

CITY COUNCIL WORKSHOP MINUTES

CITY COUNCIL WORKSHOP: FY12 Final Operating Budget Workshop

Date: March 7, 2011

Place: Municipal Center – Council Chambers

Councilmen Present: Councilman Doug Krause (via phone), Councilman Judy Brodhead, Councilman Richard Furstenu, Councilman Paul Hinterlong, Councilman Kenn Miller, Councilman Grant Wehrli, Councilman Robert Fieseler, Councilman Boyajian, Mayor A. George Pradel, (arrived 5:32)

Councilmen Absent: None

Staff Present: Doug Krieger, (City Manager), Karen DeAngelis (Director of Finance), Chris Smith (Assistant Finance Director), Marcie Schatz (Director of Transportation & Engineering Department), Chief Puknaitis (Fire Chief), Dave Van Vooren (Director of Public Works) Pam LaFeber (City Clerk) Margo Ely (City Attorney) Victoria Perrault (Human Resource Manager), Nadja Lalvani (Community Relations Manager)

Call to order by Mayor Pro Temp Wehril at 5:00 PM. Overview by Doug Krieger.

Doug Krieger presented opening comments; Karen DeAngelis will be presenting a solution to a balanced budget. Dave Van Vooren will lead a discussion concerning snowplowing from an operations perspective. Nadja Lalvani and Doug will lead a discussion on how to improve communications during crisis.

FY12 Budget Update -

Karen DeAngelis presented overview of workshop agenda. This workshop is intended to be the final budget workshop to tie up loose ends and finalize overall budget. Additional information has also been prepared for the following areas: Community Relations, Police Department - Community Service Officers and Fleet Services Fund. These area are represented at the meeting and will address any questions. Also in the packet is information Council requested on Property Tax Bills and Pension Information.

The financial gap view was updated for the conclusions reached at the February workshop. As of this workshop the FY12 budget is balanced.

- FY11 is projected to end with a total fund balance of \$1.9 million, which will be used to offset the FY12 deficit.
- FY11 benefited from a onetime Sprint Settlement and additional grant monies and increasing retail sales from the economy improvements which have increased the sales tax revenue by 11% over the previous year. Staff is expecting to sell the old Motorola Radio Equipment, which has been projected to bring in approximately \$300,000. Council requested a communication on the process to be used for the

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equipment sale prior to the action taking place. Additionally FY11 expenditures are expected to be lower and a place holder of \$400,000 has been reflected in the FY11 projection. The result is expected to be a final FY11 fund balance of \$1.9 million dollars which will be available as revenue for the FY12 budget.

- In the FY12 budget the non-union and union wage agreements have been factored in and there is a placeholder of \$1.4 million dollars for potential wage increases of 2%. (Breakdown of the \$1.4 million is as follows; \$600,000 for non union employees, \$400,000 fire employees, \$100,000 equipment ops employees and the remaining \$300,000 would be spread over all other contracts.)
- Council reached consensus to maintain the \$1.4 million placeholder for wage increases in the budget, however they did not approve the award of the merit increase at this time. The City Manager needs to bring to Council at a later date a request to award the increase and will need to support the request with metrics.
- Consensus was reached to maintain healthcare contributions at 15%, and consensus was also reached to maintain the cushion for \$0.7 million of potential downside in revenue and the productivity challenge of \$0.7 million in expenditures.

Community Relations

Nadja Lalvani presented department information, since FY2008 decreased staffing by 36%. Due to cross-training and leveraging technology we have been able to maintain service levels. Also have taken outsourced projects and kept them internally. A reduction of \$48,000 due to printing Bridges internally and utilizing utility billing to send out mailing total budget is now at \$340,000. Budget for SmartGrid \$32,000 is for personnel, this is a team approach with the outsource providers, led by community relations. Changes in the snow removal communications would impact this budget.

Community Service Officers

Deputy Chief Bolt presented department information for the Community Service Officers (CSO's). Over 50% of the CSO time/expenses is related to parking enforcement. The next highest service categories are fingerprinting and traffic assistance.

- Council suggested the department look to recover the cost of both fingerprinting and parking enforcement through the revenues collected. They will look for a proposal on possible rate increases to come back by summer. Krieger confirmed staff will bring recommendations back to council.
- Council approved creating a \$75,000 challenge for revenue increases. This is neutral to the budget as it will offset the revenue cushion already established in the budget and there is no suggested change to the expenditures.

Fleet Services

Dave Van Vooren presented Fleet Service Program Budget; there are 13 programs which are fairly self explanatory, so he responded to specific questions.

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- Council was concerned about if the budget needs to be adjusted due to current high oil and gas price conditions. Van Vooren stated there will need to be flexibility during this budget year; however we have seen this previously, we have a contract and pricing is based on daily pricing of OPUS plus delivery.
- Councilman raised differing views on outsourcing these activities. Staff will continue to consider opportunities for efficiencies or cost savings
- Councilman Boyajian asked if we can perform services with/for other entities. Van Vooren stated he has had conversations with Park District and they continue. Dist. 203 currently purchases fuel from us already.

Snow Removal

Operational Procedures Snow Removal – Dave Van Vooren stated we learned from the blizzard in 4 areas we need to do better from operational viewpoint, when looking at over 12” of snow

- Securing availability of larger pieces of equipment to assist us
- Coordinate internally to have manpower available from other departments instead of employees going back to “home” department – change work assignment when necessary
- Ensure existing vendors can secure relief drivers – must be included in the RFP
- Coordinating internally with all departments to do more on the street condition reviews and provide information to the supervisors. More communication with contractors to ensure expectations will be fully met.
- Discussion ensued about cost of these items, and that there is not a lot of time to provide resources for budget purposes. Doug Krieger suggested no additional dollars need to be budgeted at this time.

- For future events, Council would like to see a plan where the city begins snow clearing and approximate timing of when certain areas are expected to be cleared. Council needs this to be able to respond to residents during the event.
- The EOC was opened at the DPW building rather than the Firehouse. Staff suggested this decision was made because of what functionality was needed to handle this emergency. Fire Chief does not believe the official EOC at the Firehouse needs to be relocated, as the location is fluid depending on the type of emergency. The current Firehouse location has capabilities for large scale emergency operation. Also could be costly to move this center.
- Council would like to see a refined 12” snowfall Plan in the next 6 months, to ensure the resources are available for this type of future emergency. Staff will move through development of plan and determine dollars to secure this type of

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plan. Any discussion of budget implications would take place when Council reviews the plan.

Communications Snow Removal

- Council would like communications to residents to be more robust, and to be more customer centric instead of city centric, to ensure residents are informed.
- Doug stated we first need to develop message, then determine best way to transmit to residents. We had issues developing message, and only provided very big picture information, we have the ability to narrow it down, and provide additional resources on web-site. We have tools in place to more effectively communicate and no additional budget dollars will be required at this time. We will also look at providing snow command number to public, not done enough communication on this feature.
- Council would like pricing for a phone communications system similar to what the schools are currently using.

Property Tax Bill Presentation

No discussion

Pension Funding & Contributions

The history of the pension funding was reviewed and a discussion of the recent legislation to extend the timeline to 2033 for full funding and to set the target at 90% of the liability. Council will be heavily involved in future pension issues, this is viewed as a sustainability problem not just a funding issue.

In prior years the city has added additional monies and Karen will research and provide to council at future time.

Wrap Up and Next Steps

- Will use council decision on wages and healthcare to complete utilities budget
- Previous rate studies included growth, which we have not seen, the new rate studies will be presented to council over the next few months.
- Council would like information on Naperville Creamery in Friday (3/11) Memorandum.
- Currently there is \$8 million reserve in Vehicle Replacement Fund, Council would like a white paper to consider options to change the replacement reserve policy and potentially lower the reserve requirement.
- Final EAV schedule to be available 3/21- staff may schedule a special meeting either before or after the 3/22 workshop already scheduled.

Motion to adjourn at 7:55 PM
Minutes taken by Lynn Lockwood
Ex 6060