



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
March 6, 2018**

President Wallace called the Committee of the Whole meeting to order at 6:00 p.m.

PRESENT: Chairmen Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke and President Wallace

ABSENT: None

ALSO PRESENT: Village Administrator Paula Schumacher, Assistant Village Administrator Scott Skrycki, Finance Director Todd Dowden, Information Technology Coordinator Chris Hostetler, Public Works Director Dan Dinges, Public Works Engineer Bob Allen, Community Development Director Jim Plonczynski, Building Director Brian Goralski, Grounds Superintendent Kevin DeRoo, Head Golf Professional Phil Lenz, Food & Beverage Manager Paul Petersen, Police Chief Patrick Ullrich, Deputy Chief Geoff Pretkelis, Deputy Chief Chuck Snider, Village Attorney Bryan Mraz and Village Clerk Lorna Giles.

FINANCE & GOLF COMMITTEE, CHAIRMAN DEYNE

1. 2018-19 Proposed Budget Review

Finance Director Todd Dowden opened by welcoming all in attendance and introduced the 2018-19 proposed budget presentation.

Please refer to the attached presentation.

Finance Department

Finance Director Todd Dowden stated that the Finance department consists of accounting, utility building, information technology and the main office. They do the financial reporting, accounts payable, payroll, budget and the audit.

He stated that the water billing clerk's are charged to Water and Sewer but work within the Finance department. They work with public works, billing, collections, scheduling service orders and also process the transfer stamps. Information Technology is part of the Finance department and they handle all the computers, telephones, office equipment and work a lot with the Police department. The Main Office answers the phones, registers parking tickets, process all the parking permits for the Metra lot as well as contractor and business licenses.

The overall budget is up 19%, mainly because they are showing a transfer to the Municipal Building Fund. Personnel is down 32% since the Human Resources employees are moving to Administration. They have one accountant position that was not filled last



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year and will not be filled this year. They are trying to enhance public awareness to the Main Office with new residents. They are also looking at new things in the Bartletter to continue to help residents understand what is going on. Fiscal stability is another goal as well as increasing the standards of service. As far as long-term goals, they have the village-wide technology plan. Highlights include the installation of the new phone system as well as the refunding of the fire station bonds in which they saved over \$260,000 over the next 10 years. They are not requesting any new personnel and have no items under Capital Outlay. His Professional Development has remained the same as well as Professional Association.

Chairman Reinke asked if he found the conferences useful.

Mr. Dowden stated “yes”, they usually have a financial track. They discuss Government Accounting Standard Board’s rules and get valuable updates. A lot of pension issues have been the hot topic and he is required to do continuing education. The networking is also very valuable.

Central Services

Information Technology Coordinator Chris Hostetler began his review of the Central Services budget and stated that it funds the items that can’t be easily attributable to any individual department. These include: janitorial services, elevator maintenance agreements, printing of the Bartletter as well as Information Technology.

They have no Personnel requests. Capital Outlay includes the following: 1) Storage Area Network and data switches (\$46,000); 2) Virtual Server hosts, operating systems, SQL server and data switches (\$57,000); 3) Servers for Active directory and Public Works (\$15,000); 4) Backup and disaster recovery system (\$40,000) **[Removed from request]**; 5) Microsoft Exchange Server (\$15,000); 6) Replacement desktop computers (\$54,400) 7) Network security appliances (\$28,000); 8) 6-squad car video recording systems (\$24,000); 9) Copier for Police Department (\$20,000); 10) Projector for council chambers (\$20,000) **[Item not Funded]**; 11) Munis citizen and employee self-service portal (\$20,000).

Chairman Reinke questioned item 11. Would a resident be able to access the system to pay their water bills.

Mr. Hostetler stated “yes”, but they may not be able to look at their billing history. Munis developed a new water billing system which the Village did not purchase. In order to get the full functionality of doing the utility billing through this portal, we would need to migrate to the newer costly version.



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Chairman Reinke asked if this would eliminate the need to send out paper bills?

Mr. Hostetler stated that they could do that now. The question is whether or not they are ready to provide that and force residents away from paper bills.

Chairman Reinke stated that the current projector looks fine to him and he would like that deleted from the budget. The remainder of the Board agreed.

Mr. Hostetler stated that there were no changes to his Professional Development or Professional Association. Overall, his budget has been reduced 4%, due to the change in the capital outlay this year. There was an increase in the janitorial services to account for the larger Police Department. They reduced the costs for printing services since the budgets are being provided electronically.

President Wallace stated that the Board would adjourn the Committee of the Whole meeting and proceed with the regular Board meeting. At the conclusion of the Board meeting they would go back in the Committee of the Whole meeting and proceed with items 2 and 3 and if time allowed, they would go back to the Proposed Budget Review.

Chairman Deyne moved to adjourn the Committee of the Whole meeting and that motion was seconded by Chairman Hopkins.

ROLL CALL VOTE TO ADJOURN

AYES: Chairman Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke

NAYS: None

ABSENT: None

MOTION CARRIED

The proposed budget meeting adjourned at 6:54 p.m.

President Wallace called the Committee of the Whole meeting to order at 7:15 p.m.

PRESENT: Chairman Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke and President Wallace

ABSENT: None

ALSO PRESENT: Village Administrator Paula Schumacher, Assistant Village Administrator Scott Skrycki, Finance Director Todd Dowden, Information Technology Coordinator Chris Hostetler, Public Works Director Dan Dinges, Public Works Engineer Bob Allen, Community Development Director Jim Plonczynski, Building Director Brian Goralski, Grounds Superintendent Kevin DeRoo, Head Golf Professional Phil Lenz, Food



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& Beverage Manager Paul Petersen, Police Chief Patrick Ullrich, Deputy Chief Geoff Pretkelis, Deputy Chief Chuck Snider, Village Attorney Bryan Mraz and Village Clerk Lorna Giles.

Chairman Deyne stated that they have three items to discuss:

1. Proposed Budget Review – Will continue if time allows after items 2 and 3.
2. Home Rule Sales Tax/Utility Tax

Administrator Schumacher stated that nearly one year ago, at the Strategic Planning session, we discussed the limitations of relying on our fund balance reserves to balance our budget. The 2017-2018 budget had a planned use of \$400,000 from our fund balance. Using reserve funds is a common practice to weather short term economic downturns; however, this practice is not sustainable over time.

Taking a proactive approach, the Board asked staff to evaluate alternative revenue sources. One of the factors that makes this difficult is the State made a 10% cut to the Local Government Distributive Fund resulting in a loss of about \$400,000. That one-time draw back was amended in the Governor's budget proposal to become permanent - our budget reflects that and we anticipated that move from the State. The Board discussed the pros and cons of a food and beverage tax, increases to the levy, different home rule sales taxes that were available, and replacing the natural gas utility tax with the sales tax. The latest memo before the Board outlines all those deliberations that they have done over the past year and includes a suggestion to eliminate both the natural gas tax, utility tax and the electricity tax and replacing it with a 1% home rule sales tax. She thought this was a good combination that addresses the goals of the Board and stabilizes the budget going forward. It also has some potential for growth over the years and has a broader focus than simply just the residents.

Chairman Deyne stated that many months ago, he and Chairman Hopkins had a conversation about this. That is when he started looking at the utility tax, in-depth, finding out the amount of hours that staff puts into issuing the rebate checks. He was quite impressed that there was a way that they could eliminate this utility tax in its entirety and relieve the residents of the burden they currently have with it. He likes the 1% sales tax because it relieves the residents and doesn't rest exclusively on them. He thought that 1% was very fair and this will address some of the cuts happening in Springfield, plus we are still lower than other communities. What he likes most about it is the fact that it relieves our residents of the utility tax and anyone that visits the Village will share in this additional tax.

Chairman Hopkins stated that he agrees with some of those points. He thought utility tax was a burden on residents and he didn't think it was a fair tax. He thought that any way we could eliminate the utility tax is a good thing. He thought a 1% home rule sales tax is



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lower than the surrounding communities and he didn't think they would be talking about this tax if the State did not cut the revenue-sharing by over \$400,000 in a year.

Chairman Carbonaro asked if they put this 1% sales tax against our current sales from last year, do we know what kind of dollars this will bring in and will it offset the cost of the utility tax.

Finance Director Todd Dowden stated that with 1% they are estimating (\$1,600,000), subtracting the utility taxes (\$600,000). He believed it would be \$1 million to the positive. He stated that the State then charges a 2% handling fee.

Chairman Gabrenya asked how they went from having a conversation about the tax being .5% all the way up to 1%?

President Wallace stated that that the conversation with the .5% did not eliminate the utility tax. The 1% is a complete elimination of the utility tax and creating a use tax that people have a choice about.

Chairman Deyne stated that the .5% was basically a band-aid to shore up the budget. He did not want the Board to be in the same situation at the next budget time.

Chairman Gabrenya stated that the .5% was well within what the other communities are charging. She asked staff to reiterate what the other sales taxes were in surrounding towns.

Ms. Schumacher stated that most of our neighbors have a 1 to 1½% tax.

Chairman Camerer asked if they would come out approximately \$200,000 ahead by incorporating this 1% tax? The Village lost \$800,000 to the State, they would give back \$600,000 for the utility tax which equals \$1.4 million.

Mr. Dowden stated that the \$800,000 shortfall was last year's budget. There are proposed increases to the 2018/19 budget and that is where they got to the \$1.5 million shortfall. They budgeted to use a little over \$400,000 in last year's budget before the State made cuts. A \$500,000 shortfall is much more manageable with our current fund balance.

Ms. Schumacher stated that they can address that number in our spending year. They do a pretty good job managing the spending and she was not as concerned about the \$500,000. She felt that over the course of a year, they can manage that.

President Wallace stated that he thought staff was pretty conservative in their budget figures. He thought the housing permits were quite conservative and he thought they



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would have more revenue. He also thought they were conservative on the gaming revenues. He thought there was a \$300,000-\$400,000 swing in the revenues which would make him favor a .75% sales tax. He did not want to run into another situation like they had five years ago when the general fund was \$4 million over the maximum balance. He would rather have it well within the guidelines. He will hold the remainder of his comments until after the budget review is completed.

Chairman Reinke asked if the proposed budget assumes a 1% sales tax?

Administrator Schumacher stated that the proposed budget does not include any new revenue nor does it anticipate a reduction of the utility tax - it is status quo.

3. Water and Sewer Rate Review

Mr. Dowden stated that water and sewer rates were reviewed during last year's budget process and increased by 20% starting with the May 1, 2017 bills. The rate increases were mainly for capital improvements including a portion of the engineering costs for the Lake Michigan water transition and wastewater capital improvements. Water rates will need to be raised the next two years as construction associated with the Lake Michigan water transition is completed and loan payment schedules are finalized. Sewer rates are planned to be raised over the next three years for infrastructure improvements required at the wastewater treatment facility in DuPage County, the excess flow facility in Cook County, and for other rehabilitation projects throughout the collection system.

Water Charges

Based on the Water projects approved in the Capital Budget, a 27% increase in the water rate is proposed starting with the May 1, 2018 bills. This increase would generate an additional \$2,100,000 in revenue. The second year increase would be just over 21% to generate an additional \$2,100,000 during the 19/20 fiscal year. Costs related to the Lake Michigan water transition are expected to be \$29,050,000 during the 18/19 budget year. Payments on loans estimated to total \$28 million from the DuPage Water Commission will begin the summer of 2019. Additional loans from the IEPA for an estimated \$18 million are also expected to begin the year the project is completed. Annual debt service is estimated to be \$2.5 million. The water main replacement program, with an annual budgeted cost of \$1,275,000, and tower painting projects also contribute to the increases.

The fund's balance at 4/30/19 is estimated to be \$2,773,144, which is close to the maximum policy balance. The balance at 4/30/20 is estimated to be \$2,783,143. This would be \$151,517 over the minimum balance when including 25% of the annual debt service. On the next page is a chart that shows the impact of a 27% and 21.2% increase on the water user charge per 1,000 gallons. The total increase from the rate prior to the



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May 1, 2017 increase of \$6.36 to the proposed rate of \$11.76 per 1,000 gallons over the next two years would be \$5.40 or just under 85%.

Water Charge per 1,000 gal	Current	Proposed	Percent Change
Water Charge May 1, 2018	7.64	9.70	27%
Water Charge May 1, 2019	9.70	11.76	21%

President Wallace stated that there was some significant savings associated with the water line and he wondered if this was factored in.

Mr. Dowden stated “yes”, they have. That is why the total increase is only 85% and not doubled.

Public Works Director Dan Dinges stated that the transmission main had favorable bids and the routing had relatively low cost easements to be able to shorten the length. They are seeing a couple million dollars of savings there. The original loan estimate with DuPage Water had a \$20 million dollar loan for the transmission main. Right now that number looks to be closer to \$15 million.

Sewer Charges

Based on the Sewer projects approved in the Capital Budget, increases are proposed for the sewer rates to generate an additional \$1,130,000 of revenue. The 18/19 capital projects to be funded include the Devon Excess Flow Facility, sewer rehabilitation program, lift station upgrades, and improvements at the Bittersweet WWTP. Three years of rate increases, generating an additional \$1,130,000 each year, will be required to meet estimated loan payments on the \$8 million Devon Avenue project, IEPA debt service on \$25 million related for the Bittersweet WWTP project, as well as the ongoing rehabilitation programs.

In the proposed rates, the Devon Avenue project is being funded by Cook County, Bittersweet WWTP and the 2014 IEPA loan for WWTP improvements are being funded by DuPage County. Fund operating cost as well as the system wide rehabilitation program will continue to be funded at same rate as prior years. The fund cash balance at 4/30/19 is estimated to be \$567,211, including a \$700,000 cash transfer from the Developer Deposits Fund in exchange for a loan due from the 59 & Lake TIF Fund. The balance is projected to be under the minimum policy balance by \$345,934. Below is a chart that shows the impact of the first year increase on the sewer flat charge and user charge per 1,000 gallons.



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	Cook County			DuPage County			Kane County		
	Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Flat Charge	11.05	13.71	24%	13.02	16.94	30%	11.05	11.94	8%
User Rate	0.92	1.14	24%	2.33	3.03	30%	0.92	0.99	8%

Below is a chart that shows the impact of the proposed changes on a monthly bill for 6,000 gallons of water with a 27% water and sewer rate increases. The total monthly increase is \$16.34 per month in Cook County, \$20.48 for residents in DuPage County, and \$13.67 for the Bartlett portion of a Kane County bill.

Impact of increase on Monthly Bill									
	Cook County			DuPage County			Kane County		
	Current	Proposed	Change	Current	Proposed	Change	Current	Proposed	Change
Water 27%	45.84	58.20	12.36	45.84	58.20	12.36	45.84	58.20	12.36
Sewer	16.57	20.55	3.98	27.00	35.12	8.12	16.57	17.88	1.31
Total	62.41	78.75	16.34	72.84	93.32	20.48	62.41	76.08	13.67
	Percent Change		26.2%	Percent Change		28.1%	Percent Change		21.9%

President Wallace reiterated by saying that they chose these rates when they originally chose the water program - there is nothing different.

Mr. Dowden stated that they talked about the water rates doubling and it was published in the newspaper.

Chairman Reinke stated that it seems like these proposed rates fit squarely with the estimates that they received in 2015/16 for what the projected rates would be.

Administrator Schumacher stated that she overstated Chairman Gabrenya's question about the neighboring communities and their home rule sales tax. Hanover Park, Carol Stream and West Chicago are at .75% and they all have the utility tax on top of that with some having a gasoline tax.

Chairman Deyne stated that they will now go back to item #1, 2018-19 Proposed Budget Review.

Chairman Reinke stated that he wanted it to be clear, when they discussed the finance proposed budget, he proposed that they strike the \$20,000 projector for council chambers. There were no objections from other Chairmans.

President Wallace asked for the projected numbers for building permits, both residential and commercial at the next meeting. He wanted to get an understanding of how many



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residential units they anticipate. He would also like to see the number of houses that are for sale in Bartlett so they can project the total number of transfer stamps revenues.

Golf

Head Golf Professional Phil Lenz stated that they are a full-service 18 hole golf course and banquet facility. They have averaged about 33,500 rounds over the last five years. They host just about every charitable ongoing related to the village and many golf outings, tournaments, leagues, full-service practice facility, restaurant, golf stimulator in the wintertime. They have an 8% revenue increase over last year. They plan on being very aggressive with their digital marketing, Facebook and a user-friendly website.

They are not requesting any new personnel. They are requesting the following Capital Outlay requests: Clubhouse roof (\$55,000), Security cameras (\$25,000), Bridal suite (\$10,000). His Professional Development and Professional Association remains the same.

Chairman Hopkins asked if they have had any vandalism where we need to spend \$25,000 on security cameras?

Mr. Lenz stated that they have had some issues with clubs being stolen over the years and it would make them much safer since it is very dark in the parking lot.

Administrator Schumacher stated that they had the Police Department's Environmental Crime Prevention Team analyzed the golf course and they gave recommendations on lighting and security cameras. They have had some vandalism, petty theft and some larger things with golf clubs. They want the customers to feel like they can leave their equipment out and not get ripped off.

Mr. Lenz stated that they have had the halfway house broken into as well as the shelter that was set on fire.

Chairman Reinke stated that they once again have done a nice job at Bartlett Hills.

President Wallace stated that he has only heard rave reviews regarding the golf course. He questioned the large increase in the employee group insurance costs. He asked if they were adding more full time employees and asked for an explanation.

Assistant Village Administrator Scott Skrycki stated that part of the increase seen in the group health insurance is due to an acquisition of an employee during the mid-year. Grounds Maintenance lost two employees and they were replaced by one employee.



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President Wallace stated that he would like to see the total amount of salaries (combined) for the golf course and the total amount of the group insurance.

Mr. Dowden stated that the Summary page, under Personnel Services has the salaries and benefits totaled.

President Wallace stated that they had an issue in the past with the golf course's profitability and he did not want it to trend that way.

Grounds Superintendent Kevin DeRoo stated that his Capital Outlay includes a Sprayer (\$31,000); Tri-plex mower for banks and rough (\$32,000); Parking lot lighting (\$14,000); Maintenance utility vehicle (\$9,500). Professional Development includes his new assistant who would like to get involved in some of the local and national organizations. His Professional Association detail remains the same.

Chairman Deyne stated that the comments he has received from golfers at Bartlett Hills as well as himself, and the job that he does, with the limited staff, the course is always in great shape. His entire group should be extremely proud.

President Wallace asked if his new assistant is a transition type of position where he is trained and learns the course.

Mr. DeRoo stated that this is a career choice for him. He wants to go into this business and stay there as a career. He has recently lost two senior grounds maintenance workers within two months last spring. They had been with him for over 20 years, but to them it was just a job and not a career.

Chairman Gabrenya asked about the parking lot lights and asked if it was logical to change these lights to LED once they burn out since they are so expensive.

Mr. DeRoo stated that is something they could look into but the feasibility of having a contractor do that is going to drive the cost up. What you are going to be saving on the front end will be spending on the back end.

Chairman Hopkins asked if this is something they will bid out or just hire a contractor.

Mr. DeRoo stated that it will not go out to bid but they will acquire several quotes.

Chairman Hopkins asked if this was something Public Works could do?

Chairman Reinke asked about the Golf Course Superintendents Association of America and asked if this \$400 would be a reoccurring expense.

Mr. DeRoo stated that they could do it annually or semi-annually.



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Food and Beverage Manager Paul Petersen stated that for the Restaurant, he had no additions to Personnel and will not be requesting to fill the Sous Chef position this year. They may have to hire an hourly Cook but it will save money. Capital expenses and his Professional Development remained the same as last year. He stated that his line items in Food & Beverage Restaurant are down about 3%. Food and Beverage for Banquets had no Personnel. Capital Outlay is requesting a Double Convection Oven (\$7,500). His Professional Development remains the same. Midway had no Personnel or Capital expenses. Midway is up about 2%, Banquet sales are up about 7% and Restaurant sales are steadily increasing.

Chairman Deyne stated that he has had a lot of comments regarding the food that is being prepared. Typically some of the other clubs that he visits in the area are considered "golf course food" (not the best in the world). Since Dustin has taken over, the food has been spectacular. They had the Rotary Club there the other night and it had rave reviews. He encouraged everyone to try the fish fry on Friday night because it is outstanding. With the changes that have been made at the golf course, he is honored and privileged to say that Bartlett Hills is an asset to this community. He thanked the staff for the services they provide.

Chairman Carbonaro stated that he agreed.

President Wallace stated that he attended the fish fry last Friday and they had a 20 minute wait for a table - it was packed.

Mr. Petersen stated that they had 174 people, they went from 90 to 100 to 174 that night.

President Wallace asked why the bank charges went up.

Mr. Lenz stated that the amount of people paying with a credit card has grown exponentially and they take in very little cash.

Chairman Camerer asked how often they were evaluating the bank fees?

Mr. Lenz stated that the software they use only has a couple of options that the software interfaces with, so they are a little bit limited.



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There being no further business to discuss, Chairman Camerer moved to adjourn the Committee meeting and that motion was seconded by Chairman Hopkins.

ROLL CALL VOTE TO ADJOURN

AYES: Chairmen Camerer, Carbonaro, Deyne, Gabrenya, Hopkins, Reinke

NAYS: None

ABSENT: None

MOTION CARRIED

The meeting adjourned at 8:12 p.m.

Lorna Giles
Village Clerk