

ROLLING MEADOWS CITY COUNCIL
COMMITTEE OF THE WHOLE
October 20, 2009

COUNCIL IN ATTENDANCE: Mayor Ken Nelson, Aldermen John Pitzferro, Barb Lusk, Larry Buske, Brad Judd, Glenn Adams, John D' Astice, Jim Larsen

STAFF IN ATTENDANCE: City Manager Sarah Phillips, Public Works Director Fred Vogt, Deputy Police Chief Dave Scanlan, Fire Chief Ron Stewart, City Attorney Jim Macholl, Assistant City Manager Barry Krumstok

DISCUSSION ITEMS:

1) Fire Station Grant

Fire Chief Ron Stewart: Updated Council on the construction grant. Grant was applied for earlier this year. The process moved quickly in the summer months and grants were awarded in September. We received our grant in the first round. We submitted for \$2.2 million with a 49% commitment from the City (bond money has been set aside). Documentation will be submitted on the site. Council acceptance of the grant will be at the next City Council meeting.

Alderman Buske: We should have a good discussion on this subject.

Mayor Nelson: The next step is to accept the grant.

Chief Stewart: The deadline for completion of the project is December 2012 (3 years).

Alderman D' Astice: If we end up spending less money, we would have a savings of our own dollars?

Chief Stewart: Correct.

Ms. Phillips: Through the capital bill, \$100,000 has been set aside for fire station construction.

2) DUI Ordinance

Mr. Macholl: As requested, he proposed an amendment to the Impound Ordinance which could be presented at the next Council meeting.

Alderman Pitzferro: Clarified that based on this ordinance we would not be seizing the vehicles, but impounding them.

Mr. Macholl: This would only impound the vehicle because the person driving the vehicle is not legally driving it.

3) 2010 Budget – Community Development Department

Ms. Dehner: Presented the Community Development 2010 proposed budget.

Alderman Lusk: Assistant Director and Office Supervisor can fill in the other roles?

Ms. Dehner: Correct.

Alderman Larsen: Professional services are reimbursable. Are we looking at increases in permit fees for budgeting purposes only? Historically, how much do we recover?

Ms. Dehner: In one year we have a 95 – 97% recovery rate of these charges.

Alderman Larsen: Effectively, this is not really an increase.

Alderman Adams: We are not renewing the Economic Development consultant in January.

Ms. Dehner: The rationale was that some could be retained for special projects.

Ms. Phillips: We feel that we need to have some dollars in this line item.

Alderman Adams: The next line item reads consulting project assistant planning & economic development for \$5800. Isn't that the same?

Ms. Phillips: Yes. That is typical, but without Economic Development we may need more.

Alderman Judd: Salaries have gone down \$17,000. How did health insurance go up \$8,000? The same is true on page 76.

Ms. Phillips: Pointed out that the decrease in salary was a part-time person who did not have benefits.

Mr. Egeberg: The health insurance charge is to create a positive fund balance.

Alderman D'Astice: Would like to see that on paper.

Alderman Judd: Please explain the budget for the health insurance revenue. Why did it go down \$500,000?

Mr. Egeberg: We laid off 28 employees. Premiums increased in July.

A discussion took place regarding health insurance revenues between Alderman Judd and Mr. Egeberg.

Alderman Adams: The policy is set to expire in July 2010. Can we look at other carriers?

Mr. Krumstok: We can look at other carriers. He pointed out that we are part of a cooperative.

Mayor Nelson: The Cooperative does shop around?

Mr. Krumstok: Correct.

Alderman Adams: For Economic Development & the Zoning Board, do we hire from outside for the recording secretary?

Ms. Dehner: No, it is all internal.

Alderman Adams: Recommends those two get struck from the budget. Believes we pay our employees quite well.

Alderman Judd: Questioned a line item for Inspections for \$900 to replace cell phones.

Ms. Dehner: They are for the 5 inspectors.

Alderman Judd: Same carrier?

Ms. Dehner: The entire City is with Nextel.

Alderman Judd: Why do we not get upgrades from Nextel?

Ms. Dehner: This is a contingency plan in case we need replacements.

Alderman Judd: Thinks we should remove that line item.

Alderman Judd: Microfilm; this is old technology. We should utilize newer technologies like scanning.

Ms. Dehner: The microfiche is probably utilized about 6 times per week.

Mayor Nelson: We need to look at this and look back at the issue in a couple of months. The switch could not be done fast.

Ms. Phillips: We currently have started the IT department looking at the costs of a scanner. We hope to have something put together for City-wide scanning needs.

Alderman Larsen: Getting more storage costs next to nothing.

Mr. Egeberg: A lot of the process is indexing. Agrees that digitizing is wonderful, but there is money involved. The costly part is the indexing.

Ms. Phillips: We could have a report in 2 or 3 months.

Alderman Judd: Request for action on Alderman Adam's suggestion.

Alderman Adams: Suggested the elimination of Recording Secretaries salaries and suggests offering comp time.

Alderman Larsen: Does not think that Alderman Adams is advocating that we don't provide someone to maintain these records. We just don't pay a premium for it. He agrees with Alderman Adams.

Alderman Lusk: The recording secretary is required. It is not part of their job description.

Alderman Larsen: There are a lot of things that you cannot necessarily include in a job description. He feels that this is a reasonable expectation.

Ms. Dehner: The fees could be passed on to developers.

Mr. Macholl: We could do that. Also, there is not a specific person or job that fills the capacity. It has always been voluntary.

Alderman Pitzafarro: We would then require someone to come do that job.

Alderman Judd: Is more in favor of making it part of the job description for executive secretaries.

Alderman D'Astice: Take the money out and charge the developers.

Mr. Macholl: We charge to break even.

Mayor Nelson: Show of hands to drop recording secretary salaries:

Yeas – 6

Nays – 1

Alderman Judd: The Economic Development consultant – is it necessary to keep \$30,000?

Ms. Phillips: No.

Alderman Judd: Suggested reducing to \$15,000.

Alderman Pitzafarro: Supports that suggestion.

Mayor Nelson asked for a show of hands:

Yeas – 7

Nays – 0

Ms. Dehner: Proposed permit fee increases were presented.

Alderman Adams: Based on economy, he is against raising these fees. The property tax increase will be pretty drastic for our residents.

Alderman Judd: Agrees with Alderman Adams, although he is not opposed to having them raised in the future.

Alderman Lusk: These are not built into the budget proposal?

Ms. Dehner: Correct.

Alderman Lusk: Agrees that we need to increase the fees, but not at this time.

Alderman Buske: Agrees. He would like to see this brought back for 2011, but get closer to what the actual cost is.

Alderman Pitzafarro: Disagrees with everyone. He thinks it is reasonable to raise the fees the nominal amounts.

Alderman Larsen: He is inclined to agree with Alderman Pitzafarro, but does not have a real problem waiting another year.

Mayor Nelson: Suggests that we re-address mid-year next year.

4) 2010 Budget – Finance Department

Mr. Egeberg presented the Finance Department 2010 Proposed Budget.

Alderman Judd: In the General Fund – What is GFOA National and is it necessary?

Mr. Egeberg: This is training. It can't be eliminated. It could be used for local training as opposed to National training.

Alderman Judd: In the General Fund we now project a \$756,000 surplus?

Mr. Egeberg: Correct. It takes into account reductions agreed on last week and also the updated revenues.

Alderman Judd: Would like to remove the \$1 million transfer.

Mr. Egeberg: We will then have \$1.8 million in the vehicle replacement fund.

Alderman Judd: Next suggestion is to freeze all charge-backs except for health insurance so we can see where we really are with the budget.

Alderman Lusk: Does not see any reason not to do the transfer.

Alderman Larsen: Agrees with Alderman Lusk.

Alderman Judd: We currently have a deficit for this year. We are spending more than we are bringing in. He is hoping by eliminating this transfer we can see where we really are.

Alderman D'Astice: Next year there won't be any money in the Vehicle Fund to transfer to the General Fund and you have a higher deficit.

Alderman Buske: He sees the money being taken out and then we will find ourselves short in the Vehicle Replacement Fund.

Alderman Pitzafarro: Thinks that the concern is that we need to determine a baseline. If we transfer this money we will be in a worse situation 12 months from now.

Mr. Egeberg: We are getting our expenditures under control.

Alderman Adams: What will the money be used for in the General Fund?

Mr. Egeberg: Operations.

Alderman Pitzafarro: So the money will be transferred over so we can buy a ream of paper?

Mr. Egeberg: Part of motion should also include that money does not go from the General Fund to the Vehicle Replacement Fund.

Mayor Nelson asked for a show of hands on removing the transfer from proposed budget:

Yeas – 5

Nays – 2

Mayor Nelson: Next is the issue of charge-backs.

Alderman Judd: Thinks that it would make it cleaner to figure out where we are at. He would like to revert those back to the 2009 levels.

Mayor Nelson: This would give a negative balance in some of the funds.

Ms. Phillips: We would then maintain a negative balance in Building and Land.

Mayor Nelson: Would like to see the numbers.

Alderman Adams: Is the purpose of the Building and Land fund for the annual upkeep or for replacing or major upgrades?

Mr. Egeberg: Currently for maintenance. In the past, it was used for the remodeling of Station 16.

Alderman Lusk: Is not 100% with freezing everything and is not comfortable with losing the 10% balance. She would like to pull the liability as well.

Alderman Judd: He left liability in because it already has a \$70,000 surplus.

Alderman D'Astice: In the budget the Building and Land is referred to as a Capital Projects fund.

Mayor Nelson: We remodeled this building out of that fund. The fund was designed for the improvement and/or purchases of buildings.

Alderman Adams: This particular fund and along with other funds, they were started with the right intention for major improvements.

Mayor Nelson: All expenditures have been authorized by the Council.

Mayor Nelson asked for a show of hands on keeping charge-back expenditures at 2009 levels.

Yeas – 6

Nays – 1

Alderman Judd: Page 148 – IEPA loans budgeted at 5%. This should have been changed to 2.5%.

Mr. Egeberg: That has been updated.

Committee of the Whole

October 20, 2009

Page 6 of 8

Alderman Judd: Credit card fees – suggests a \$1.50 minimum surcharge to pay online.

Alderman Pitzafarro: Will support that as long as we implement the EFT at the same time.

Mr. Egeberg: The EFT is up and running with a \$.12 ACH charge.

Alderman Judd: Thinks people will pay the convenience charge.

Mayor Nelson: Clarified all the payment options for the viewing audience.

Mayor Nelson: Feels that we may have strayed from budget discussions. This can be looked at down the line.

Alderman D’Astice: Transfer proposed from the General Fund to 911 Fund. He suggests that the money come from the Transit Oriented Fund.

Ms. Phillips: How do we expect to pay the TOD back?

Alderman D’Astice: We don’t.

Alderman Adams: Does not have a problem with that.

Mayor Nelson asked for a show of hands to delete the transfer of funds from the General Fund to the 911 Fund:

Yeas – 7

Nays – 0

Alderman Judd: Page 147 – meter readers.

Mr. Egeberg: We have contractual meter readers and one part-time meter reader for various services.

Mr. D’Astice: Page 40 – printing and duplicating fees have quadrupled.

Mr. Egeberg: Will have to get back to him.

Alderman D’Astice: Pages 147 & 148 – What are the bank fees?

Mr. Egeberg: These are credit card processing fees.

Alderman D’Astice: Page 147 – Finance Department with \$188,000 for vehicle maintenance.

Mr. Egeberg: This is a consolidation of dollars.

Alderman D’Astice: Pages 169 & 170 - \$400,000 bond proceeds. Should they be removed?

Mr. Egeberg: Based upon last week’s vote....yes.

Alderman D’Astice: Two full-time and one part-time finance staff in utility funds.

Mr. Egeberg: We have 2 full-time people that answer phones, update billing, prepare final bills, startup of accounts, and set up meetings with Public Works.

Alderman D’Astice: Same for Refuse?

Mr. Egeberg: It is part of cost accounting. They do a wide range of jobs.

Alderman D'Astice: Suggests that Professional Development, Professional Service, Travel & Lodging, Dues & Subscriptions, and Small Tools, throughout the budget, be brought back to 2009 projected budget levels. We can go line by line or as a whole.

Alderman Pitzafarro: Thinks we should go line by line.

Ms. Phillips: Keep in mind that we have already cut from those lines in 2009 and some of those items would need to come back in 2010. She believes that each department should look at those line items in their budgets and present them to Council.

Alderman D'Astice: Cut back to 2009 levels and have each department come back to Council with what they really need.

Alderman Pitzafarro: Before or after we agree on a budget?

Alderman D'Astice: Before so some departments will have to come back to us.

Mayor Nelson: Suggests that each department head come back with their lines and discuss separately, but keep in the budget for now.

Alderman D'Astice: Would rather see it come out of the budget

The consensus is to pull the number out.

5) **2010 Budget - Library**

Mr. David Ruff: Presented the 2010 Library budget.

Alderman Adams: Personnel salaries are going up \$9400. Are these pay raises?

Mr. Ruff: Yes.

Alderman Adams: Strongly recommends that a wage freeze be implemented.

Mr. Ruff: Clarified that we don't have any other increases. The increases are at CPI +1 which stays the same when times are good and when times are bad. CPI +1 is fantastically low for next year.

Alderman Adams: We are in a situation where we are in the worst recession in years.

Mr. Ruff: The models that he has seen is that it looks like in the 4th quarter of next year there will be some significant inflation.

Alderman Judd: Would like clarification in the salary increase.

Mr. Ruff: It is based on the pay rate increase and the mix of people as well. Also, any disability cases could increase the salary.

Alderman Judd: Agrees with Alderman Adams. He suggests decreasing salaries by 5%.

Mr. Ruff: It is important to realize what these positions are. They are not highly paid. One concern, with regard to library funding, if you have a very efficient staff, you play with union issues. He also pointed out that we switched over our accounting system to GASB-34 in 2008.

Alderman Larsen: As much as he understands the philosophical context of reducing costs, he is in favor of leaving this budget as it is. The library is functioning as well as it can.

Alderman Buske: Complimented the library. Mr. Ruff is doing a fantastic job.

Alderman Pitzafarro: Are there 62 or 45 employees?

Mr. Ruff: 62 people, the equivalent of 45 full-time people.

Alderman Pitzafarro: Tends to agree with Alderman Buske. He commends Mr. Ruff for running a great shop.

Alderman D'Astice: Compliments to Mr. Ruff for a great budget. He does not agree with any cuts. Using the state formula, the percent for materials is 12%. What is the dollar figure for the other 1%?

Mr. Ruff: \$35,000.

Alderman D'Astice: Could that money be saved and used for next year?

Mayor Nelson: That 1% is hopeful savings.

Alderman D'Astice: Does not support any cutting. The increase of CPI +1 seems reasonable.

ADJOURNMENT:

Meeting adjourned at 11:05 p.m.

Respectfully submitted by Lisa M. Hinman, City Clerk

October 20, 2009 Committee of the Whole Minutes approved by Council October 27, 2009.



Lisa M. Hinman, City Clerk