

**Finance Committee of the Village Board
Wednesday October 3, 2012**

APPROVED MINUTES

I. Call to Order

The meeting was called to order at 7:08 pm

Trustees Hedges and Tucker were present. President Pope was present. Trustee Brewer was absent.

II. Minutes

There were no minutes to approve

III. Public Comment

There was no public comment.

IV. New Business

A. Fleet Replacement Fund/Fire & Police Vehicles

Public Works Director Wielebnicki provided an overview with revised Capital budget pages that balance expenses with projected revenues (therefore the projected gap is zero).

For Public Safety vehicles, the following is proposed in 2012:

- Police - replace 6 vehicles only with RICO fund
- Fire – pay down leases

Public Works Director Wielebnicki reviewed the overall replacement criteria used when developing the CIP. He distributed the original page from the program established. He talked about how the Department tries to “smooth out” the replacement of vehicles. The code “no replacement scheduled” means the vehicles are being removed from the fleet and there is no plan to replace them.

President Pope asked for a summary from the last 10 years so the Committee can see by category the trend, how replacements have changed over time, which areas show a slight decline, any problem areas, etc.

Trustee Hedges noted the very high cost to replace vehicles in 2014 and beyond. He wanted to know when staff and the Board is going to address these issues? Interim Manager Pavlicek said that she would anticipate this conversation starting in next year’s budget process. Maybe there are some short term solutions and maybe debt is the option.

In addition the performance management program should offer better tools to make these decisions and long term planning. Public Works Director Wielebnicki noted that RICO funds may be obsolete in the future or not enough to support the fleet replacement program. President Pope emphasized again the need for a strategic view to approach this going forward.

Police Vehicles

There are no Parking Enforcement vehicle replacements in 2013. President Pope asked again about the Segway and its replacement plans. The Board receives positive feedback from business district about this program and was curious on how the Chief of Police views this program. Chief Tanksley also noted very positive feedback. This is used primarily in foot patrol beats assigned to cover a large area in a short period of time; usually business districts or events. The program can engage people more and use less fuel. President Pope asked about the life span and should we consider planning to buy more. The Chief said we have been holding off because the technology has changed and made the Segways much more expensive. Public Works Director Wielebnicki noted that the Segway is very easy to maintain and rarely in for maintenance. Public Works Director Wielebnicki will however add the Segway to the vehicle maintenance replacement schedule as a future capital need.

Fire Vehicles

Public Works Director Wielebnicki noted the replacement schedule for ambulances, and pumpers. There was considerable discussion with the Committee regarding the upcoming replacement of the Quint. This was a joint purchase with River Forest in the past. Going forward and after discussions with River Forest, the Village will decide if the purchase of another Quint is necessary, although having the vehicle has worked well. The Foreign Fire Fund is also considering the idea to save money over the next few years to maybe help pay for this. It appears that the Quint goes out more due to a manning/manpower issue vs the need for a ladder truck. However contractually with River Forest now we are obligated to respond with the Quint so we are never stuck in the event there is a fire. River Forest has been trying to locate grant funds but has been unsuccessful at this point. The Committee asked CFO Lesner to make sure that this cost is spread over a number of years so that we can plan the cash flow when this is due.

B. E-911 Fund

Interim Manager Pavlicek provided an overview. Currently the E-911 is still meeting to forward recommendations for this fund. Technology has changed with the reduction of land lines and therefore the funds are not as much as in the past (dropping by approximately 50K every year). The legislature was behind as it related to cell phones which collect only 24 cents vs. the dollar per land line collected. This impacted the fund greatly. The Fund was used for emergency communication equipment as technology changed to keep it updated. The model is good but the funding is low. *The Committee asked for more information about future options.* This fund balance is all cash.

C. Fire Department General Fund

Interim Manager Pavlicek provided a brief overview. The personnel remains relatively flat except for the addition of 2 firefighter positions that were a result of previously grant funded positions that are no longer grant funded. Staff recommends keeping those positions.

The Fire Chief provided a statistical overview of the department noting that calls for service are at a record high and the department still has a response time (YTD) of 3:51 which is under the national standard for emergency response time. Ambulance billing revenue is up 22%.

Related to the request to keep the two firefighters that were previously grant funded, the Chief reviewed two additional spreadsheets which explain the minimum manning every day required. In addition, by contract, on any given day 5 slots for time are available for time off. During peak seasons such as May-Sept, it only takes 1 person to call in sick or be injured and the Department is in a position to hold-over personnel for minimum manning. 2012 has been a tough year for injuries and sick leave which resulted in an all-time high in overtime of \$400,000 for the department. Not funding the two SAFR positions could keep the situation at least the same if not potentially worse due to minimum staffing requirements.

President Pope asked if there is any relation to injuries and outside employment and if the Chief was aware of studies limiting outside employment and how that may benefit a community? The Chief stated that outside employment is minimal in the Department. The 7G program (which was instituted when the Department lost administrative jobs 4 yrs ago during the layoffs) is successful. This program allows the Village to hire its own people back at a flat rate to do the administrative work such as fire prevention, EMS coordination, alarm administration and enforcement of false alarms. Trustee Hedges asked how the hours determined for this 7G program are. The Chief stated it was based on work available. President Pope noted that from a straight cost perspective, overtime costs are still less expensive than pension. If the level of service is better than that can be argued and may make sense. *The Committee noted that this discussion should be with the full Board during budget hearings.*

President Pope asked for a report on the capital costs, service delivery costs and the cost per call. The Chief stated he would provide a report on the breakdown of the EMS calls, etc. In addition, the Village is responding to more River Forest calls than normal. President Pope noted that it would be helpful to understand those implications in the cost per call too (the River Forest calls).

Foreign Fire Fund

Staff reviewed that the fund was created by IL municipal code. The Foreign Fire Board collects the money directly from the insurance agencies which is distributed by the IL Municipal League.

D. Police Department General Fund

The Police Chief reviewed the changes in the organizational chart of the department in 2006, again in 2009 and again in 2012 when the department took on the Emergency Preparedness role from the Fire Department. In 2010 the Department went back to one Deputy Chief but with the right to bring it back. There were no changes to the boots on the ground, the changes only were to streamline the department and become less bureaucratic. In 2011 the patrol went to a 12-hour shift. A majority of the department is personnel, so that is the reason why the Department feels there needs be a change in the structure again with a request for bringing back 1 additional Deputy Chief.

President Pope asked if the Committee had any questions about the request for personnel. Trustee Hedges said that the Chief is always willing to take on new responsibilities as requested. He didn't feel like he could speak for the Department and the decision should come from the Department. Interim Manager Pavlicek said that she thought the new position will help alleviate some of the work load.

Trustee Hedges asked how Parking Enforcement is working in the Police Department. The Chief noted many challenges such as extended medical leave, 600 hours of sick time and a supervisor who was dismissed. However, as it relates to the overall structure and where best this activity should be held, the Chief said the Police Department makes the most sense for its structure and discipline. The Committee asked if this is a good activity to review the cost benefit of outsourcing.

Trustee Tucker asked for a report on the pros and cons of the 12-hour shift when a time period has elapsed that would be good for an evaluation. The Chief noted that the Sgts are working on a study to present to him in the near future since one year has elapsed.

President Pope asked how the crossing guard function is working out now that it is outsourced. The Chief mentioned that is was working to his satisfaction with only minor issues such as uniforms. Deputy Chief Ambrose noted that the Police Department still support the program at some level to ensure corners are covered, handle complaints, etc.

The Chief confirmed that the earlier conversation about the RICO funding trending down to now support the replacement of all police vehicles is accurate.

Parking Fund – General Fund

Interim Parking Manager Velan provided an overview of the parking activities in the general fund which is only the vehicle sticker renewal program. This is the second year for which that activity was transferred from the Clerks Office to Parking Services and in addition, in doing so the Village was able to reduce the staff by one FTE. Staff feels the

transition was successful. Staff is reviewing opportunities to use new technology to further enhance the process such as a “virtual” sticker registered to an owner’s license plate in place of an actual sticker. President Pope asked about incentives to get more residents to renew on-line.

Parking Fund

Staff is recommending a change in title of the Administrative Clerk to the Sr. Administrative Clerk for better customer service. The cost of the request is a 3% increase in the current Admin Clerk’s salary per the contract. There was a reduction in staff in the parking garage related to the outsourcing of building maintenance last year.

CFO Lesner acknowledged that the cash fund balance is very small. Interim Manager Pavlicek stated that the long term strategy is to make sure that by the time the DTOP TIF ends that this fund is sufficient enough to fund itself. President Pope asked that staff confirm that everything that we were to pay for from the TIF is accounted for and that we are aware and implementing all of the rate increases that we were projecting throughout the life of the TIF. Interim Manager Pavlicek stated that in the future we will have a conversation about the debt issue and talk about the fee increases projected and the projected annual cash flow. Interim Manager Pavlicek reviewed the history of the meter rates and the Walker Parking Study that led to the rates proposed. The 2013 budget does propose increase in the permit rates. Interim Manager Pavlicek stated that the Walker Study set forth a plan to raise garages and hourly rates every other year in order for staff to monitor utilization prior to the next increase period. President Pope asked that I-GO be encouraged in high-demand zones to encourage the use (of I-GO) as a viable option. Trustee Hedges asked that this issue (permit fee increases) be raised with full Board. President Pope asked if the Village is following the 3-year plan high school parking increase. Interim Manager Pavlicek stated yes and it is complete.

The meeting adjourned at 10:05 pm.