



**Village of Algonquin
Minutes of the Committee of the Whole Meeting
Held in Village Board Room
March 12, 2019**

AGENDA ITEM 1 Roll Call to Establish a Quorum

Trustee Jerry Glogowski, Chairperson, called the Committee of the Whole meeting to order at 7:32 p.m. Present: Trustees Debby Sosine, John Spella, Janis Jasper, Jerry Glogowski, Laura Brehmer, and President Schmitt. A quorum was established.

Absent: Jim Steigert

Staff Members Present: Village Manager, Tim Schloneger; Assistant Village Manager, Mike Kumbera; Community Development Director, Russ Farnum; Public Works Director, Bob Mitchard; Police Chief, John Bucci; Matt Bajor, Intern; and Village Clerk, Jerry Kautz

AGENDA ITEM 2 Audience Participation

None

AGENDA ITEM 3 Community Development

None

AGENDA ITEM 4 General Administration

Reporting: Mike Kumbera

A. Review Proposed 2019-2020 General Fund Budget

This General Fund budget is balanced with essentially flat revenues and expenditures as compared to the budget for the current 2018-2019 fiscal year. Income tax revenue is projected to increase 8% based on current year-end projections and indicators that the State of Illinois is not planning any new changes to the Local Government Distributive Fund formula. Sales tax revenue projections show a slight increase given conservative assumptions of trends in a changing retail marketplace. Real estate taxes are the second largest revenue category after sales taxes and are levied lower than year 2008 levels.

The budget maintains a balanced position, drawing down on unrestricted funds for one-time capital purchases pursuant to the Village's reserve policy. Above all, no significant reduction in services to our residents is anticipated in the 2019-2020 fiscal year budget, and the Village's cash position remains solid.

Projected balanced budget of (\$19,853,000)

The General Fund is the major operating fund for the Village, and it has retained a sound financial base. Maintaining a sufficient cash reserve is essential to the solid financial operation of any Village will be maintained in this fiscal year by full implementation of this proposed budget and maintained revenue projections. Staff feels this proposed budget attempts to implement many of the goals established by the Village Board. The quality of the development and services in the Village is accomplished by all employees and elected officials involved with the decision-making process. The projected expenditures outlined in this General Fund not only maintain the current service delivery level to all of our residents but hopefully go further to accomplish goals of improved quality standards desired and expected in this village. The projected revenues and expenditures are conservative, yet realistic, and the implementation of the budget is results-based for effective and efficient services for our residents. Improving municipal services by budgeting for outcomes is a commitment that has been made in recent budgets, and it is hoped that elected officials and the public can recognize the progress made in serving the public interest over the past years through careful implementation of the Village's budget. This progress and momentum

are being built on in this proposed budget so that the Village can provide yet a higher level of service in future years.

B. Review Proposed 2019-2020 Budget for the Following Funds:

- Development Fund
- Village Construction Fund
- Downtown TIF Fund
- Police Pension Fund
- Special Service Area #1 Fund (Riverside Plaza)
- Debt Fund

DEVELOPMENT FUND

This fund accommodates line items for the Hotel Tax and Cul de Sac categories which are described below:

Hotel Tax revenues result from taxes on hotel room billings pursuant to the municipal ordinance. The budget for revenues includes hotel tax receipts of \$46,000 and investment income of \$2,500. Budgeted expenditures are \$48,000 including \$13,000 for regional marketing and a transfer to the General Fund of \$35,000.

Cul-De-Sac revenues of \$9,500 are interest only due to the lack of new subdivision development in the village. Expenditures of \$60,000 are for contract snow plowing in certain cul-de-sacs. The increased level of expense reflects a continued level of service that includes an additional pass by the contractor during the snow event as well as after snow has ceased. Due to the imbalance of revenues and expenditures (sluggish development rate and increased level of service), this fund cannot be sustained over the long-term and service delivery will require a different source of revenue (new or existing).

Pursuant to comments made by our Village auditing firm, school donation impact fees from development are held in a fiduciary capacity by the Village. Therefore, these items will no longer be presented as a revenue/expense in the budget, only shown on our balance sheet.

Further, in FY 16/17, the entire balance of the Community Development Assistance Program was transferred to the Street Improvement Fund and no further activity with this program is expected.

VILLAGE CONSTRUCTION

The Village Construction Fund is used to account for construction costs of municipal buildings other than those used in the waterworks and wastewater utility. Due to some modest residential development activity, \$6,400 of donations are budgeted for Municipal Facility Fees. Additional revenues include interest income of \$400. Proposed expenses in FY 19/20 include \$131,000 for maintenance items at the Public Works Facility including flooring in the maintenance garage, Internal Services office, and administrative offices; electrical revisions, and installation of a wash bay catwalk. An additional \$31,000 is proposed for improvements to the Ganek Municipal Center including public restroom/common area improvements and flooring for the Police administrative offices. The proposed expenses will effectively reduce fund balance levels in the Village Construction Fund to a zero balance.

DOWNTOWN TIF FUND

The Village approved a tax increment financing (TIF) district in fall of 2014 for the downtown Algonquin area. The Downtown TIF Fund accounts for the revenues and expenditures related to this redevelopment project area. Revenues are budgeted conservatively and include real estate tax receipts of \$540,000 and interest income of \$200. Proposed expenditures are budgeted at \$540,200.

Detailed expenditures for redevelopment activities are reflected in the appropriate fund that is advancing the funding. A year-end journal entry is performed to present these expenses in the Downtown TIF Fund.

POLICE PENSION

Budgeted revenues for the Police Pension Fund total \$4,370,500 including employee contributions of \$445,500, investment income of \$1,940,000 and employer contributions of \$1,985,000 as recommended by an independent actuarial valuation.

Expenditures for retiree benefits/employee contribution refunds are \$1,424,000 and administration expenses of \$144,400 for total expenditures of \$1,568,400. Currently, there are four (4) annuitants on disability and fourteen (14) on retirement.

SPECIAL SERVICE AREA #1 FUND

Pursuant to Ordinance 2012-O-38, the owner of Riverside Plaza agreed to reimburse the Village for Streetscape Construction Special Services provided adjacent to the property located at 1 N. Main St. Special Service Area (SSA) #1 was established by Ordinance 2013-O-10 and provides that the Village may levy an amount not to exceed \$70,000 annually from the date of the establishment of the SSA, for five consecutive or more years until the Village is fully reimbursed \$350,000.

Staff will file proper documents and schedule Public Hearing scheduled for April 2.

AGENDA ITEM 5 Public Works & Safety

Reporting: Bob Mitchard

A. Consider an Agreement with Lake Shore Recycling for 2019 Street Sweeping

Bids were opened on February 12, 2019 for contracted street sweeping services. There was 1 bidder on the program which was Lakeshore Recycling Systems out of West Chicago coming in with a price of \$154,767.20. We have increased the amount of sweeping cycles and the sweeping areas this year due to the success of the program in 2018. The bid price is for the following services:

- Sweeping of all Village maintained collector and residential curbed streets – 13 cycles (this allows for 2 sweepings per month in April and May due to the accumulation of debris on the road from the winter; 1 sweeping per month in June, July, August, September; 2 sweepings per month in October and November due to leaf drop; and 1 extra sweeping as a contingency)
 - Sweeping of State & County arterial streets – 8 cycles (1 sweeping per month April through November)
 - Sweeping of the downtown district – 16 cycles
 - Sweeping of municipal parking lots and properties – 3 cycles
 - Emergency sweepings – 24 hours (this is a contingency in case a circumstance arises and we need assistance sweeping a certain area)

Lakeshore Recycling was the contractor for our 2018 contracted sweeping program. Working with this company proved very successful and we were extremely pleased with their work and customer service. They currently provide sweeping services to 60 municipalities throughout the Chicagoland area, and their references provided nothing but good feedback. There is also an option in this contract to renew services for an additional 2 years if both parties are satisfied with the arrangement.

Money has been budgeted in the Motor Fuel Tax Fund to pay for this service. It is Staff recommendation that this matter be forwarded to the Village Board for approval of Lakeshore Recycling Systems to perform street sweeping services for the bid price of \$154,767.20.

Following discussion, it was the consensus to move this item to the Board for approval.

AGENDA ITEM 7 Executive Session

None

AGENDA ITEM 8 Other Business

(1) Trustee Brehmer stated she attended a conference at Jacob's High School that addressed the dangers of e-cigarettes and regular tobacco use among students. She said e-cigarette use has rapidly increased up as much as 24 percent. She distributed a long list of suggestions to expand our Ordinance 43.30 Sale of Tobacco of the Municipal Code to include electronic smoking/vaping. This would include expanded education through the DARE Program and also in high schools. Licensing of tobacco retailers would also be included.

President Schmitt and Chief Bucci said that the State House passed a measure to restrict both tobacco and e-cigarette/vapor for those under 21 years old. It now goes to the State Senate and then to governor for signature. Chief Bucci and Staff will look into making suggested changes to our ordinance and report back to the Committee.

(2) Responding to a question, Mr. Mitchard said high water in Crystal Creek could delay the reconstruction of the Main Street Bridge. This is due to the inability of sinking pylons into the Creek bed.

(3) Trustee Jasper asked for a moment of silence in honor of McHenry County Deputy Jacob Keltner who was recently killed in the line of duty.

AGENDA ITEM 9 Adjournment

There being no further business, the Committee of the Whole meeting was adjourned at 8:26 p.m.

Submitted: Jerry Kautz, Village Clerk