

Finance Committee of the Village Board Minutes  
Thursday, October 17, 2013  
7:00 pm Room 130

## APPROVED MINUTES

Call to order 7:05 p.m.

Present were members of the Finance Committee, Trustee Robert Tucker, Trustee Glenn Brewer, Trustee Adam Salzman.

Staff in attendance including Village Manager Pavlicek, CFO Lesner, Interim Parking Manager Jill Velan, Public Director John Wielebnicki, Village Engineer Jim Budrick, Asst. Village Engineer Bill McKenna, Budget Manager James Harris.

Minutes of October 3, 2013 were approved.

There was one public comment

Trustee Brewer served as Chair in President Abu-Taleb's absence.

Village Manager began by reviewing the agenda and introduced Interim Parking Manager Jill Velan.

Ms. Velan reviewed a memorandum previously sent to the Board with detailed revenue and expenditure projections for the Parking Fund.

Ms. Velan stated that the policy of the Enterprise Fund is to cover its costs through user fees. She noted that the Parking Fund has been paying back the General Fund the amount owed. The objective is to pay down the balance and build up net income so that when the Downtown TIF expires in tax year 2018, the Fund will be able to cover the existing debt previously paid by the TIF for parking garages.

Ms. Velan discussed the Village's implementation of the Cook County Parking User Tax which requires changes to how staff tracks parking transactions. Ms. Velan reviewed a summary of the tax requirements.

Beginning September 1, 2013, the tax converted from a tiered flat rate structure to a 6% for all parking transactions over \$3. Staff recommended price adjustments which reflect the tax but avoid having to handle significant amounts of coin. The current automated parking devices are unable to provide change via coins.

Ms. Velan discussed the verbiage of new signage describing the tax to customers. Village

Manager Pavlicek stated that these changes will require an ordinance to come before the Village Board.

Trustee Tucker noted the tax may not be a significant issue given many shoppers will not be affected by the tax given the transaction dollar value threshold.

Trustee Brewer was concerned that the signage be clear and helpful.

Ms. Velan stated very few customers will be affected by the tax. Specifically, non-resident 24-hour, high-demand lots will be assessed the tax. The increase will be \$15 per month.

Ms. Velan began discussing the other recommended fee increases that would translate to an average of 5% in comparison to last year's 2.75% increase which conforms to the recent cycle of higher and lower increases in alternating years. These increases move the Fund along the path to its financial targets in FY 2019.

These increases should translate to a \$10 increase per quarter for garage permits and a \$5 increase for on-street, overnight permits.

Trustee Salzman asked if the purpose of the recommendations is the financial objective in FY 2019. Ms. Velan confirmed.

Village Manager Pavlicek added that changing rates also provides fine-tuning and information regarding supply and demand of the system. Eventually, this will lead to a recommendation to adjust on-street meters as well.

Trustee Brewer asked if staff has projected future revenues and expenses for the fund leading into FY 2019. Ms. Velan confirmed. Village Manager Pavlicek stated that after the Parking Fund completes paying down its obligation to the General Fund, it will then have that net income, but it will still be deficient in covering all necessary costs in FY 2019. There may be a possibility to call the bonds early and refinance them to reduce interest expense.

Trustee Tucker asked if staff had contemplated the net effect of the county tax. Ms. Velan confirmed it had.

Village Manager Pavlicek stated that the previous Board had contemplated the subsidizing of the Parking System as a matter of economic development. This may be an option to consider. Naperville utilizes its special service area to offset parking costs in its main commercial district.

The Finance Committee stated that the recommendations should proceed to the full Village Board for review with additional visual representation on the impact of the recommended increases as it relates to the long term financial plan.

Ms. Velan noted that the original projection was for the Parking Fund to pay down its obligation

to the General Fund by FY 2016 and that it is now expected to occur by FY 2014.

Trustee Brewer questioned how the bond rating agencies viewed this news. CFO Lesner stated that while the agencies were pleased, they simply crossed the issue off their list and are now focused on some of the other Village issues such as the deficit position of the Self-Insured Retention Fund.

Ms. Velan reviewed the current Vehicle Sticker Tax and provided the committee with the recommendation to eliminate the tax in favor of an increase to the property tax levy. The levy would approximately translate to a \$95 annual increase for a home with a \$500,000 market value.

Ms. Velan and Village Manager Pavlicek describe the administrative process of Vehicle Stickers and how the recommendation improves it from the perspective of the customer as well as the Village.

Trustee Salzman asked if the recommendation's intent is to be revenue neutral with the current vehicle sticker tax. Ms. Velan stated it is.

Trustee Tucker proposed the idea move forward for full Board discussion.

Trustee Brewer agreed with Trustee Tucker but requested further detail to include implementation dates, pros and cons to each approach ideally in some form of visual representation.

Village Manager Pavlicek discussed her experience in Downers Grove where a basic sticker was issued for \$2 so that residents would not receive parking tickets when in the City of Chicago.

Trustee Tucker requested staff to confirm the issue with Chicago.

Ms. Velan stated that proposed changes for the department are intended to make use of technology as the focus. The intent it is to review the overnight parking ban, upgrade the permit system, expand use of the pay-by-phone functionality and update the overnight pass line. All reviews are scheduled to occur in the first half of FY 2014.

Village Manger Pavlicek reviewed the proposed changes to the Department's organization chart.

Trustee Tucker asked the expected salary of the Director position. Village Manager Pavlicek noted the range is \$90,000 to \$110,000. She then reviewed the Assistant Director role and emphasized its focus on technology.

Trustee Tucker asked the salary impact on the supervisor position. Trustee Salzman requested the issue be addressed by the Personnel Committee of the Village Board.

The Finance Committee agreed that it is acceptable to post the Director position now in anticipation of full Board approval, but the Assistant Director position should wait until after the budget is approved.

Village Manager Pavlicek began the discussion on the Capital Funds.

Public Works Director Wielebnicki began reviewing the Capital Improvement Plan, CIP, which reconciles to the recommended budget but provides it in a long-term perspective.

Mr. Wielebnicki reviewed the funding sources of the capital fund. He then reviewed the staffing levels of the engineering division within the department. He introduced Village Engineer Jim Budrick and Assistant Village Engineer Bill McKenna. It was noted that Mr. Budrick is retiring and this would be his last round of budget discussions.

CFO Lesner reviewed the recommendation of the bond issuance to fund capital projects.

Trustee Brewer requested the impact the proposed issue would have on the debt burden to the community.

Mr. Budrick reviewed the schedule for major streets and the ability for the Village to offset the expenses with grant support. He added that staff is awaiting the outcome of Board discussion for the Madison Street streetscape that would be paid for with TIF dollars. The Phase II engineering for South Blvd. will occur in FY 2014.

There is \$660,000 earmarked for Harrison Street improvements but Staff reported the business district representatives would like to defer the improvements.

Trustee Salzman requested this issue be included in the next in-person meeting with Harrison Street.

Mr. Budrick reviewed the Illinois Jobs Now grant program. Trustee Brewer inquired as to any employment requirements imposed by the grant. Mr. Budrick reviewed the technical requirements of the grant.

The microsurfacing, road patching, striping and sidewalk budgets were reviewed.

Trustee Salzman inquired as to the impact the grant funding has on our normal program. He added that if the bond funding for alleys is received well, we may consider it for the local street program.

Mr. Budrick reviewed the grant which provides for 9 "green" alleys utilizing permeable brick pavers.

Mr. Budrick began the summary of the budget for traffic calming devices.

Trustee Tucker asked if the speed table on North Marion was necessary given the general difficulty in speeding on that street. Mr. Budrick responded that it was design element that assisted in the proper drainage of the intersection and the recommendation for improvement is to duplicate what was done on South Marion Street.

The Bike Plan and specific improvements were summarized. Trustee Tucker noted that the bike plan update was removed from the budget last year, but it will be helpful to secure additional grants.

Ms. Velan noted the award bike sharing program grant will be made known in February, 2014.

Village Manager Pavlicek noted that staff does not anticipate submitting an application for the next TIGER grant award unless the Board directs otherwise.

Village Manager Pavlicek introduced the next agenda item related to the Village Audit.

CFO Lesner reviewed the process by which staff received proposals for external auditing firms and review staff's recommendations. The Committee approved the recommendations to move to the full Board for discussion on November 4<sup>th</sup>.

Adjourn at 9 p.m.

Moved by Trustee Brewer to adjourn

Second by Trustee Tucker

All Ayes – Nays None.