



SPECIAL COMMITTEE OF THE WHOLE MEETING

Community Room
Monday, October 29, 2018
6:00 p.m.

Present:

Mayor Brandt	Trustee Grujanac
Trustee Hancock	Trustee Harms Muth
Trustee Leider	Trustee McDonough
Trustee Servi	Village Clerk Mastandrea
Village Attorney Simon	Village Manager Burke
Finance Director/Treasurer Peterson	Public Works Director Woodbury
Chief of Police Leonas	Assistant Village Manager/Community & Economic
Police Commander Covelli	Development Director Gilbertson
Police Commander Watson	Assistant Public Works Director/Village Engineer
	Dittrich

CALL TO ORDER

1.0 ROLL CALL

Mayor Brandt called the meeting to order at 6:09 p.m., and Village Manager Burke took the roll call.

2.0 ITEMS OF GENERAL BUSINESS

2.1 Finance and Administration

2.11 Fiscal Year 2019 Budget Workshop

- General Fund - Revenues & Expenditures

Village Manager Burke provided an overview of the budget influencers including the Village's mission statement, code of organizational values, Board-driven polices, and budget policies. Village Manager Burke also provided an overview of the budget process from July through October. Village Manager Burke continued to review current fiscal conditions as well as fiscal year 2019 (FY2019) variables that influenced the budget development.

Mayor Brandt asked how the loss of Fresh Market and furniture store would impact home rule sales tax. Village Manager Burke responded by saying Lincolnshire is fortunate in that the Village has a diverse sales tax base contributors which minimize the impact from these losses.

Trustee Leider inquired about the relationship between office vacancy and hotel vacancies. Village Manager Burke replied staff has not measured that relationship but hoteliers have noted ancillary benefits with such as restaurant visits and shopping trips.

Mayor Brandt asked if the former Medline property was included in the office vacancy statistics, as well as how those statistics would be affected

if the Nexus and Grainger buildings are filled. Staff responded they would evaluate the statistics further and report back to the Village Board.

Village Manager Burke reviewed assumptions that influenced budget development, including conservative revenue projections, merit increases, increase in health insurance premiums, personnel changes, and capital projects.

Village Manager Burke reviewed fiscal policies that guide overall Village financial operations. Mayor Brandt provided additional detail on the Board's decision to reduce the general fund reserve fund balance target from 100% of operating expenses (plus debt service) to the Village policy of 75%. Village Manager Burke and Mayor Brandt provided details on transfer of funds in excess of 75% policy to the General Capital Fund and the capital needs.

Village Manager Burke reviewed general fund budget highlights including total operating revenue and expenditures, as well as transfer of general fund revenues to Water & Sewer Improvement Fund and General Capital Fund. Village Manager Burke also reviewed the general fund reserve balance and its projections.

Trustee Servi asked if the budget reflects the anticipated transition to Deerfield dispatch services. Village Manager Burke confirmed the budget did reflect that change.

Trustee Harms Muth requested Board members be provided the summary sheet as shown in the PowerPoint.

Trustee Hancock asked if the Village should budget off of actuals rather than the prior year's budget. Village Manager Burke replied the Village budgets based on full staffing models and pointed to the changes in the Police Department staff over the last year which is a large driver for the lower projected year end for FY2018 versus the FY2019 budget.

Village Manager Burke reviewed budget summary changes between FY2018 and FY2019 capital projects and all other funds.

Mayor Brandt asked if staff had reviewed the Village's population for proper share of Motor Fuel Tax. Village Manager Burke said the Census Bureau is not performing special censuses so close to decennial census.

Village Manager Burke reviewed general fund revenue and expenditure history and projections by category.

Trustee Hancock asked if the Village benchmarks its budget to other communities. Village Manager Burke replied we do not but that he has reviewed benchmarking surveys with other communities. Village Manager Burke added the comparisons across communities can be difficult based on the policies set by different Boards and Councils. Mayor Brandt added staff works to identify ways and welcomes ideas from Trustees if they have recommendations to streamline operations.

Village Manager Burke provided details on second School Resource Officer. He stated the expense for the additional officer is reflected in the budget, but the revenue is not, as the agreement with Stevenson High School had not been finalized.

Village Manager Burke reviewed Village Administration goals and budget. Village Manager Burke reviewed proposed 0.5 FTE intern duties.

Village Manager Burke reviewed Finance Department goals and budget.

Village Manager Burke reviewed Police Department goals and budget. Village Manager Burke explained the rationale to move officers to 10 hour shifts and the associated benefits. Police Chief Leonas reviewed information on staffing changes since late 2017. Trustee Hancock asked if these trends were common; Chief of Police Leonas stated they are, and the Village has tried innovative ways to recruit new officers. Trustee Hancock requested details on the change to 10 hour shifts; Chief of Police Leonas provided reasons for the decision to move from 12 to 10 hours shifts, including elimination of silos between shifts, increased directed patrol, and flexibility in covering time off.

Village Manager Burke reviewed Community & Economic Development Department goals and budget. Discussion ensued regarding the branding initiative. Trustee Grujanac inquired about Building/Fire Inspection Services reduction; Village Manager Burke reviewed the expenditures and the offsetting revenues and how these fees are largely driven by new construction.

Trustee Servi asked about the Visit Lake County (VLC) contribution. Trustee McDonough expressed his dissatisfaction with the amount of the proposed increase. Village Manager Burke explained the criteria VLC Board uses to determine member community contributions. Village Manager Burke also added the perceived benefit of Board membership when The St. James is constructed and begins hosting regional tournaments. Discussion ensued. The consensus of the Board was to reduce the contribution to \$20,000.

Mayor Brandt introduced a \$2,500 request from Brushwood Center to support nature-inspired programs. Village Manager Burke noted this request was not currently reflected in the proposed budget. The consensus of the Board was to not grant the request as the request was not from a Lincolnshire-specific organization, the center is located outside the Village's corporate limits, and the Brushwood Center receives funding from other taxing entities such as the Lake County Forest Preserve.

Village Manager Burke reviewed Insurance & Common Budget goals and budget. Trustee Harms Muth asked about the increase to the Workers Comp line item. Finance Director Peterson explained these were the premiums and are driven by full staffing models. Trustee McDonough asked if the High Excess Liability Pool (HELP) and HELP – Beach Endorsement coverage levels were the same. Village Manager Burke said it was and these premiums are now paid out of the Property/Liability Insurance account.

Trustee Leider inquired about the Senior Citizen Property Tax Relief account. Village Manager Burke reviewed total credits and participants since 2011. Discussion ensued.

Trustee Harms Muth asked about the proposed salary survey. Village Manager Burke stated the intent of the survey would be to look at all positions relative to other communities and to ensure internal equity between positions at similar strata across the organization.

Village Manager Burke reviewed goals and budget for Public Works Administration; Streets & Storm Water; Parks & Open Spaces; and Facilities/Buildings & Grounds.

Discussion regarding potential roadway and trail improvements by Lake County Division of Transportation along Riverwoods Road followed. Discussion ensued regarding the Manors of Whytegate subdivision.

Board members discussion regarding Public Works' overtime budget and Village street sign replacement project followed.

Discussion ensued regarding the detention basin engineering study and inventory of stormwater facilities across the Village.

Trustee Hancock inquired about cost and materials for the East Side Reservoir roof replacement project. Village Manager Burke replied staff could investigate alternative bids with different materials than the current cedar shake roof material.

Village Manager Burke reviewed the General Fund – Debt & Transfer budget.

- **Water & Sewer Fund Revenues & Expenditures**

Village Manager Burke reviewed the Water & Sanitary Sewer Fund and Water & Sewer Administration budgets and the proposed increases due to the increases by Highland Park for water rates (15%) and by Lake County (2%) for sanitary sewer rates, respectively. Village Manager Burke reviewed the Village's agreement with Highland Park. Mayor Brandt requested staff to prepare communication to residents regarding the increase and provide comparisons to other communities' increases. It was the consensus of the Board to have this correspondence be part of the next Village newsletter. Discussion ensued regarding the emergency water connection to Buffalo Grove relative to the Village's connection to Highland Park. Trustee Leider recommended the Village communicate with large volume users about the investment the Village is making for their benefit in terms of the emergency interconnect.

Mayor Brandt raised a discussion regarding the cross-town water main connection capital project and its impact to the 4th of July parade route. Staff was asked to prepare parade route options to share with the Village Board.

- **Other Funds**

- **Motor Fuel Tax**

Village Manager Burke reviewed the Motor Fuel Tax fund budget.

- **Police Pension Fund**
Village Manager Burke reviewed the Police Pension Fund budget.
- **Fraud, Alcohol & Drug Enforcement Fund**
Village Manager Burke reviewed the Fraud, Alcohol, & Drug Enforcement Fund budget.
- **Vehicle Maintenance Fund**
Village Manager Burke reviewed the Vehicle Maintenance Fund budget.
- **E-911 Fund**
Village Manager Burke reviewed the E-911 Fund budget.
- **Park Development Fund**
Village Manager Burke reviewed the Park Development Fund budget. Village Manager Burke noted money retained in this fund will be transferred to the General Capital Fund to be allocated to specific park projects as identified in the Village's long-term capital plan. Trustee Hancock suggested strategic thought be applied to the use of the Park Development Fund and potential future developments. Village Manager Burke replied monies within the Park Development Fund must be used within 10 years of receipt. If a portion of park donations are not used within that time frame, developers can request a refund of the unused portion.
- **Special Service Area (SSA) Sedgebrook**
Village Manager Burke reviewed the Special Service Area (SSA) Sedgebrook Fund budget.
- **General Fund Capital Projects/Expenditures**
It was the consensus of the Board to discuss this item at the next Special Committee of the Whole meeting on November 1, 2018.
- **Water & Sewer Improvement Fund Capital Projects**
It was the consensus of the Board to discuss this item at the next Special Committee of the Whole meeting on November 1, 2018.

3.0 ADJOURNMENT

Trustee Grujanac moved and Trustee Harms Muth seconded the motion to adjourn. Upon a voice vote, the motion was approved unanimously and Mayor Brandt declared the meeting adjourned at 9:07 p.m.

Respectfully submitted,

VILLAGE OF LINCOLNSHIRE

Bradly J. Burke
Deputy Village Clerk