayor Tully said there are some other things that are being explored in terms of consolidation and collaboration. It is his intention to reconstitute a Human Services Commission. He would like to appoint members. Council needs to talk about what we would like them to do, including collaboration with outside agencies.

Commissioner Barnett said he would like to have information as to what it would take to add a fund as a starting point for adding things Council may wish to consider funding.

Commissioner White said the idea of creating a separate fund should come out of the process identified with the high priority action item. The budget should not be changed until this process is completed, as that short circuits the process. The budget should follow the Long-Range Plan

and we should not make amendments to it through the budget process.

Commissioner Olsen said he agreed with Commissioner White.

Commissioner José said that we seem to be in favor of the long-range plan process until we are not. He said he is getting a little tired of ideas that come from certain places getting tabled into long-range planning, and ideas that come from other places that relate to long-range planning items not getting tabled into long-range planning. It is more of a governance issue than it is a budget issue, but it needs to be discussed.

Commissioner Barnett said Council has not had a conversation about the DuPage Senior Citizens Council, which is in the FY16 budget.

Commissioner José spoke about the major buildings fund, specifically \$50,000 for professional services. To the extent that relates to a study, Commissioner José said it is not needed. We do not need a study to tell us what we already know. We need to do something about the Police Department and the Village Hall.

Mayor Tully agreed that the type of study Commissioner José referenced is not needed, but a value analysis or other outside assistance may be right. This is a place holder for that type of contingency.

Mr. Fieldman said the funding may be used to perform an analysis of solutions.

Commissioner Barnett spoke about sidewalks and expectations with respect to residents raising issues. If residents identify issues and we do not have the funds, we would tell people we will try to remember if for the next budget process. He suggested that money could be put into a fund, but not necessarily spent.

Mr. Fieldman said based on calls, staff receives more calls from people who do not want sidewalks than from those who do want them. He asked Council to forward requests from residents to him.

Dr. Goodman said hotel tax revenues were originally to be used to support tourism activities. He asked if hotel tax revenue is appropriate to be in the General Fund or if it should be in special uses.

Mayor Tully said that as a home rule community, we have discretion to use hotel tax as we see fit. The General Fund also includes our support of the Economic Development Commission, which has a tourism component.

Dr. Goodman said he is pleased to see the emphasis on increasing resources in Community Development. He asked if the budget reflects the additional planner.

Mr. Fieldman said the proposed budget includes the addition of a planner, bringing the department to 2013/14 staffing levels.

Dr. Goodman said he believes the Village has suffered from a lack of resources in planning which shows up most clearly in the downtown business district where the last recommended and approved plans for redevelopment eliminated several thousand square feet of commercial and office space. Another recommendation is forthcoming to approve another primarily residential development in the downtown business district. He thinks the Village is moving in a seriously wrong direction as it relates to development in the downtown business district.

Mayor Tully thanked everyone for attending today's meeting. He said the conversation will continue.

There being no further discussion, the meeting was adjourned at 11:40 a.m.

April K. Holden
Village Clerk