

Village of Lombard

*Village Hall
255 East Wilson Ave.
Lombard, IL 60148
villageoflombard.org*



Minutes

Monday, September 27, 2021

3:00 PM

Lorraine G. Gerhardt Community Room

Special Meeting Board of Trustees

*Village President Keith Giagnorio,
Village Clerk Liz Brezinski
Trustee Brian LaVaque, Trustee Anthony Puccio,
Trustee Bernie Dudek, Trustee Andrew Honig,
Trustee Dan Militello and Trustee Bob Bachner*

I Call to Order

The Special Meeting of the President and Board of Trustees of the Village of Lombard held on Monday, September 27, 2021 in the Community Room of the Lombard Village Hall was called to order at 3:01 p.m. by Village President Keith Giagnorio.

II Pledge of Allegiance

Director of Public Works Carl Goldsmith led the Pledge of Allegiance

III Roll Call

Present 8 - Keith Giagnorio, Elizabeth Brezinski, Brian LaVaque, Anthony Puccio, Bernie Dudek, Andrew Honig, Dan Militello, and Bob Bachner

Trustee Brian LaVaque arrived at 3:32 p.m.

Present:

Village Manager Scott Niehaus

Director of Finance Tim Sexton

Assistant Director of Finance Jamie Cunningham

Director of Community Development Bill Heniff

Building Commissioner Keith Steiskal

Director of Public Works Carl Goldsmith

Chief of Police Roy Newton

Fire Chief Rick Sander

Deputy Fire Chief Ray Kickert

HR Director Kathy Dunne

Executive Coordinator Carol Bauer

IV Public Participation

V Agenda

Trustee Andrew Honig, Chairperson of the Finance & Administration Committee, reported the following:

There is a lot to cover tonight with several areas that overlap but by the end a lot of a questions will be answered. Thank you to Scott and his team for working with the Board members over the past couple weeks to

get us up to speed for this evening. We will start with an overview of the General Fund assumptions and primary revenues and expenses.

(1) About 80% of all 2022 General Fund expenses are wages and benefits

(2) This year is the first since the 2009 Budget that we are not discussing a projected deficit. You will see the projected 2022 revenues over expenses total about \$900,000 and Scott will explain how we got out of the red.

The Department Heads will present their 2022 Budget requests and challenges.

Tim will review the Water & Sewer Operations & Maintenance Fund and Carl will go over the Capital Improvement Plan that was recommended by the Public Works & Environmental Concerns Committee.

(1) In 2019, the Village Board approved a 5 Year Rate Increase for FY 2020-2024 based on the Finance & Administration Committee and Public Works & Environmental Concerns Committee's joint recommendation on the W&S Rate Study.

(2) Overall, for the average residential customer, the 2022 budgeted increase of 2.55% will cost an extra \$2 per month (5K gal/month).

Finally, we'll wrap up the session with a Village Board discussion on future policy options to consider for allocating about \$5.3M in projected YE revenues over expenses.

1. 210300

General Fund Revenue & Expenditure Overview

Scott Niehaus thanked Assistant Director of Finance Jamie Cunningham for all of her work in preparing the budget. He noted the first kick-off meeting was held in February, and the budget is nearly a year-long process. He stated the Board is reviewing the proposed budget for 2022 in September 2021, and staff is hoping to have the proposed budget ready for review by the Village Board in October, and not be scrambling in December to pass the budget. Today the Board will not be voting on the budget, but rather this is a workshop to review the proposed budget and make any adjustments to it before final review. The required Public Hearing on the budget is scheduled for November as well as the first reading of the budget ordinance. The budget will be scheduled for a second reading at the second meeting in November. This will allow time for any questions to be addressed. He spoke of the budget projections on a five-year basis.

Revenue assumptions: 3% annual growth; 0% annual growth in sales tax; Expense assumptions: 4% salary increases; Union contracts are generally 2-2.5% salary increase per year;

The Village takes a conservative approach. If staff and the Village Board had not addressed the projected deficit years ago, the Village would have faced a \$5 million deficit in 2021. Because of actions taken, the Village has a surplus. The Village has not filled positions when employees have left; 9 vacant full-time positions and 12 part-time positions; when a position is vacant, staff reevaluates the need for filling the vacancy; staff is reviewing services and equipment to see if there are possible savings; printing of the Village newsletters has been eliminated as well as the taxi subsidy program.

Each department head will provide an overview of their department's budget as well as the challenges.

Director of Finance Tim Sexton noted the following:

Reviewed the top 10 revenue sources and top10 expenses;

77% of expenses go to wages, pensions and benefits;

For new employees, staff budget for the salary plus PPO insurance as a married person with a family - cost of \$32,000 yearly. In reality, some of these employees will be single, without children, and choose the HMO plan - cost of less than \$10,000 yearly.

There are three frozen open positions: one firefighter, and two Police Officers. These openings provide a large surplus, and if filled, that surplus would be gone.

Village Manager Scott Niehaus received \$2.3 million from the County for COVID-19 expenses.

2. 210301 Department Budget Presentations

- a. Legislative & Executive
- b. Finance
- c. Community Development
- d. Police
- e. Fire
- f. Public Works

Tim Sexton, Director of Finance, provided an overview of the Finance Department budget; significant decreases and significant increases; department challenges; reviewed meeting the challenges and how staff intends to meet challenges.

Bill Heniff, Director of Community Development, provided an overview of the Community Development budget; significant decreases and significant increases; department challenges; reviewed meeting the challenges and how staff intends to meet challenges.

Roy Newton, Chief of Police, provided an overview of the Police Department budget; significant decreases and significant increases; department challenges; reviewed meeting the challenges and how staff intends to meet challenges.

President Giagnorio inquired about hiring a company to provide security during events such as Cruise Nights versus paying overtime or giving comp time for Police coverage.

Rick Sander, Fire Chief, provided an overview of the Fire Department budget; significant decreases and significant increases; department challenges; reviewed meeting the challenges and how staff intends to meet challenges.

Carl Goldsmith, Director of Public Works, provided an overview of the Public Works Department budget; significant decreases and significant increases; department challenges; reviewed meeting the challenges and how staff intends to meet challenges.

Scott Niehaus provided a map of capital projects to Village Board members.

Nicole Aranas arrived at 4:56 p.m.

Nicole Aranas, Assistant Village Manager, provided an overview of the Executive and Legislative Departments budgets; significant decreases and significant increases; department challenges; reviewed meeting the challenges and how staff intends to meet challenges.

3. 210302 Water & Sewer Operations & Maintenance Fund Overview

Director of Finance Tim Sexton provided an overview of the Water & Sewer Operating & Maintenance Budget; reviewed 2020-2024 (5 year) W&S approved rate increases; reviewed 2022 W&S assumptions; reviewed top five W&S O&M fund revenues; reviewed 2022 W&S O&M expense assumptions; top 5 W&S O&M expenses; W&S O&M fund proposed 2022 budget by cost center; 2022 W&S revenue allocation per 1,000 gallons;

4. 210303 FY 2022-2031 Capital Improvement Program Overview

Carl Goldsmith, Director of Public Works, provided an overview of the

Capital Improvement Plan for 2022 to 2031. CIP is \$136,694,118; reviewed CIP funding, proposed 2022 CIP expenditures, some of the projects included in the CIP, long-term capital issues and indicated there will be some tough decisions ahead.

5. 210304 Policy Considerations

Village Manager Scott Niehaus reviewed the following:

Policy decisions:

Hotel/Motel Fund projected deficits;

\$1 million from the sale of 101 S. Main Street;

Put funds toward Hotel/Motel fund projected deficits;

Run through waterfall;

Set aside for Economic Development use;

ARPA Funds (\$3,011,368.16)

Reporting for replacement of lost revenue and submit eligible expenses related to public safety salaries;

Development of Business Retention Economic Incentive Policy;

YE General Fund Reserve Maintenance Policy changes;

Staff presented three options on how the surplus funds could be allocated between the Hotel/Motel Reserve Fund, Economic Development Fund and Capital Projects. After consideration, there was consensus among the Village Board for a modified Option B, with \$611,368 listed for Capital Projects being added to the \$2 million shown in the Economic Development Funds, for a total going to the Economic Development Fund of \$2,611,368. All other parts of Option B remain the same.

VI Adjournment

A motion was made by Trustee Dan Militello, seconded by Trustee Andrew Honig, that the Special Meeting of the President and Board of Trustees of the Village of Lombard held on Monday, September 27, 2021 in the Community Room of the Lombard Village Hall be adjourned at 7:15 p.m. The motion carried by the following vote:

Aye: 6 - Brian LaVaque, Anthony Puccio, Bernie Dudek, Andrew Honig, Dan Militello, and Bob Bachner