

MINUTES OF MAYOR BRAUN AND BOARD OF TRUSTEES ON DECEMBER 17, 2018
THE VILLAGE OF FLOSSMOOR, ILLINOIS.

VILLAGE HALL

DECEMBER 17, 2018

7:30 PM

Mayor Braun called the meeting to order at 7:30 p.m.

Mayor Braun directed the Village Clerk to take roll.

PRESENT: Mayor Braun, Trustees Driscoll, Hoag, Minga, Mitros, Wilder and Williams

ALSO PRESENT: Bridget Wachtel, Village Manager; Andrew Costa, Village Attorney; Allison Deitch, Assistant Village Manager; Mike Pulec, Police Chief; Chris Sewell, Fire Chief; Scott Bordui, Finance Director; John Brunke, Public Works Director; Joni Bradley-Scott, Village Clerk; No Citizens

APPROVAL OF THE MINUTES OF THE MEETING HELD ON DECEMBER 4, 2018

Mayor Braun asked the Board if they had any changes or comments.

Trustee Wilder so moved, seconded by Trustee Mitros, and passed by voice vote.

AYES: Trustees Driscoll, Hoag, Mitros, Wilder and Williams

ABSENT: None

ABSTAIN: Trustee Minga

NAYS: None

CITIZENS PRESENT WISHING TO ADDRESS THE BOARD

Non-Agenda Items:

None

BOARD OF TRUSTEES' AGENDA ITEMS

Mayor Braun referred to Item #1 on the Agenda – Presentation of the Five Year Financial Analysis (FY2019-FY2023)

Bridget Wachtel, Village Manager, presented on the Five Year Financial Analysis (FY2019-FY2023). The purpose of this plan is to analyze the General Fund's operating revenues and expenditures over the next five years in an effort to financially plan long-term. The plan was first conducted in 2006 and has been a significant component used by the Village Board in charting financial strategies. The study has been completed six times since and was last updated in 2016 (Fiscal Year 2017). Although many communities, including Flossmoor, have been affected by the challenges of the economy as evidenced by property foreclosures, bankruptcies, job loss and the recession as a whole, the impact to Flossmoor has been manageable, largely due to a combination of actions such as successful referenda, delayed expenditures, consideration of adjustments to financial policies and fee adjustments as a result of analysis such as this one.

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Past analyses were reviewed. The most recent analysis in 2016 showed a grim picture with operating deficits beginning in FY 17, accelerating in FY 18 and causing fund balances to reach distressed level by FY 20.

One of the identified strategies was approving the non-home rule sales tax which was approved March 2018. The non-home rule sales tax referendum ended up being a successful endeavor for the Village. The FY 19-23 Five Year Financial Analysis includes the non-home rule sales tax revenue. FY 20 will be the first full year the new revenue is realized. The numbers are positive, but still falling a tad short of projections. We do expect it to positively impact the budget moving forward, reducing the operating deficit to approximately \$140,000 to \$160,000 until FY21. The General Fund is not projected to be distressed until FY 23. The non-home rule sales tax will be a successful stop gap.

There are several factors in this analysis. We are seeing increased operating costs attributable to personnel costs (two police officers and two fire captains). They are factored into the analysis and into the projected pension costs. There are a few revenues expected to decline or be eliminated going forward and those were reviewed in detail. In each case, the elimination of these revenues was with a mind toward conservative financial planning.

Discussion ensued about the cell tower contracts. Trustee Williams asked the anticipated amount received from cell towers. Mayor Braun asked if contracts were ending, and if there is uncertainty on the towers being renewed. One of the cell tower contracts is up for renewal and the amount received is about \$50,000. Trustee Mitros was interested in why the cell tower renewal was assumed to not being renewed; Trustee Minga agreed that since it is not guaranteed money, it makes sense to plan for the worst.

Trustee Williams wanted to know what the Village can control with regard to pensions. Mayor Braun reported that the pension issue is a state issue; there continues to be several proposals to consolidate the municipal public safety pensions under one plan. Mayor Braun mentioned that there will be less administrative costs and a larger pool of funds to help grow the benefit. Ms. Wachtel said that it would likely be some time before the benefits could be realized.

There were no capital expenditures included in the analysis beyond the Fiscal Year 2019 budget. The plan recognizes that the Capital Equipment Fund transfer is an operating transfer item and therefore, this annual transfer to support the Capital Equipment Fund is included in all five years of the analysis. The Village will likely only be able to generate an additional 1.425% from property tax monies given the projected CPI, new property and declined EAV. The EAV which dropped 38% over the last five years increased by 15% this past year. Given the minimal growth in property taxes, the police and fire pensions continue to dramatically impact long-term financial analysis. The assumptions do not include any additional revenue generated by economic development, and therefore, we know this analysis can improve with known economic development proposals.

The only capital expenditure in the analysis is the water meter replacement project in the FY 19 budget at a cost of \$1.73 million. The conservative numbers were 3-5% improvement in the pump-to-bill ratio in Johnson Controls analysis, but the Village staff believes that the actual numbers will be better. The projected budgeted surplus in the Water and Sewer Fund was

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\$280,000 but the mid-year projections are more like \$400,000, which is great news. Trustee Williams wanted to know when the money would be earned back from the investment. Ms. Wachtel reported that when the larger meters were replaced the return on investment was realized in less than 2 years. Staff discussed the potential for the Water and Sewer Fund to repay the General Fund for the meter project, although it would have to be cleared by the Village's auditor.

As part of the strategic planning process, the Board discussed a service prioritization to explore modification to service levels and shared services. To have a meaningful financial impact, the Board and staff would need to entertain an in-depth discussion on its service delivery and reprioritizing services to the community.

The capital equipment fund is included as an operating expense. Trustee Minga stated that the exercise of determining the financial plan is not being done by many communities and the foresight helps make better decisions. Trustee Mitros stated that many people may presume "doom and gloom" but the conversation is more like a celebration to find solutions. Mayor Braun indicated that this review was positive as the previous analysis showed devastating deficits. Given the anticipated new economic development coming such as Jersey Mikes and Dunkin Donuts, the Village can anticipate additional revenue that is not being considered. Trustee Hoag mentioned that since the Village is the new owner for the TIF properties something needs to be done with those areas. Mayor Braun stated that the Village staff is working on the areas to request RFQs for potential development.

Trustees Driscoll, Williams and Wilder asked that more education be provided about water billing. Trustee Mitros highlighted that Flossmoor's infrastructure may be older than some other areas and therefore the cost breakdown may be different than in other communities. Ms. Wachtel said that some education can be provided to the board to help dissect the water bill, what is being provided through debt services and user fees. The water billing comparisons between other communities has been more difficult to do because an apple-to-apples comparison is usually not available. Trustee Williams said that the board is able to have a more meaningful conversation with the information on hand.

No vote was required.

Mayor Braun referred to Item #2 on the Agenda – Consideration of a Resolution Accepting a Certain Public Improvement (New Hope Development – Levitt Avenue)

John Brunke, Public Works Director, presented a resolution to accept the public improvements completed by New Star Inc., per the Village's Subdivision Regulations. The improvements have been inspected and approved by the Village. A storm easement was granted to the Village by the Homewood-Flossmoor Park District. A bill of sale has been provided by New Star legally transferring ownership of the storm sewer installed by the developer to the Village.

Mayor Braun asked the Board if there were any additional questions. Mayor Braun called for a motion to adopt the resolution accepting a certain public improvement (New Hope Development – Leavitt Avenue) as presented. Trustee Mitros so moved, seconded by Trustee Williams, and passed by roll-call vote.

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AYES: Trustees Driscoll, Hoag, Minga, Mitros, Wilder and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

Mayor Braun referred to the Finance Committee – Presentation of Bills for Approval and Payment (December 17, 2018) - Trustee Mitros

Finance Committee:

Trustee Mitros presented the bills for approval and payment for December 17, 2018. Trustee Mitros made a motion to approve the payment of hand checks in the amount of \$6,589.00 and invoices in the amount of \$361,390.68 totaling \$367,979.68, seconded by Trustee Driscoll and passed by a roll-call vote.

AYES: Trustees Driscoll, Hoag, Minga, Mitros, Wilder and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

Other Business

Mayor Braun thanked the staff, the Fire Department, Amy Kent, Laura Brennan-Levy, the Community Relations Commission and the Park District for a very successful Winterfest. The tree lighting ceremony went well. The business scavenger hunt kickoff also got off to a great start.

Have a happy and safe upcoming Christmas and New Year!

Trustee Mitros and Williams wished everyone a happy holiday.

Mayor Braun referred to Item #3 on the Agenda – A Motion to go into Executive Session to Discuss the Employment of Specific Individuals, Property Acquisition, and Litigation.

There was no need for Executive Session.

Mayor Braun called for a motion to adjourn the meeting. Trustee Mitros so moved seconded by Trustee Wilder and passed by a voice vote.

The Board adjourned at 8:30 p.m.

Respectfully submitted,

Joni Bradley-Scott

*Joni Bradley-Scott
Village Clerk*