

**VILLAGE OF BARTLETT
COMMITTEE MINUTES
2015/16 Proposed Budget Presentation Minutes
March 3, 2015**

CALL TO ORDER

In the absence of President Wallace, Clerk Giles called the Committee of the Whole meeting to order on the above date at 6:02 PM in the Council Chambers.

ROLL CALL

PRESENT: Trustee Arends, Camerer, Carbonaro, Martin, Reinke, Shipman

ABSENT: President Wallace

ALSO PRESENT: Village Administrator Valerie Salmons, Assistant Village Administrator Paula Schumacher, Assistant to the Village Administrator Scott Skrycki, Finance Director Jeff Martynowicz, Assistant Finance Director Todd Dowden, Director of Public Works Dan Dinges, Community Development Director Jim Plonczynski, Assistant Community Development Director Roberta Grill, Building Director Brian Goralski, Head Golf Professional Phil Lenz, Grounds Superintendent Kevin DeRoo, Food & Beverage Manager Paul Petersen, Chief Kent Williams, Deputy Chief Patrick Ullrich, Sergeant Geoff Pretkelis, Village Clerk Lorna Giles.

Clerk Giles asked if there were any nominations for the Chairman of the meeting.

Trustee Carbonaro nominated Trustee Reinke and that motion was seconded by Trustee Martin.

Clerk Giles asked if there were any other nominations.

Trustee Camerer nominated Trustee Arends and that motion was seconded by Trustee Reinke.

Clerk Giles called the roll and asked Trustees to state who they would like to nominate.

Trustee Arends received votes from: Trustees Arends, Camerer, Shipman

Trustee Reinke received votes from: Trustees Carbonaro, Martin, Reinke

Since there was a tie, the Board conducted a re-vote and the candidates were not allowed to vote.

Trustee Arends received votes from: Trustees Camerer, Martin, Shipman

Trustee Reinke received votes from: Trustee Carbonaro

Clerk Giles appointed Trustee Arends as Chairman of the meetings.

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Trustee Arends announced the kick-off of the Proposed Budget for 2015/16 and asked staff to begin.

Finance Director Jeff Martynowicz opened by welcoming all in attendance and introduced the 2015-16 proposed budget. He stated that the budget is much more than a numbers document. The Village uses four broad based criteria to develop this budget document. He stated that the budget serves as a policy document - they have village-wide long-term financial policies, village-wide non-financial goals and objectives such as the strategic plan that the Board and staff has had an opportunity to partake in and they are incorporated into the budget document. They also have clearly stated goals and objectives that you see in each of the department narratives. The budget serves as a financial plan where they summarize major revenues and expenditures, describe the major revenues in detail and project major changes in fund balance to each of the five operating funds. The budget also serves as an operations guide, which describes the activities, services and functions of the Village and includes an organizational chart and a personnel summary to show how the Village operates and the chain of command within the Village. Finally, the budget serves as a communication device. It defines who develops, prepares, reviews and adopts this budget and each of them has their own function, including the Village Board with preparing and adopting this budget. The Village Administrator provides a detailed budget message to the Board of Trustees. They define certain financial policies such as fund balances, long term capital planning included in the capital improvement plan, and statistical data to convey long-term information to the public. He stated that they have been successful over the past nineteen years, in receiving the GFOA's distinguished budget award and they are one of 1,352 communities nationwide and through Canada who receive this award and they intend to apply for it again, once adopted. In regards to the budget calendar, they were due to meet on March 10th but that was cancelled so that meeting will take place on March 17th where the departments will introduce their budgets to the Board. The budget is due to be adopted by the first meeting in April but there is sufficient time to have other discussions that the Board deems fit.

Looking at this budget in its totality, total expenditures are \$62,157,361 and the money goes to a number of different areas. Capital projects represent 35%, debt service and general obligation bonds are 3%, golf course expenditures are 4%, general government which includes Administration, Finance, Community Development, Building and other operating divisions, represents 12%, Public Safety is 22% and Public Works represents 24% of the total. Total revenues are \$58,925,233 and the money comes from a number of different sources. Property taxes represent 16%, other taxes which includes income tax, sales tax, local use tax, telecommunications tax represent 29%, charges for services that you see in the enterprise funds (water, sewer, parking, golf) represent 22%, interest income at 1%, borrowings are at 22% which includes notes and bonds in the TIF districts,

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other revenues (licenses and fees) at 10%.

Page 7 – Operating vs. Capital Expenditures

Finance Director Martynowicz explained the Operating versus Capital expenditures - total operating expenditures are at \$40,581,752 and total capital expenditures are \$17,188,631.

Trustee Arends asked him to explain the difference between this amount and the total budget.

Finance Director Martynowicz stated that the total of \$40,581,752 and the \$17,188,631 along with the other Capital costs in the capital improvements funds make up that total of all expenses.

Trustee Arends asked if the expenses were about a million less than the revenues.

Finance Director Martynowicz stated that there are additional expenses in the capital improvement funds. He stated that he tried to break out the capital improvement costs such as ash tree removal and things like that.

Trustee Arends asked if there was a healthy ratio between Operating and Capital Improvements.

Finance Director Martynowicz stated that they don't affect each other. The ratio would be in each of the operating funds as far as the policy and the level of fund balance. They usually want to reserve 25-35% of the operating expenditures in each of those funds. He stated that a lot of the capital improvements are funded through the IEPA loan program or bonds in the water and sewer budgets to finance those costs.

Page 9 - Revenue History

Finance Director Martynowicz stated that the total revenue is \$58,925,233 net of transfers or a 17% increase which is for IEPA loans to cover infrastructure projects in the water and sewer funds. He stated that the 2012 road bonds issued in 2011/12 is indicative with the spike in the chart. The 2015/16 increase is primarily loan proceeds and grants in the capital projects funds.

Page 10 – Revenue Review

Finance Director Martynowicz stated property taxes make up \$9,354,364, 16% of total revenue, showing a \$338,162 decrease from the 2014/15 budget or 3%. This amount includes a levy for principal and interest payment in the General Corporate, Police Pension and Debt Service Funds. The Village share of the property tax pie as compared

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to all other taxing districts is at 8% and has dropped from 9% due to the reduction of property taxes. They are projecting the EAV to be flat and not decreasing. This is from numbers from the DuPage County Clerk's office and should help lower the rate. The estimated DuPage rate is \$1.09/\$100 and the Cook rate is \$.99/\$100. They are not budgeting any increase to the General Corporate Levy. Once this budget is adopted, he will come back in the Fall to levy those dollars. In June and September, 2016, they will collect those taxes in DuPage and in September and March of 2016 for Cook County.

Page 11 - Property Tax Rates and EAV.

Finance Director Martynowicz explained that in 2010/11 they were at about \$.80/\$100 and now about \$1.09 and \$.99/\$100 in DuPage and Cook. The reason for the increase in these years is due to the lower EAV. That, in turn, raises the rate but the Village is now collecting any additional property tax dollars in the General Corporate Levy. Before the recession in 2008/09 EAV's were up over \$1.3 billion of EAV and in 2015 they are projecting about \$1 million and that is pretty much flat from 2014.

Page 12 – Other Taxes - Income Tax

Finance Director Martynowicz stated that the budgeted amount is \$4,125,000, being 7% of total revenue, showing a \$82,250 increase from the 2014/2015 budget or 2%. He stated that they receive revenue based upon the Illinois Municipal League (IML) per capita projection of \$99 rate on a population of 41,208. They raised their projection for 2016 by 2% and he thought this was pretty conservative given the increases they have seen over the last three years. The State of Illinois rate is 3.75% which has been reduced from 5% and the Village currently receives 8% of the income tax which comes to the municipalities.

Page 13 - Other Taxes – Local Use Tax

Finance Director Martynowicz stated that local use taxes have a budget of \$802,500, 1.4% of total revenue, showing an \$82,000 increase from the 2014/15 budget or 11%. This is another inter-governmental revenue source where we multiply our population by the IML rate of \$17.80. This use tax is a form of sales tax where goods purchased and delivered from outside of Illinois are taxed. He stated that this revenue source has done very well over the last four years and has increased by 5-6% for some time. The State has implemented a voluntary pay program that is generating more revenue. Out of state purchases should be reported on individual's tax returns and he thinks that is why they have seen the increase.

Page 14 – Other Taxes - Sales Tax

Finance Director Martynowicz stated the budgeted amount is \$2,115,000 being 3.6% of total revenue showing a \$40,000 increase or 2% from last year. The Village receives 1% tax on purchases made within the Village. The tax collected by the State is remitted on a three month lag between the time of the sale and the receipt of the tax. There is one

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sales tax sharing agreement (Welch), which is due to expire in the next 3-4 years, and is reflected as an expenditure in the Community Development budget entitled "rebates".

Page 15 – Other Taxes - Telecommunications Tax

Finance Director Martynowicz stated the budget is \$1,175,000, 2% of total revenue, showing a \$125,000 decrease or 10% from 2014/2015. He stated that this is a revenue source that has been pretty stagnant and declining over the past 3-4 years. He stated that the Village collects a 6% tax on land and cellular service. The State of Illinois collects this tax very similar to sales tax collection and remits them to us. The reduction is due to more unlimited services for texting and data. They have tried to adjust the budget to this because they have seen a \$300,000 decrease in telecommunication tax over the last three years.

Page 16 – Other Taxes - Real Estate Transfer Tax

Finance Director Martynowicz stated the budget is \$510,000. It is .08% of total revenue, showing a \$100,000 increase or 24% from last year. He stated that higher home values are contributing to the increase that they are currently seeing. The Village has some new proposed developments and they hope it will generate additional revenue for the transfer tax. He stated that in 2005/06, this revenue source generated over \$1.6 million dollars but currently from that time period, it has decreased \$1,137,000. They are finally seeing small increments here as the economy improves and the housing market picks up.

Page 17 – Other Taxes – Natural Gas Utility Tax

Finance Director Martynowicz stated the budget is \$1,055,000. It is 1% of total revenue, showing a \$10,000 decrease or 1% from 2014/15 budget. This tax is 5¢ per therm or 5% on residential and commercial natural gas use. This reduction is based on current returns that they have seen over the last couple of years. This puts them at what he believes they will realistically receive.

Page 18 – Other Taxes – Electric Utility Tax

Finance Director Martynowicz stated the budget is \$606,000. It is 1% of total revenue, showing a \$4,000 decrease or 1% from 2014/15 budget. This tax is a per kilowatt hour charge for electric usage on residential and commercial use. The rates to be dictated are set by state statute and are charged based upon usage. The more that a consumer uses, the less the rate will be. He stated that there is a proposal on the Committee Agenda this evening to eliminate this tax in full next year or over the next two years.

Page 19 – Service Charges – Water Sales

Finance Director Martynowicz stated the budget is \$7,175,000, 12% of total revenue showing a \$375,000 increase from 2014/15 or 6% increase. Water sales are based upon consumption and he indicated that water consumption estimates a 1% increase with

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some of the industrial users. The average bill that a resident may see is \$38.16 and that is based upon 6,000 gallons of usage per month. He indicated that they will be reviewing the rates in January, 2016 to see where they stand and whether the operating expenses will be covered. At that time, they will have more information about what type of water source the Village will have, cost of water, and capital construction cost.

Finance Director Martynowicz stated that the water consumption and revenue history was at a high point in 2005 with 1.2 billion gallons billed. During the recession from 2008-11 there was a pretty significant decline in water consumption which forced the Village to increase rates. In 2012, they had a major drought and this generated some significant revenue that has helped to build a reserve or fund balance back to the dictated levels by the policy. Water revenues over a ten year period have steadily increased except for the 2008-2010 where there was a decrease.

Page 21 – Sewer Sales

Finance Director Martynowicz stated the budget is \$3,250,500, 5.5% of total revenue, showing a \$30,500 increase from fiscal year 2014/15 budget or 1%. He noted approximately 50% of sewer sales are from the fixed rate charges where 100% of water charges are based on consumption. The average residential monthly sewer bill for Cook and Kane is \$13.83 per month and in DuPage is \$22.49 per month. He indicated that they will also be reviewing sewer rates in January, 2016.

Page 22 - Service Charges – Golf

Finance Director Martynowicz stated the budget is \$1,281,900, 2.2% of total revenue showing a \$71,000 decrease from the fiscal year 2014/15 budget or 5%. He noted the proposed budget projects 35,500 rounds of golf, a 1,500 round decrease from last fiscal year. Pro shop sales are budgeted at \$73,500 and are down 11% due to a decrease in inventory and sales. The inventory is very low in the pro shop and has been for many years to catch up with the decreased economy that pertains to the golf course.

Page 23 - Service Charges – Food and Beverage

Finance Director Martynowicz stated the budget is \$980,000 representing 1.6% of total revenue, showing a \$14,000 increase from fiscal year 2014/15 or 1%. Food and beverage program has an estimated increase of 1%. He hopes that with the expansion of the bar and banquet facility that this is a conservative estimate. He would like to get another year before they start projecting revenues for food and beverage to go up. If the weather is good and weddings keep expanding, they should see a nice increase. The opening of the expanded banquet area begins next month so it's an exciting time at the golf course and a nice upgrade.

Page 24 – Other Revenue – Development/Building Permits

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Finance Director Martynowicz stated the budget is \$675,500 or 1.1% of total revenue, showing a \$239,900 increase from the fiscal year 2014/15 budget or 55%. The projected number of new residential permits right now is ten. There is potential for a lot more development. They also budgeted for 2,200 miscellaneous permits at various costs. Business is picking up in the Building Department and they are able to take advantage of that by projecting additional revenue for building permits.

Page 26 - Operating Expenditures - Total

Finance Director Martynowicz stated that proposed operating expenditures are \$40,581,752, a .33% increase from last year. He stated that they have tried to keep the operating expenditures down or flat. They have made cuts and this number shows that the operating expenditure increases are reasonably projected and conservative.

He stated that Personnel Services represents 51% of the budget, the largest area of our operating budget. Contractual Services represents 20%, Commodities or Operating costs represents 5%, Other Charges such as liability insurance is 18% and Capital Outlay in all of the operating departments is 6%. In breaking this down by department, the Golf Course represents 6%, Debt Service at 5%, Public Works represents 37%, Public Safety represents 33%, and General Government 19%.

Page 29-30 - Operating Expenditures – Public Works

Finance Director Martynowicz stated that the Public Works Department is broken into four areas: Streets at 27%, Water at 49%, Sewer at 23% and Parking is 1%. The budget is \$14,949,088 or 37% of operating expenditures. This budget increased \$272,657 or 1.8% increase. Some of the highlights include \$246,000 for tree replacement and trimming due to the Emerald Ash Borer program. They will have a selection of a new water source and funding of capital projects to accommodate upgrades needed. They also have \$20,000 for new trash receptacles in the downtown.

Administrator Salmons stated that they have a couple of different planning grants and activities downtown and there is likely changes into the streetscape plan. The current receptacles are many years old and falling apart.

Trustee Reinke asked if they are proposing \$20,000 for new receptacles.

Administrator Salmons stated that she is not. If they fall apart and need replacement, there will be a potential to pay for them out of the TIF. She is not proposing that this cost will come from the operating budget.

Page 31-32 - Department Expenditures – Public Safety

Finance Director Martynowicz stated that the Public Safety expenditures consist of the

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Police department at 84% and the Police Pension fund at 16% of total expenditures. Currently, the Police Pension fund is funded at 85% of the assets needed to cover the liabilities as of the actuarial projection from May 1, 2014. They are experiencing some good investment returns in the Police Pension portfolio and he expects that funding level to remain constant or increase from where it currently is.

He stated that Police department expenditures are \$13,461,378 or 33% of total expenditures. He noted a \$343,119 increase from the fiscal year 2014-15 budget or 2.6%. He noted some of the highlights in the Police Department are that they will continue to do the annual funding and replacement of five patrol vehicles and four other vehicles in the amount of \$294,000. The Police department will continue utilizing grant funding for DUI and vehicle speed enforcement. They also budgeted to continue community relations expenses including National Night Out.

Page 33-34 - Expenditures – General Government

Finance Director Martynowicz stated that General Government is 19% of the total operating expenditures and is broken into eight areas including: Administration 19%, Professional Services 9%, Liability Insurance 9%, Finance 23%, Community Development 15%, Building 15%, Brewster Creek TIF Municipal Fund 10%.

He stated that the proposed General Government budget is \$7,764,025, 19% of total expenditures. He noted a \$158,090 increase from 2014/15 or 2%. They are budgeting for an updated air photo of the Village – the last photo was in 2007. They will continue funding for community events such as the Fourth of July, etc. They budgeted for new microphones in the Council Chamber and a projector as well as continued expansion of GIS capabilities.

Page 35-36 Expenditures – Golf

Finance Director Martynowicz stated that the Golf Course is 6% of operating expenditures and can be broken into six areas: Golf Program 28%, Golf Maintenance 29%, Driving Range 1%, Restaurant 14%, Banquet 26%, and Midway 2%. He stated that the golf course proposed budget is \$2,435,373 showing a \$107,899 decrease from the previous fiscal year or 4.24%. He stated that they reduced the operations that run the golf course by 22% from last year due in large part to staff openings. As they go through the budget, the golf course is balanced, the revenues are down and the operating expenses paid by those revenues are also down. They are projecting a \$9,000 surplus this year.

Trustee Arends asked if it was their intention to leave the golf course management as it is.

Administrator Salmons stated that the intent is not to replace the Golf Pro Manager

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position but to have a full time Golf Pro that they have out there now as opposed to an Assistant Golf Pro. She stated that they currently have three people in charge and it is running pretty well. She thought it was important to save that kind of money for a longer period of time. At this time last year, during the golf review, the Board came up with some good ideas that they could pursue. They have tracked those for the past year and the amount increased revenues by a lot and will be reviewed during the golf budget review.

Finance Director Martynowicz stated that with the expansion of the banquet facility and the bar, it should generate even more revenue.

Page 37 – Budget Snapshot

Finance Director Martynowicz proceeded to the budget snapshot and stated that they have seen revenue stability with no new taxes or fees. There is a flat property tax levy in the general corporate fund. They have provided \$780,500 funded from the Vehicle Replacement fund for replacement vehicles. There is one part time data entry clerk opening in the Building department and a GIS Technician in the Community Development department. There are seven positions being held open. They will review the water and sewer rates in January of 2016. There is \$816,000 budgeted for building upgrades to the Police facility funded from the Municipal Building fund. This should be the last year of the emerald ash borer replacement program and all the trees should be removed and a majority of the plantings completed ending the three year program. The tree removal program is being funded out of Developer Deposits and the plantings are budgeted in the General Fund.

Administrator Salmons stated that they did this budget in December of 2014 and finalized it in January, 2015. They did not contemplate changes and cuts as been outlined by the Governor. She feels that there is a lot of work to be done with this budget. She thinks that they need to be prepared for a significant level of cutting, both in the income tax and potentially the freezes of the property taxes as well. She wanted the Board to know that the Budget Snapshot was done before they had an opportunity to hear from the Governor.

Page 39 - Fund Balance Review – General Fund

Finance Director Martynowicz stated that the final area for review is the reserve dollars of fund balance of the operating funds. It is probably one of the more important sections of the budgets overall financial picture. Fund Balance is basically in our four main operating accounts. Each operating fund has a policy on how each fund is financially run. In the General Fund, they have a policy of 25% to 35% of operating expenditures and the average increase in the property tax levy and liabilities (which has been minimal) over the last five years and designated reserves for stormwater and the tri-centennial celebration. He stated that the General Fund continues to be in a very strong financial position and is projected at \$9.46 million in 2014/15, projecting \$9.2 million in 2015/16 and a decrease

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slightly in 2016/17 and 2017/18. He stated that they meet the minimum and maximum derived from the policy. They are also proposing a transfer of approximately \$3 million to the Municipal Building Fund to bring them in line with the policy that requires anything over the maximum in that Municipal Building Fund. He stated that the General Fund is in solid financial shape as it has been for many years.

Trustee Shipman asked if they were \$2 million dollars above the funding policy.

Finance Director Martynowicz stated that they are at about \$12.4 million, so they are proposing to transfer that \$3 million to the Municipal Building Fund to bring that fund balance down.

Page 40- Fund Balance Review – Water Fund

Finance Director Martynowicz stated that the policy dictates 25% to 35% of operating expenditures with designated reserves to be set aside. The Water Fund is in very good fiscal health. They are right at about \$3.6 million of fund balance and that is higher than the minimum and maximum throughout the four year period that he is projecting.

Page 41 - Fund Balance Review – Sewer Fund

Finance Director Martynowicz stated that the Sewer fund also follows the same type of policy. Each year they meet the minimum amount of fund balance dictated by the policy. As some of the Capital Outlay projects expand, this will dip a little bit and that is why he would like to review Sewer charges in 2016.

Page 42 - Fund Balance Review – Golf Fund

Finance Director Martynowicz stated that the policy dictates 10% of operating expenditures and they are not currently within policy. He hoped that this year's budget and the expansion of the facility will start to generate some surplus so they can build the fund balance back up to the policy levels dictated.

Trustee Martin asked how underspent was last year's budget.

Finance Director Martynowicz stated that the expenses in the General Fund were under about \$300,000. He stated that in each of the operating departments, they were all under budget as far as expenses went.

Trustee Camerer asked if this was a balanced budget.

Finance Director Martynowicz stated that all of the five operating funds are in balance. He stated that the total revenues don't meet the total expenses and that is simply because they set aside revenues in past years to pay for the Capital Improvements such as the

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tree program. Money was set aside in the Developer Deposits Fund and now they are spending it in future years and that is why you see the discrepancy. The Operating Funds are completely in balance as well as all other funds.

There being no further business to discuss, Trustee Carbonaro moved to adjourn the Committee meeting and that motion was seconded by Trustee Martin.

ROLL CALL VOTE TO ADJOURN

AYES: Trustees Arends, Camerer, Carbonaro, Martin, Reinke, Shipman

NAYS: None

ABSENT: None

MOTION CARRIED

There being no further questions, the meeting was concluded at 6:47 PM.

Lorna Giless
Village Clerk

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Chairman Arends called the Committee of the Whole meeting to order at 7:27 p.m.

Present: Trustee Arends, Camerer, Carbonaro, Martin, Reinke, and Shipman

Absent: President Wallace

Also Present: Village Clerk Lorna Giless, Village Administrator Valerie L. Salmons, Assistant Village Administrator Paula Schumacher, Assistant to the Village Administrator Scott Skrycki, Finance Director Jeff Martynowicz, Assistant Finance Director Todd Dowden, IT Coordinator Chris Hostetler, Community Development Director Jim Plonczynski, Assistant Community Development Director Roberta Grill, Building Director Brian Goralski, Public Works Director Dan Dinges, Chief Kent Williams, Deputy Chief Patrick Ullrich, Head Golf Professional Phil Lenz, Food & Beverage Manager Paul Petersen, Grounds Superintendent Kevin DeRoo, and Attorney Bryan Mraz

PLANNING & ZONING COMMITTEE

Revised Rt. 59/Stearns Road IDOT Improvements

Chairman Camerer asked Community Development Director Jim Plonczynski to review the agenda item.

J. Plonczynski explained that this is the second time the Board has reviewed the Rt. 59/Stearns Road intersection improvements proposal from IDOT and DuPage County. At the last review, the Board asked that the Village's traffic consultant, Brent Coulter, be in attendance for the review. Mr. Coulter is present tonight to answer any questions.

IDOT's original proposal was exhibited – dual left turn lane intersection improvement with traffic signals throughout all four legs.

J. Plonczynski explained that in subsequent discussions with property owners and Walgreens, an access point was requested, to remain open on Stearns Road at the site of the new Walgreens and into the Brewster Creek Shopping Center. In support of the commercial entities, IDOT, with DuPage County, came up with a redesign of the eastern leg (shown on exhibit), allowing only one southbound left turn lane to remain. The design maintain the geometry of the dual lefts on westbound Stearns Road. Mr. Coulter reviewed the redesign and had some concerns (on exhibit). There was concern that the single left turn lane would queue beyond the intersection and a potential for traffic conflict at this entrance into the shopping center. Also, as part of the design, DuPage County wanted to restrict the left turn movements out of the shopping center area during the peak hours and requested the Village enact an ordinance prohibiting left turns out. Mr. Coulter also suggested that the roadway is re-stripped further east to Braintree, so that you don't have a continuous turn lane into the shopping center, the daycare center, and to Braintree,

break it up with striping, and separate the turn lane into Braintree allowing the left turn with the westerly part going into the shopping center and daycare center. Another alternative presented at the last meeting was a proposed traffic signal at the Norwood and Rt. 59 intersection. The traffic signal is not part of the current design study or the intersection improvements. Subsequent discussions with IDOT said that the traffic signal would have to be requested. They recommended that it be requested as a separate project. Present this evening are residents, the shopping center owner, and also a letter was received from Walgreens in support of the existing configuration that IDOT presented.

Trustee Reinke stated that he would like to hear from Mr. Coulter, the traffic consultant.

Chairman Camerer clarified that the County has control of the section going eastbound off of Rt. 59.

B. Coulter responded that the County has jurisdiction of Stearns Road.

Chairman Camerer asked if there is any delineation on the left hand turn lane (referring to exhibit) of white stripes or anything that would indicate that the section of the roadway has to be kept open, even in the left turn lane. He asked if that is possible or if it has been considered.

B. Coulter explained that would be between the State and the County. He stated that because they've eliminated the two left turn lanes on Stearns Road going westbound to southbound and only have one, that the stacking space is at a premium, so if you mark off a section of that stacking area, you are going to have even less room to store the left turn vehicles; that's one possibility. Also, it doesn't alleviate the concern expressed in the exhibit which is you may still have vehicles queuing up to make a left turn westbound, stopping right at the diagonally striped area, and as you make a left turn going into the shopping center, you can't really see what's coming around the vehicles in the opposing left turn lane.

Chairman Camerer stated that he thinks striping may be a possible solution.

B. Coulter stated that he does not think it would solve the concern of visibility.

Trustee Shipman asked Mr. Coulter what exactly is his job as a traffic engineer.

B. Coulter explained that his job has been to review site development plans; to review the work that IDOT has been doing on Rt. 59; and any other general traffic assistance issues that may come up.

Trustee Shipman asked if Mr. Coulter has spent any time at the intersection.

B. Coulter responded yes.

Trustee Shipman asked what Mr. Coulter observed.

B. Coulter responded that he was there in 2012 when the Walgreens site was being developed and spent a significant amount of time helping staff review site access and “massaging” the proposed site plan so it would be a better fit for the intersection. He stated that he did his own observations of traffic in and out of the Walgreens site as part of reviewing the traffic study done for Walgreens. He stated that he has done studies on Braintree Lane and the cut-through traffic on Braintree, which involved doing counts and observing traffic flow on the section of Stearns Road between Rt. 59 and Braintree. He stated that although he is not a resident of Bartlett, he has a pretty good handle on what is going on and feels comfortable commenting, as he has since 2012.

Trustee Shipman asked if any counts or observations have been done since 2012 regarding the newest intersection change.

B. Coulter responded that he has done so continuously for various issues.

Trustee Shipman stated that the slide that is currently exhibited is a diagram of Mr. Coulter’s concerns about any alteration to the IDOT plan. He asked if that is fair to say.

B. Coulter responded yes. He explained that if you are sitting at an intersection that has a median next to it and you have an opposing left turn lane, you’re shifted this way and the opposing left has that same median and they are shifted this way. It’s hard to see when you are making your left around the left turn vehicle that is facing you what through traffic may be coming in your direction. That’s called an offset left turn. The State likes to avoid those when at all possible because it is a safety issue. In this case, by creating that new eastbound left turn lane, they’ve actually created the situation described. They’ve created an offset between the two opposing left turns. As you sit going eastbound to turn left into Brewster Creek, you may have left turn vehicles queued up or moving slowing in a queue towards Rt. 59 and you are not going to be able to see beyond them to what’s coming westbound on Stearns Road. With that being said, you have that issue today and that occurs with the two through lanes you have westbound. If you get a vehicle on the inner-through lane, either in queue or moving slowly, you have to look to see what is coming on the other side of that vehicle on the outer-through lane, it’s the same situation. You have an offset that makes it difficult to judge what’s coming towards you as you make your left turn. In that respect, they made an improvement, but they’ve really not done much more than what’s out there now in terms of the sightline visibility issue. There are other differences between what IDOT and the County have proposed and what’s out there right now, but this issue has remained the same.

Trustee Shipman stated that he is not proposing this, but short of completely eliminating that entrance, what is the alternative.

B. Coulter responded that his original recommendation to the Village staff was the original concept of dual left turn lanes. We requested, and IDOT agreed and made some modifications to their design that would allow a U-turn to be made from the inner lane of the dual left turn lanes on this leg and the other legs. That U-turn would be made on a protected green phase, a green arrow to make that U-turn. You wouldn’t be able to make it at any other time except when a green arrow came up. He stated that he felt it was a safe way of providing access to Brewster Creek. In looking at the current plan, which is

the plan that the County and the State have derived, based on the concern of access to Brewster Creek, it's kind of in the middle. He stated that it is not as good as the dual left turn lanes; it's not as safe; potentially, it is not as safe for the entire intersection of Stearns and Rt. 59 because of the proximity of the Brewster Creek access to Rt. 59 itself. It's roughly 120 feet to the stop bar, westbound on Stearns Road at Rt. 59 – that's a very little amount of separation. But the current modified plan, does have some benefits over what exists right now. You do have a left turn lane for eastbound to northbound left turns into Brewster Creek, which you don't have now. Those vehicles, right now, turn from the through lane into Brewster Creek, so there's the potential for a rear-end conflict on Stearns Road without any change from what's existing. The second improvement of the plan over what we have right now existing, is that there are no am or pm peak hour turn restrictions out of Brewster Creek, so you can make a left turn out in the evening peak if you choose to do so just as you could during the middle of the day. The County and the State would require that there be peak hour turn restrictions so you couldn't turn left out of Brewster Creek on to Stearns Road going east during the am and pm peak periods of roughly two each in the morning and evening. It's a little better than what we have right now, but not as good as what the State originally proposed. He stated that he realized that the Village is trying to balance traffic movement and traffic safety with accessibility. He commented that he has the luxury of being able to focus more on traffic safety and operations than accessibility, in this case, but there's a potential risk of implementing what the County and the State have proposed. With that being said, the pavement that IDOT is going to construct is exactly the same. The width from curb line on the south side to curb line on the north side is the same under this modified alternative for the east leg of Stearns Road as it is for the original plan. They just stripe it differently and they've taken out the median that would be just south of the dual left turn lanes on Stearns Road going westbound. He stated that at some point in time, if this plan does become a problem, in terms of safety or operation, and the problem spills back into the intersection of 59 and Stearns or if it creates its own additional problems at Brewster Creek, east of 59, you could always go back to the original plan. It's going to cost approximately \$20,000 or so to construct a median, striping, a signal control modification, but it's possible to go back to the original plan if this modified plan has issues that develop over time. It is also possible to easily and quickly change the configuration with some striping and/or some flexible bollards in the eastbound left turn that would prevent access out of Brewster Creek or left turn access in.

Trustee Shipman clarified that by "issues and problems", Mr. Coulter is referring to crashes.

B. Coulter responded yes, primarily crashes.

Trustee Martin asked if there could be the original plan and then the left turn out of Brewster Creek so you cut into the barrier.

B. Coulter responded that IDOT's response is that they would not permit that movement. When you open up just the median for the left turn out, you're creating a little bit of a constraint in terms of maneuverability.

Trustee Martin asked Trustee Shipman how many lights it takes to get through the intersection.

Trustee Shipman responded that it depends upon the time of day. In rush hour, it only takes one light.

Chairman Camerer asked in the course of Mr. Coulter's traffic study, how many cars were observed in the left hand lane and how far to the east did they stack up.

B. Coulter explained that in observing Braintree and Stearns for the cut-through issue, he was also able to observe the Walgreens access. During the off-peak, it's probably about 70% of the time when traffic queued up westbound on Stearns Road does not physically block the Brewster Creek driveway. During the evening peak hour and the morning peak hour, it's roughly 50% of the time it's blocked and of that, 50% that's blocking Brewster Creek access probably 30% or 40% of that 50% extends back close to and sometimes beyond Braintree. That is why the peak hour restriction makes a lot of sense, if you go with the modified plan.

Trustee Carbonaro asked during the peak hours when you can't turn left out of the Walgreens egress, where do you go.

B. Coulter explained that Braintree functions as a relief for shopping center access, eastbound on Stearns Road.

Trustee Carbonaro asked if it would be a good idea to go to the original plan and then put the traffic signal at Norwood.

B. Coulter responded that it's not just a traffic signal at Norwood that was being looked at. It was a signalization at Norwood and Rt. 59 and the configuration of Norwood right at the east rear service drive for Brewster Creek that would create a one-way flow. So, you could come out westbound on Norwood, but you could not enter eastbound unless you were an emergency vehicle.

Trustee Arends stated that she lives within 100 yards of Walgreens on Braintree. She stated that she doesn't see why this has become such an issue. It's still the same entrance off of Stearns; it's still the same entrance off of Rt. 59. Secondly, she asked if it is State statute that there has to be a no left turn out of Brewster Creek during peak hours.

J. Plonczynski explained that is the recommendation of DuPage County.

Trustee Arends commented that at the shopping center across Stearns Road, there is a modified pork chop and no one pays attention to it. Left turns are made out of there at any time of the day or night. She stated that she doesn't like to argue with engineers or traffic consultants, because they always have the numbers right on the top of their heads, but those are numbers in a timeframe or a set of timeframes. She stated that they don't live there, but she lives there and we've got much ado about not a whole lot as far as Walgreens is concerned. We have neither impeded nor helped them in any way with the traffic situation. It's the same situation they had five years ago, ten years ago, fifteen

years ago, twenty years ago – it's the same situation – nothing has changed except there is a shopping center to the south.

J. Plonczynski clarified that the imposition of the restriction on the left turn out during peak hours is something that the DuPage County Highway Department has put on the revised design. They came up with the revised design and added the caveat that if the Village supports it, then they will require the Village, as part of it, to have the left turn restriction.

Trustee Arends added that there is no suggestion as to how to achieve it or enforce it.

J. Plonczynski stated that the Village would have to pass an ordinance and have the Police Department enforcing it.

Trustee Arends stated that the caveat is foolish.

Trustee Martin asked what the cost would be for the Norwood signal.

Administrator Salmons responded that since it is just a single leg light, we would ask IDOT to participate. IDOT has said they would consider that, so with their participation and some widening of the right-of-way, it would cost approximately \$200,000.

Trustee Reinke stated that the revised plan for the intersection seems a little bit odd, making a right hand and then the immediate left hand turn. He asked if Mr. Coulter is familiar with any intersections with a similar configuration.

B. Coulter responded that he is familiar with locations that have side-by-side opposing left turn lanes, but with an intersection anchoring those lanes on either end, not where one breaks off in the middle and crosses the other lane. He stated that he is not aware of any other situation like that, but there may be.

Trustee Reinke stated that he would be curious to see how people react to such a shifting situation, and then to have to make a left hand turn across three lanes of oncoming traffic seems like it would be an awful lot. He asked if it is Mr. Coulter's opinion that it would be safer to access the Brewster Creek center from Rt. 59 than to make that left hand turn lane.

B. Coulter responded that the way he would look at it is if we had the original design, you could make a right turn out of Brewster Creek into the dual left turn lanes and then make your U-turn at that point. The projected maximum queue, under the original design, is only 125 feet. More often than not, you're going to be able to make that maneuver into a lane that you can make a U-turn from. When you say access to and from Rt. 59, you have access going westbound making a right turn onto Stearns, you have access going southbound from the dual left turn lanes, you have access going eastbound which takes you just prior to entering Rt. 59 itself to make your U-turn. The dual lefts and U-turn capability has become a very common IDOT design feature at major intersections throughout the region, throughout District 1.

Trustee Reinke stated that his situation is the opposite of Trustee Shipman's. He stated that he is usually headed through the intersection northbound on Rt. 59. It seems incredibly hazardous if you want to go to Walgreens, you're not going to make a right hand turn onto Stearns and then make a left hand turn into Walgreens. He stated that he would turn into the property off of Rt. 59 north of the intersection.

B. Coulter explained that he made that comment in a memo to staff. He stated that he couldn't quite get a handle on why the emphasis on a left turn in from Stearns Road, because you have access on Rt. 59 itself.

Trustee Reinke asked why we have to have a left turn in.

B. Coulter responded that he was not involved with IDOT and the County as they developed the modified plan. You do have a daycare center east of the Brewster Creek access which could still have its own left turn access just prior to entering the left turn lane for Braintree.

Trustee Shipman commented that it seems like it is more the left out turn; not so much turning left in. The concern with everyone is making the left out of Brewster Creek; that's where this is all coming from.

B. Coulter agreed.

Trustee Reinke stated that in looking at the revised plan, he sees it as a solution to a problem that isn't necessarily there. It's the left out that is the problem, not the left in because there is other access.

B. Coulter stated that an option would be to take the eastbound left turn lane, closest to Rt. 59, and just stripe it diagonally so that a vehicle coming out during the off peaks still has an area to stage their left turn prior to turning eastbound onto Stearns Road.

Trustee Martin stated that he asked that question and was told that it could not be striped.

J. Plonczynski commented that the design is what the County proposed.

Trustee Carbonaro asked what the current striping is on Stearns Road.

B. Coulter stated that there is a left turn lane and two westbound through lanes separated by a double yellow center line, then lane lines.

Trustee Carbonaro asked if you are allowed to cross over the double yellow line.

B. Coulter responded that as a matter of practice, it varies from community to community.

Trustee Reinke asked to circle back and talk about the elimination of that second left hand turn lane off of Stearns onto Rt. 59. We are losing a left hand turn lane to head south. Maybe it's not a problem today, but when you look at the numbers for the future, are we

going to need that left hand turn lane. Are we going to have an unintended consequence by eliminating that left hand turn lane heading south on Rt. 59?

B. Coulter responded that the dual left turn lanes on all the approaches to Rt. 59 are there for safety and there's also a capacity benefit to them. You can move more vehicles through with two lefts than you can with just one left. Under the revised or modified plan that you have been looking at, the level of service on the east leg of Stearns Road goes from E, (report card grades with A being very good, D not so good, and E is considered a design exception, and F is waiting through more than one signal cycle) to F on the revised plan. The queuing goes from 125 feet to 265 feet westbound left turns. This is all information that is on IDOT's intersection design study and capacity analysis.

Trustee Martin stated that Mr. Coulter participated on the Norwood study with people cutting through Braintree. He asked if the car counters were placed on the north part of Norwood counting those coming into Braintree versus how many were coming off of Stearns.

B. Coulter responded that we have the benefit of the original police traffic counts, some of which were done during the construction period. Also during the time of observing Stearns from Brewster Creek to Braintree doing the counts at Braintree, there were independent counts at Braintree and Stearns which gave a volume for several of the peak hours of the day. They were pretty similar to what the police were reporting – maybe a little less, but in the same order of magnitude. The additional step that we did in terms of trying to estimate the amount of cut through traffic on Braintree, was to actually follow vehicles from Stearns Road through to Rt. 59. There's a spot at the corner of Norwood and Braintree where you can physically see Rt. 59 at Norwood and physically see Braintree and Stearns. On the basis of those observations, it was roughly 40% of traffic on Braintree originating from the commercial area.

Chairman Camerer invited people from the audience to address the Board and Mr. Coulter with questions or comments.

R. Lewis, 868 Braintree Lane, asked the residents on Braintree that are present to stand so the Board can recognize them. He stated that he is representing all of the residents. He commented that it is approximately two years to the day when he came to the Board discussing the opposition the residents had to the new Walgreens being built on the corner because of the increased traffic on Braintree. We had said if something could be done about the traffic cutting through the neighborhood, we'll stop kicking and screaming about the new Walgreens. Now there are three options that have come up at this point. The first is with the barrier median and the inability to turn left out of there, it increases traffic and almost forces traffic through Braintree. If we go with the revised plan with the no left turn out, it forces traffic through Braintree. If you remove the barrier and still allow left hand turns out of there, you are now cutting across five lanes of traffic to turn left. That is going to force traffic down Braintree. Every single solution that we come up with does nothing to reduce the traffic on Braintree, but does everything to increase the traffic cutting down Braintree. It seems clear that the traffic light on Norwood is a wonderful solution. It's needed at Norwood and Rt. 59 along with closing the intersection. The cost is significant and that is understandable, but if you look at the amount of traffic that is

coming through this intersection, it's really the result of a lot of IDOT projects or other road projects that are forcing traffic through – the Stearns Road bridge for instance. Those things are increasing the traffic and placing a burden on the Village on the neighborhood and on the shopping center. It's the residents of the entire region that is benefitting by having this access through the intersection. It seems that in terms of cost, it sounds IDOT has talked about this and should be involved in helping pay for it and should be part of this overall intersection plan including the traffic light. However, if that were not to occur, hopefully the Village will do the right thing and the right thing is really quite obvious at this point – do whatever it takes to solve this issue once and for all.

D. Cortesi, 707 Fairview Lane, resident and general partner of Brewster Creek, stated that when IDOT first proposed the intersection improvements, we were well along with the Walgreens project and negotiated in good faith with Walgreens and showed them how the access would come in. Any access off of Rt. 59 would force a complete circling of the building onto the driveway and come to the north. When IDOT first made their proposal, someone from the Village said they would never do that to the residents or the commercial properties. He gave IDOT and DuPage County credit for working with him to come up with a reasonable compromise. IDOT's concerns are traffic and safety and businesses are way down on their list, but the businesses have to be considered also. He stated that he agrees with Mr. Coulter, that it is an improvement over a situation that has existed for 24 years. He commented that the U-turn situation is way off the wall. All of the tenants of the shopping center could have attended the meeting, but he stated that he did not want to see a riot. We strongly encourage the Village to accept the compromise which works for Brewster Creek, although it is deteriorating the situation somewhat, but far better than the original proposal by IDOT. The light at Norwood would be wonderful and strongly support the compromise. As Mr. Coulter said, it can always be taken further in the future.

S. Rouse, 838 Braintree Lane, agreed that part of the proposal should include the traffic light at Norwood and also blocking east on Norwood, blocking the traffic cutting back in through Norwood and Braintree. Norwood and Braintree are residential streets; they are narrow streets, not curbed, and there is a lot of traffic running down through there. It's barely enough for two cars to go through there. If there are guests and they park on the street, traffic has to stop to go around through there. Increasing the traffic through there is very dangerous. Additionally, when you talk about cut through traffic, cut through is not someone trying to get somewhere because they have no other alternative – there are alternatives. Cut through traffic is meant to get somewhere faster and that's what's happening. They are coming down Braintree, shooting a quick left onto Norwood and it's a dangerous situation. Most of the people in the neighborhood have children and again, these are uncurbed narrow streets and it's putting business traffic into a residential area.

Trustee Shipman asked Chief Williams if he would be able to get some statistics relative to crashes at the intersection and incidents occurring in and out of Brewster Creek. He stated that he would like some information from IDOT on whether they are in on the Norwood light project and what the costs will be to the Village. If the light is going to be considered as some possible alternative, the Board is going to need more than "abouts" and "maybes".

Administrator Salmons responded that staff will get that information.

Trustee Martin asked if Norwood is striped – two lanes, one turning south, one turning north, is that going to mess up the flow in the morning when people are getting their donuts and coffee. We don't have enough for four lanes.

J. Plonczynski responded that there may need to be more improvement on Norwood to provide that access out, going northbound and maybe southbound, if the signal goes in. There is some potential change at Norwood Lane as it exists onto Rt. 59 if the signal is allowed.

S. Rouse, 838 Braintree Lane, stated that there is one other consideration. The area is really developing and we are forgetting about the fact that Dominick's is empty. Sooner or later there will be a tenant at that location and that exit is straight into Braintree also, so that is going to complicate things. The old Walgreens is still vacant, so we know there is going to be continual growth in that area.

President Wallace arrived at 8:19 p.m.

There being no further comments or questions, Chairman Camerer stated that the item will be brought back for further discussion.

President Wallace thanked Trustee Arends for chairing the meeting and apologized for his delay in arriving at the meeting.

FINANCE COMMITTEE

Major Revenues Update

Chairman Reinke asked Finance Director Jeff Martynowicz to review the agenda item.

J. Martynowicz explained that in the Governor's budget address, he proposed reducing LDGF, the income tax that the Village receives from the State, from 8% down to 40%, which essentially reduces the Village's income tax by 50%. A 50% cut to the Village's income tax would mean \$2,062,500 in revenue that is currently budgeted on an annual basis. The current proposed budget, because the Governor's proposal came in a little later, does not propose any reduction in services or any cuts to make up for the potential loss of the \$2 million. We will continue to work with the Illinois Municipal League, our conferences of governments, and our lobbyists to work through the State's budget process and work with the mayors and administrators of other municipalities to make sure that we don't receive such a hit. Secondly, as far as what the Governor proposed that would affect Bartlett, is that he proposed freezing property taxes over a two year period. It's unclear whether the freeze to property taxes would freeze levies needed for increased pension or the repayment of debt service. However, over the last several years, we have cut \$750,000 to our corporate property tax levy, but if the Governor's proposal on property taxes goes through, it will mean that property taxes would be frozen at that level and we would not have an opportunity, at any time in the next two years, to make up for the reduction in property taxes. The good news is that the proposed budget is budgeted to

be flat. If it did happen, it really wouldn't affect Bartlett, but it would freeze us. It is anticipated that when we go into the levy process in December, we will continue to have a flat levy from the prior year. He stated that the Governor's proposal is daunting and scary. Many agencies throughout the State are having to deal with the cuts. We have been successful for many years making sure that LGDF has not shifted back to the State, but we just don't know at this point if that will happen or how much will be cut and shifted.

Chairman Reinke stated that in past years, there have been proposals before the General Assembly to cut the LGDF. He asked how many proposals have there been in the last past sessions.

J. Martynowicz responded that it has been about three years. We have been hearing that this may be a starting point for discussions.

Trustee Shipman asked if the Governor gets everything that he wants and cuts the Village's share in half, is it fair to say that Bartlett is still okay.

J. Martynowicz explained that we would cut obviously; our fund balance is strong; we could survive it for a couple of years, but by no means could we keep going down that route of not receiving that money. We would have to keep making cuts to make up for the \$2 million loss that would occur each year.

He explained that the second part of the major revenues update is where we were at when the utility tax was implemented in 2012. Mayor Wallace requested staff look at the Village's economic condition at the time the utility tax was implemented. At that time, it was during a recessionary period where we weren't recovering. We were experiencing a structural deficit of over \$1 million annually. In the prior three years before 2012, we did cut out \$2 million out of those budgets over a three year period. Several positions were left open as they currently are today. Vehicles and capital outlay equipment were deferred. The non-union pay plan was cut back by quite a bit and in one of those years, the non-union did not receive an increase. Transfers to the internal service funds, from our general fund, were suspended. All of those cuts came with no decreases to our service levels where the prior Village Board was very concerned about service level cuts. We discussed it quite a bit back in 2012. The Board was concerned about our reliance on our fund balance. For years, we had used a half million from the General Fund and a transfer from the Developer Deposits Fund of \$350,000 to help balance the budget. In 2012, it was projected that if we kept using the fund balances, where revenues would keep decreasing, by 2014-15 we would be running an annual deficit of \$1.8 million and the General Fund would drop to \$5.7 million which would be below our policy levels. At that time, staff provided the Board a number of different options that included again the use of fund balance and transfers. An increase was proposed to the vehicle sticker program. We proposed increasing the sticker from \$15 to \$30 and we also proposed a utility tax. Ultimately, the Village Board did eliminate the vehicle sticker and implemented a natural gas and electric tax that generated \$1.6 million annually and helped get us out of the structural budget deficit. The Board, at that time, also concluded that all of Bartlett's surrounding communities have the utility tax. That is an overview of what was discussed in 2012 and how the utility tax was implemented.

He explained that Mayor Wallace also asked for a review of the major revenue sources in the General Fund. The major revenue sources were evaluated over a ten year period which included the time of a deep recession. The major revenues are classified as property tax, sales tax, income tax, local use tax, telecommunications tax, real estate transfer tax, building permits and interest income, which at one time, interest income was a significant revenue source to the General Fund. Major revenues did increase \$772,440 or 5.09% from FY 05/06 to FY 12/13, the year in which the utility tax was implemented. Annualized over that seven year period, it came out to a .72% increase per year. Major revenues from FY 05/06 to the current proposed budget increased \$677,704 or 4.46% in a ten year period or .44% annually. Major revenues from FY 12/13, the year the utility tax was implemented, to the current proposed budget, decreased \$94,736 or .59% and that is directly attributable to the property tax reduction that we implemented. The most pressing issue we were facing back then was the severe decline in three revenues sources – building permits, the real estate transfer tax, and interest earnings. Pre-recession revenue from those three areas generated a total of \$3,355,591. By FY 12/13, these revenues generated only \$955,247. The total percentage decrease when the utility tax was generated was 71.5%. Our proposed FY 15/16 budget for the three revenue sources is \$1,205,000. This represents a 64% decline over the ten year period. That is a background of how we started with the utility tax, how we analyzed it, and what the projections were going forward.

Trustee Camerer asked what the difference was of the annual vehicle sticker revenue compared to the utility tax revenue.

J. Martynowicz responded that we generated \$1.3 million.

Trustee Camerer clarified that the revenue was substantially less from the vehicle stickers.

J. Martynowicz explained that is why the increase in vehicle stickers was proposed, which hadn't been done.

President Wallace asked if you don't pass the utility and you keep pulling out of the General Fund, after all the cuts are made that could possibly be made to maintain service levels, what happens to the bond rating. How long would that have to go before it would be detrimental to the Village?

J. Martynowicz responded that it became an issue. It was discussed with the Board that the General Fund balance that isn't at a level dictated by policy, which is generally 25% of your operating expenses, that Moody's does not look favorably towards that. It was discussed and whether or not Bartlett would get a downgrade because of that, it's unclear. When we went to issue the 2012 bonds, it was a factor in keeping our bond rating because the utility tax was implemented.

Chairman Reinke stated that it's not like Moody's is only looking at the utility tax. It shouldn't make a difference to them whether we have a utility tax or not. The issue for them could be our credit worthiness is expressed by our revenue. Do they look into our expenditures?

J. Martynowicz responded yes. When we went out for our 2012 bonds, we made a presentation of how we were able to maintain our expenses and reserves. They liked the fact that our reserves were maintained at a certain level during the recession; they liked the fact that our pension funds were well funded at that time.

Chairman Reinke clarified that some of our reserves are in excess of the maximum.

J. Martynowicz responded that is correct. The previous Board, because they were in office during the deep recession, wanted that reserve there in case we wound up with a double dip recession.

Trustee Martin recalled that the Village saved \$500,000 in interest because of the road bonds and the Village's rating.

President Wallace stated that one of the reasons he specifically asked for the economic information is because the utility tax has been a hot topic the last few meetings and no one likes to pay taxes. But, you really need to take a look at if things have come back enough to warrant eliminating it at all or eliminating it somewhat and now the new Governor's proposal. He stated that he disagrees somewhat that it has been talked about for years because the Governor has pretty much tipped his hat on it. It is important that we make a wise decision here so we don't have to go back to robbing out of the operating fund and try to figure a way out of that.

J. Martynowicz stated that we are seeing increases to the real estate transfer tax and building permits, but they are not anywhere near the FY 05/06 levels.

President Wallace commented that many would argue that won't come back; not to that level.

J. Martynowicz stated that the more we're developed, the less we are going to get for those types of revenues.

Utility Tax Reduction

Chairman Reinke suggested a discussion regarding the utility tax reduction, to the extent that it is a separate issue. He referred to the staff memo outlining two different options for phasing out the electric utility tax. He asked Finance Director Jeff Martynowicz to review those options.

J. Martynowicz explained that he and Administrator Salmons looked into the issue and focused on the electric utility tax being cut. The amount that would generate is \$606,000 annually. We developed two options:

Option One – Phase out the electric utility tax over two years:

- Implement changes to the personnel benefit program – Savings of \$271,671
- Cap all Village vehicle purchases to \$400,000 per year and reduce transfers from General Fund to Vehicle Replacement Fund – Savings of \$200,000

TOTAL SAVINGS: \$471,671

Option Two – Eliminate the electric utility tax in one year:

- Switch medical insurance plan from full insured to self-insured – Savings of \$300,000
- Freeze personnel costs – Savings of \$192,766
- Cap all Village vehicle purchases to \$500,000 per year and reduce transfers from General Fund to Vehicle Replacement Fund – Savings of \$100,000

TOTAL SAVINGS: \$592,766

Trustee Camerer asked if that would put us in a deficit budget of some sort.

J. Martynowicz responded no.

Chairman Reinke stated that the utility tax has been an issue that has been discussed internally since the entire time he has been on the Board. He stated that he is very disappointed in the proposals. We have been talking about this for two years and we are presented with two little proposals. Both options hang their hats, so to speak, on the health insurance which is another issue that is disappointing fundamentally, and that we have not communicated very well with the employees. He stated that we have not communicated to them, effectively, that 1) they are valued and 2) that we are trying to reduce costs without making them bear that cost necessarily. We are trying to change the plan and preserve benefits, and that has not been communicated very well. He explained that one of the unions have taken issue with that and that's fine, but we need to improve our communications in that regard. The intent isn't to reduce the utility tax and put that on the back of the employees. We have that health insurance issue that we are still talking about, so seeing Option Two – the self-insured program – we don't even know if that's viable and possible as part of Option Two. That is part of the reason for being disappointed in the proposal. There has to be other ways to talk about eliminating or reducing the utility taxes other than the two dimensions – the health insurance and the vehicle purchases.

Trustee Arends and Jeff asked Chairman Reinke if there are any suggestions.

Chairman Reinke stated that the proposed budget has 8.33% more expenditures than in previous years so there is plenty that can be cut out.

J. Martynowicz explained that a lot of the increase was for capital outlay and capital improvements in the Water and Sewer Fund.

Chairman Reinke stated that there are capital expenditures that need to be looked at closely.

J. Martynowicz commented that the expenses in the General Fund are less than 1%.

Chairman Reinke stated that if you are trying to tell the Board that the LGDF is going to be cut in half and we have to make cuts, then we have to make cuts. The cuts are going to have to happen, so let's get started on that.

Trustee Arends stated that the cuts are going to happen only if we decide to eliminate the utility tax.

Chairman Reinke responded no, not at all. There is a great deal of confusion. It's like a loop – we talk about the health insurance, we talk about vehicle replacements, and now we are talking about the LGDF, even though it has been an issue for years. It's confusing the issue. As a Board, we have to take this budget and we've got to make it our own and pare down some of the things that are included in it, even if that means some things that we necessarily don't want to do. He stated that he is looking forward to the budget cycle so the Board can get that done.

Trustee Martin asked if any of the change in healthcare were already in line because we have to get in step with Obamacare. We have to do a couple of changes anyway.

Administrator Salmons explained that there are changes that we discussed with the Board last fall and the ones that we have talked to the employees about, we haven't implemented. Importantly, the changes that we are looking at are not union oriented; we don't have to negotiate those contracts so we are able to implement them across the board.

Trustee Martin stated that he agrees with Trustee Reinke that it shouldn't be on the backs of our employees.

Trustee Shipman stated that we should not saddle anything on the backs of the people that do the work here because we don't build cars, we don't cut people's hair, we don't manufacture shoes.....we provide service. We as residents and elected officials demand a lot from the people that work at the Village and we demand a very high level of service and have always said that. That requires a certain type of person to work in this Village. When you start messing around with the benefits and their pay, that at least gets them to look at you over the top of their reading glasses with one eyebrow raised, or perhaps a lot worse. He stated that he does not like the option of minimizing the contribution the employees provide in order to eliminate the utility tax. If the other option is we can't eliminate the utility tax for a year, then that's a horrible thing for those of us who are elected, but that just may be the way it is for a year. He stated that he agrees that we can find some things to cut out in the proposed budget.

Trustee Martin stated that we don't necessarily need to eliminate it in two years; we can do it in four or five years if need be, without cutting benefits.

Chairman Reinke stated that the onus is on the Board just as we expect the employees to work super hard, the onus is on us. We are going to have to come to the next couple of meetings and start cutting stuff – do the hard work. They do the hard work, now it's our turn. He stated that he is looking forward to that.

President Wallace added that he agrees with a vast majority of what the Board has been saying, however, there is reality. Healthcare isn't a new subject; it's been an ongoing subject for three years and everybody that has a job has heard from their employer something to do with their healthcare coverage that it's going to be changed or tweaked or worse or better. It's such a complicated, convoluted system right now that everyone

get nervous, but we have to face it; there is going to be changes in healthcare. It's not as good as it used to be or maybe it's better for some and worse for others, but there is meat in the proposed budget that can be trimmed back. In order to maintain the service level that we are requiring, with the cuts that we've already made, we need to make sure that the employees are very happy.

Administrator Salmons stated that the focus was, and we had given you that information about the positions that we continue to rotate and keep open, and saving nearly \$600,000 a year with open positions, the focus was not to keep any more open positions and not to lose any employees. We decided to look in that area. She stated that she agrees with Trustee Reinke that it will be good to go through the proposed budget and see if we can come up with \$600,000 additional beyond what we are looking at now.

President Wallace stated that it is a good compilation from what Trustee Shipman and Trustee Martin said – if you don't find it, you don't, but if you find half of it, it's a start. The perception is that general residents just want to make sure that the Village isn't collecting more than we need. If we trim \$300,000 and stop collecting \$300,000 on the utility tax, that makes sense. Then we can actually tell our neighbor that we did as much as we could. When we can say that, our job is done.

President Wallace entertained a motion to adjourn the Committee of the Whole meeting.

Moved by Trustee Arends
Seconded by Trustee Camerer

Motion carried.

President Wallace adjourned the Committee of the Whole meeting at 8:49 p.m.