

Finance Committee of the Village Board APPROVED Minutes

Thursday February 7, 2013

7:00 pm Room 101

I. Call to Order at 7:10 pm.

Present: President Pope, Trustees Brewer, Hedges, and Tucker, Village Manager Pavlicek, Deputy Manager Shelley, CFO Lesner, Budget and Financial Manager Harris

Also Present: Public Works Director, Fire Chief, Police Chief, Business Services Manager, Building & Property Standards Manager, Housing & CDBG Manager, Village Planner and IT Director.

II. Minutes of October 18, 2012 were approved.

III No public comments

IV Overview: Village Manager Pavlicek provided a brief introduction and then Budget and Financial Manager Harris provided an overview of the current status of the performance management program, the sequence of steps and where the Village is currently, and a review of the future. President Pope stressed the importance of using language that is positive, such as "process improvements" and not use words such as "underperforming areas" in order to create a strong partnership between the staff and the elected officials when using a system such as performance management.

Staff noted on the time table (p.13 of the presentation) that after the Finance Committee reviews confirms and/or revises the pilot department's vision, the entire Board is scheduled to have a brief review also and confirm the visions too. Trustee Tucker asked if there was a way to not have all of these meetings repeat themselves. In essence Budget and Financial Manager Harris responded, no, that it is important to get the confirmation from the Board about the visions and if it takes repeating that is what will have to occur. The intent however, is to have the meeting with the full Board, with the understanding that the Finance Committee reviewed the material in great detail and that what the full Board is reviewing is a recommendation from the Finance Committee. Hopefully that will shorten the length of the conversation. The initial plan/schedule is to have ALL of the pilot departments reviewed by the Board in one night (unlike Finance Committee that will review at a more comprehensive pace of two nights).

The Committee discussed the need to stay at a higher level during this process and not get in to the department operations. President Pope said that although some of the material presented tonight was operational, it is important that there is alignment and understanding on what is a governance level "vision", a management level and a front-line level so that everyone is of the same understanding and on-board with the program.

V. Department Visions

**A. Public Works Department**

The Department provided a brief overview of org chart and major functions. The Committee asked about the staffing per each Program Functional Area as well as the budget per each area.

Priority Area 1: Infrastructure & Capital Programs

President Pope asked for clarification that the vision to create a long-term capital plan wasn't a wholesale review of what we already did. The Public Works Director clarified and said that it was beyond what is current and is more intended to develop a "living document" for better use during budgeting and forecasting future projects and will build on what the Village has already started.

Related to Action Item #3, Trustee Brewer asked if "threats" were also to be identified, or what if the project doesn't happen – a "plan B", or there is less funding, etc. Include alternatives.

Related to Action Item #4, President Pope asked to clarify if this was a GAP discussion or money in the bank already. The Director responded that it can be money in the bank for vehicles, for example, if the Village begins to save for the replacement. Otherwise it is a GAP for the larger projects. The Village Manager summarized that the capital plan is intended to be a robust 5-year plan, with an annual adoption of a 1-year plan that keeps rolling forward.

Priority Area #2: Maintenance & Service Programs

Trustee Hedges asked for examples on how you would measure Vision #1. The Village Manager responded that will be the next step and measures have not been developed yet. President Pope noted that the next phase will be very critical. President Pope supports efficiency measures, especially in this area. For example, the rating of the streets overall vs. the budget for the Village's street program – there should be a gradual ramping up of the overall rating over time. President Pope noted that the metrics should also be core to why we do have a Public Works Department. It will be important that we (the Board) don't want to see the operational level measures. All we need to see are the governance level measures. The Budget and Financial Manager also mentioned that staff will develop targets, however President Pope commented that although targets are helpful something for further down the road because the Village will first need to get some history behind us to establish a reasonable target. What is more beneficial at first is to learn what other communities are doing.

Priority Area #3: Call Center (Customer Service)

No comments

Priority Area #4: Emergency Response

Recommendation from Finance Committee:

Staff then recapped the Department's 4 functional areas and asked if there were any further questions and if the Finance Committee could support these areas as being "governance-level" functional areas for the Board to focus and then for staff to move forward and create measures.

President Pope noted that for Priority Area #3/Call Center, the words should be phrased differently such as "Service Requests" because there should be a link to the work actually being complete for which the caller requested. It isn't about just making sure the call was answered or answered politely but that Public Works fixed the problem.

Being that Public Works was the first Department for this exercise, the Committee had some further questions on the process. Trustee Hedges asked if the list provided by the Departments of Functional Priority areas was inclusive of everything on the Department Director's list – were there any others. The Department Director replied that everything was included in his list of priority functions. Trustee Hedges explored the idea if everything can be a priority area. President Pope commented that if we don't include everything, we may leave out a significant number of things and it will raise a question of why we are not looking at it. During budget for example, the Board will want to see all measure related to the trees, alleys, streets, etc. Trustee Tucker also mentioned that if we don't see all priorities, things will be lumped and potentially not measured. The Village Manager said that she will need time to digest the comments from tonight and this issue can be discussed further during the wrap-up session.

**The Finance Committee agreed in concept to recommend all the Priority Function Areas as identified by the Department to be appropriate for the "governance level" and to move forward with developing measures, except the comments noted for further revision related to Area #3/Call Center.**

## B. Fire Department

The Department provided a brief overview of org chart and major functions.

Priority Area # 1: Operations

Overview by Department

Priority Area # 2: Training

Trustee Hedges asked about the potential efficiency of a district. Chief Ebsen explained that you may realize some on the administrative staff but not on the service.

Priority Area # 3: Fire Prevention

Overview by Department

Recommendation from Finance Committee:

President Pope explained that the Priority Function Areas may not be at the governance level with this Department. The priorities listed are more of "how" instead of the "what", which is a higher-level non-operational approach to priorities, which is where the Board should be. The question for the Board is *what should this department be doing that the taxpayers care about?* I would answer that as 1) Prevent Fires (education), 2) Respond to Fires and 3) Save Lives Through EMS Calls. All of the details in the vision and action plans are good and valuable and should stay, I am only suggesting a change in the terms associated with the Priority Function Areas, if those areas are designed to be higher-level governance measures. President Pope continued that it will be important we (the Board) stay focused on the outcomes – what are the reasons people feel they need a Fire Department?

Much discussion then continued on the difference between governance level measures (for the Board), vs operational or management level measures (for the Manager and the Departments). The Fire Chief expressed concern over having a measure, such as "Prevent Fires" for which he felt he couldn't control (ultimately you would be measuring the # of fires). President Pope tried to further explain that by having this measure, "Prevent Fires" everything that was listed in the Fire Department's presentation would stay and was applicable to "preventing fires", but instead we would not be using the term "training". If you say what is it that a taxpayer wants to see as a result of having a Fire Department, the response isn't "training" but instead "less fires". The "training" is a measure that certainly the Manager and Fire Chief will need to monitor and measure, but it's not a governance level measure.

The Finance Committee asked staff to re-evaluate the Priority Function Areas. These areas seemed more targeted for use by the Village Manager and Department, but not for the Village Board or governance-level review.

The Committee suggested instead that the Board's Priorities should be relabeled as follows:

Priority 1 is renamed (or similar) to "Respond to Fires",

Priority 2 is renamed (or similar) to "Prevent Fires",

Priority # 3 is renamed (or similar) to "Save Lives through EMS Service".

All visions and action steps noted could remain the same or very similar.

## C. Police Department

The Department provided a brief overview of org chart and major functions.

### Priority Area # 1: Operations

Overview by Department

Priority Area # 2: Training & Development

Overview by Department

Priority Area # 3: Crime Prevention and Perception of Crime

Overview by Department

Recommendation from Finance Committee:

Similar to the discussion noted above with the Fire Department, the Committee felt that the priority function areas were more operational or management level, and less Board or governance level.

The Committee suggested instead that the Board's Priorities should be relabeled as follows:

Priority 1 is renamed (or similar) to "Lower Crime Rate",

Priority 2 is renamed (or similar) to "Close/Resolve Cases",

Priority # 3 is renamed (or similar) to "Perception of Safety".

All visions and action steps noted could remain the same or very similar.

Adjourned at 10:00 pm