

March 01, 2016

Village of Sugar Grove

6:00 PM

President Michels opened the meeting at 6:00 PM and asked that Sergeant Durham lead the Pledge. The roll was then called.

Present: President Michels, Trustee Herron, Trustee Paluch, Trustee Montalto, Trustee Geary, Trustee Koch, and Trustee Johnson.

Quorum Established.

Also Present:

Administrator Eichelberger, Clerk Galbreath, Finance Director Chamberlin, Community Development Director Magdziarz, Public Works Director Speciale, Attorney Andersson, Attorney Julian.

APPOINTMENTS AND PRESENTATIONS

Presentation: Certificate of Achievement for Excellence in Financial Reporting

President Michels was presented with the Government Finance Officers Association (GFOA) award for Achievement in Excellence for Financial Reporting (CAFR). President Michels thanked staff and stated that this is the 16th year that the Village has received this esteemed recognition. This award represents a significant achievement as it reflects the commitment of the Village Board and Staff for using the highest principles of governmental accounting and presentation. In order to receive the award, the Village must satisfy nationally recognized guidelines for presentation of the Village's financial statement.

PUBLIC HEARINGS

None.

PUBLIC COMMENTS ON ITEMS SCHEDULED FOR ACTION

President Michels called for any public comments and hearing none closed this portion of the agenda.

CONSENT AGENDA

- a. Approval: Minutes of the February 16, 2016 Village Board Meeting
b. Approval: Vouchers
c. Proclamation: Work Zone and Roadway Safety
d. Ordinance: Approving the Purchase of Real Property - 240 Grove

Trustee Johnson moved to Approve the Consent Agenda. Trustee Geary seconded the motion. President Michels then called for a roll call vote.

Table with 6 columns: AYE, Montalto, NAY, None, ABSENT, None. Rows list names: Paluch, Johnson, Geary, Herron, Koch.

Motion Carried.

GENERAL BUSINESS

Discussion: FY 2016-17 Budget

Pat Chamberlin, Finance Director stated that first off she would like to express appreciation to everyone for their patience and assistance in completing this year's budget. She then presented the following:

General Fund Budget Summary

Overview of fiscal year 2015 – 2016 projected and fiscal year 2016 – 2017 proposed amounts.

Significant items to note for Fiscal Year 2015 – 2016 General Fund

The fiscal year 2015 – 2016 General Fund is projected to finish with a deficit of \$145,000 versus the budgeted deficit of \$100,700. The deficit is a result of expenditures being higher than anticipated, \$103,400. However, revenues are higher than budget by approximate \$59,100. Revenues are projected to be within 1.2% of the budget and expenditures are within 2.1% of the budget.

Staff projected and included 50 residential, 3 commercial, and 375 miscellaneous building permits in the fiscal year 2015 – 2016 budget approved by the Village Board. As of February 22, 2016, 29 of the residential, 1 of the commercial, and 387 of miscellaneous building permits have been issued.

The following are explanations of the major FY 2015 – 2016 revenue differences:

Utility tax – electricity decreased \$14,800 because of the cool summer and usage being lower than anticipated;

Police fees – decreased \$15,000 because of the decreased activity (good thing)

State income tax – increased \$41,400 as a result of the anticipated projected revenue coming in higher than expected, improving labor market;

Sales tax – decreased \$15,900 with the reduction in the automotive and filling stations category of sales taxes, due to lower fuel prices, and operational changes at one station;

State use tax – increased \$15,500 as a result of Amazon starting to collect sales tax in February 2015 and strong growth in on-lines sales;

Court fines – increased \$31,500 as a result of court fine revenues being higher than anticipated;

Other fines – decreased \$26,000 as a result of other fines being lower than anticipated;

Reimbursement - increased \$111,000 – the Village received funds for accident reimbursements, workers compensation checks, and the settlement for Settler's Ridge.

The following are explanations of the major FY 2015 – 2016 expenditure differences:

Police, full-time salaries – increased \$18,400 to reflect proposed union contract raises;

Police, overtime - increased \$16,800 due to two full-time patrol officers on worker comp injuries, and special event details such as the Corn Boil and Palmer Cup, and proposed union contract raises;

Police, part-time salaries – increased \$56,200 because two full-time officers are out on injuries and special event details such as the Corn Boil and Palmer Cup;

Police, medical/dental insurance – decreased \$37,200 because of the change in how health insurance is calculated;

Street, snow and ice supplies – decreased \$50,000 due to a lower cost for snow and ice supplies;

Building maintenance, repair and maintenance services-buildings – increased \$19,200 as a result of the

unanticipated repair to the salt storage structure and gutter repair, as well as A/C maintenance at Village Hall; and

Community Development, legal services – increased \$37,500 as a result of development litigation.

Fiscal Year 2016 – 2017 General Fund

Staff is projecting a deficit of \$22,600 for fiscal year 2016 – 2017. This is a result of a number of issues including an increase in general liability insurance premiums, Police pension and part-time employee costs, and Street landscaping supplies (transfer of \$70,000 to cover a portion of this cost). The Village is showing increases in several revenues (including, but not limited to sales tax, state use tax, review and development fees, and interfund transfers). Total expenditures are expected to decrease slightly from the fiscal year 2015 – 2016 projected actual and increase 1.6% from the fiscal year 2015 – 2016 approved budget.

Fiscal year 2016 – 2017 revenues are estimated to increase by approximately \$110,700 from fiscal year 2015 – 2016 estimated actual. Significant changes include:

Sales tax - increase by \$24,000, expectation of the automotive and filling stations category of sales taxes to increase once a new owner of the gas station takes over;

State use tax – increased by \$21,400 since Amazon will be collecting a full budget year of taxes and strong growth in on-lines sales;

Review & development Fees– increased by \$56,200 with the anticipation of permit fees for 31 homes and 4 commercial properties, as well as an increase in reimbursable engineering, planning, and legal services;

Reimbursement – decreased by \$91,200 because of a decrease in IRMA and worker’s compensation reimbursements; and

Interfund transfers – increased by \$92,500 because of a transfer in of \$90,000 from the capital account for parkway trees \$70,000 and sidewalks \$20,000.

Staff is not proposing increased any permit, licenses, and fine amounts in the fiscal year 2016 – 2017 budget. However a review of certain violation fines is underway.

Expenditures

Fiscal year 2016 – 2017 expenditures are estimated to decrease by approximately \$6,500 from the fiscal year 2015 – 2016 estimated actual. Significant changes include:

Personnel

The total number of Full-Time Equivalent employees is changed to reflect the actual hours that Police part-time employees actually work. In the past, part-timers were budgeted at 6 hours per week, however, that has changed based on actual hours each part-time officer works. Non-represented employees are scheduled to receive a combination cost of living and performance increases, assuming they receive satisfactory performance evaluations. A similar increase is expected for represented employees pending current contract negotiations. Health insurance premiums are budgeted at a 5% increase with the cost shared between the Village and employees.

Pensions

Non-Police pensions through IMRF are funded at 90.14%. The Village will contribute the required amount. Police Pensions are currently 44.93% funded. The state mandated contribution is \$260,123 (PUC 90%). The budgeted amount is \$329,974 (entry age 90% funded). The Village should continue to strive to contribute the recommended entry age contribution of 95-100% (which would be \$349,080 to \$368,185 for fiscal year 2016-17).

Vehicles

The Police Department transfer to equipment replacement will increase \$8,500 with the replacement of one (1) Sgt. Command vehicle and one (1) patrol unit. With the purchase, replacement funding transfers resume. The Street Department transfer will decrease by \$1,100. There are not any replacements for the Street Department in FY 17.

Administration

IRMA liability insurance will continue to increase even with the use of an IRMA credit of \$32,000 that will be utilized to help defer the cost of the premium. This practice can be continued for up to four years if necessary. The additional expense is \$26,400.

Police

Salaries – Full-time – with a retirement, salary for a new officer will be lower than a seasoned officer and in FY 16 there is the projected union salary increase - \$30,400;

Salaries – Overtime and part-time – hours are balanced to ensure that all patrol hours are either covered with overtime or part-time patrol officers. Part-time salaries also include the part-time Administrative Officer and part-time Office Assistant positions - \$17,500;

Police pension – increased to reflect the additional cost of police pensions - \$61,000;

Medical/dental insurance - decreased insurance costs for the new way insurance costs are calculated – \$23,100;

Streets

Landscaping supplies - increased \$85,400 because of a transfer from the capital account of \$70,000 for the parkway tree program;

Snow & ice control supplies – decreased by \$57,000 because of the reduced cost of road salt from the prior year; and

Building Maintenance

Repair & maintenance services-building – decreased \$22,200 because in FY 16 there were a number of unanticipated expenditures that will not occur in the upcoming fiscal year.

Additional Consideration

The proposed FY 2016-2017 budget focuses on the Core Service areas. The Core Service concept was a primary factor in determining what to include in the proposed budget. The budget includes staff's understanding of the Board's consensus Action Plan Ideas.

Upon review of the budget the Board asked staff to make the following changes.

Reduce the number of building permits projects by 6, reduce amount budgeted for the sidewalk and parkway tree program, reduce towing, and add an additional 8 additional tasers.

NEW BUSINESS

None

REPORTS

President Michels congratulated Mr. Speciale on his recent hire. The Village has received nice reviews on his performance from residents.

Trustee Montalto asked if something could be said to West Suburban Bank about the appearance of their building – the brick needs maintenance.

PUBLIC COMMENTS

None

Closed Session

Trustee Geary **moved to adjourn to closed session as per the exceptions to the open meeting act to discuss Personnel and not take action, adjourning there from.** Trustee Johnson seconded the motion. President Michels then called for a roll call vote.

AYE:	Geary	NAY:	None	ABSENT:	Bohler
	Paluch				
	Montalto				
	Herron				
	Johnson				

Motion Carried.

ADJOURNMENT

Meeting adjourned by Trustee Johnson, seconded by Trustee Geary.

Respectfully submitted, Cynthia L Galbreath, Clerk