

VILLAGE OF LIBERTYVILLE
BOARD OF TRUSTEES
Committee of the Whole
2021-2022 Budget Review
March 6, 2021

Meeting conducted virtually due to Governor's Executive Orders #2020-10, 18, and 32

President Wepler called to order a virtual Committee of the Whole at 8:00 a.m. Those present were: President Terry Wepler, Trustees Donna Johnson, Richard Moras, Jay Justice, Scott Adams, Peter Garrity, and Patrick Carey. All Village departments were represented.

INTRODUCTION

Village Administrator Kelly Amidei thanked the Village Board for support along with Finance Director Nicholas Mostardo and his Staff for their work on the 2021-2022 Village Budget.

Next, Administrator Amidei provided a budget document overview as well as the impact of COVID-10 on the Village's financial position. She then reviewed the dates for the budget preparation and budget review meetings. She added that the non-home rule sales tax referendum had been successful and took effect on July 1, 2020. All non-home rule sales tax revenues go into the Non-Home Rule Sales Tax Fund and are allocated to different funds as budget transfers.

Administrator Amide explained the following Key Budget Initiatives:

- Stormwater
- Libertyville Sports Complex
- Road Infrastructure
- Utility Fund
- Village Facilities
- Recreation Amenities and Playgrounds

She then recapped Administrative/Finance Department, Fire Department, Police Department, and Public Works grants as follows:

- Total value of grant applications (awarded or pending): \$3,525,582.37
- Total value of grant awards: \$1,186,239.95
- Total value of pending awards: \$2,339,342.42

Finance Director Nicholas Mostardo reviewed the meeting agenda and Village financial policies. He next provided the following budget summaries:

BUDGET SUMMARY TOTALS

REVENUES (Operating and transfers)

- FY 2021-2022: \$66,100,964
- FY 2020-2021: \$66,500,617

EXPENDITURES (Operating, Capital Outlay, and Capital Transfers)

- FY 2021-2022: \$67,155,731
- FY 2020-2021: \$62,304,104

BUDGET SUMMARY – OPEARTING & CAPITAL

OPERATING REVENUES

- FY 2021-2022: \$62,983,572
- FY 2020-2021: \$64,446,628
- Decrease of 2.3%

OPERATING EXPENDITURES

- FY 2021-2022: \$47,645,422
- FY 2020-2021: \$48,936,279
- Decrease of 2.6%

CAPITAL OUTLAY

- FY 2021-2022: \$16,392,917
- FY 2020-2021: \$11,313,836
- Increase of 44.9%

RESIDENT IMPACT

- The typical resident will pay \$223 more for Village services in FY 2021-2022, a 9.3% increase from the previous year
- Excluding stormwater, the increase over the prior year is \$67 or 2.8%
- The proposed stormwater utility fee will cost the average homeowner \$156 per year (\$13 per month)
- Per the Utility Rate Study, the budget contemplated planned utility rate increases of 3% for water and 5% for sewer
- The annual property tax increase for an average homeowner will be approximately \$15 on the *Village's* share of the property tax bill (9%)
- The budget proposes no change in the telecommunications tax, electric utility tax, or the price of vehicle stickers

OTHER RATES AND FEES

- Libertyville Fire Protection District Fees – increase of 2.3% (PTELL CPI)
- Public Safety Fees (Rockland, Mundelein Ladder, District 70, District 128, etc.) - by contract

Director Mostardo next discussed the **Five-Year Financial Forecast**. He stated that the forecast focused on projecting General Fund performance under three COVID-19 recovery scenarios:

- “U-Shaped” – *Base Scenario 1*: Economy does not immediately bounce back from COVID-19, but instead scales up over time
- “V-Shaped” – *Alternate Scenario 1*: Economy remains at a low level for several years or more
- “L-Shaped” – *Alternate Scenario 2*: Economy remaining at a low level for several years or more

Director Mostardo noted that by FY 2025-2026 the growth in expenses would outpace growth in revenues with the U-Shaped scenario; fund balances below policy minimum would occur in 2022-2023. The five-year ending fund balances for each scenario would be:

- \$535,860 in the “U-Shaped” Base Scenario
- \$3,110,907 in the “V-Shaped” Alternate 1 Scenario
- (\$2,973,331) in the “L-Shaped” Alternate 2 Scenario

Director Mostardo stated that the Village should hope for a recovery somewhere between “U-Shaped” and “V-Shaped” scenarios, but should plan conservatively. If the stimulus bill is passed, current estimates project the Village receiving approximately \$2.5 million. He added that the Village should consider adjustments to service levels if signs point toward and “L-Shaped” recovery.

PROPERTY TAX OVERVIEW

Director Mostardo noted that Libertyville’s municipal tax rate is lower than 12 of 13 neighboring municipalities. The graph presented showed the allocations of property tax as follows:

School District #70	38%
High School District #128	33%
Village of Libertyville	9%
Lake County	8%
College of Lake County	4%
Cook Memorial Library	4%
Lake County Forest Preserve	2%
Road and Bridge	1%
Township	1%

PERSONNEL

The proposed budget includes:

- Restoring one Recreation position
- Reassigning vacant Public Works Management Analyst to Administration
- One full-time engineering position in the Public Works Department

Budgeted Wage Adjustments:

- Cost of Living adjustment for non-union employees – 2.0%
- Merit-based wage advancement for non-union employees – up to 2%
- Employees covered by bargaining agreements:
 - Fire -2.25%
 - Police/Public Work – contract under negotiation, allowance for COLA included in the budget

Benefits:

- PPO – 5% increase, HMO – 5% increase
- Dental – 5% increase
- Public Safety Pensions – Police – 1.3% or \$26,743; Fire – 10.3% or \$153,892; Employer contribution rate for Police: 51.8%; Fire: 39.6%
- IMRF Pension – Decrease in employer contribution rate from 15.49% to 14.45%

CAPITAL PROJECTS

The Capital Play Outlay in FY 2021-2022 of \$16,392,917 includes the following:

- Bridges - \$130,000
- Buildings - \$483,960
- Equipment: Computers - \$166,920
- Equipment: Miscellaneous - \$28,500
- Park Improvements - \$740,750
- Parking - \$592,500
- Sanitary Sewer - \$825,000
- Storm Sewer/Drainage - \$6,296,585
- Street Paving - \$725,000
- Street Reconstruction - \$1,856,279
- Streetscape – \$413,000
- Vehicles - \$1,078,123
- Wastewater - \$1,586,300
- Water Distribution - \$1,470,000

Capital Projects were broken down for each fund.

A General Fund Overview followed along with a review of each of the individual special revenue funds including:

- No significant changes in Concord or Timber Creek Special Service Area funds, Fire Fund, or Foreign Fire Service Fund
- Motor Fuel Tax Fund in compliance with its fund balance at the end of FY 2021-2022
- Non-Home Rule Sales Tax Fund
- Hotel/Motel Tax Fund
- Commuter Parking Fund
- Debt Service Fund
- Debt

- Enterprise Funds – Utility Fund
- Stormwater Sewer Fund
- Libertyville Sports Complex Fund
- Project Fund
- Park Improvement Fund
- Impact Fee Fund
- Public Building Improvement Fund
- TIF Fund
- Vehicle Maintenance & Replacement Fund
- Technology Equipment Replacement Fund

OTHER BUDGET CONSIDERATIONS

The Woods at Adler

- Maintenance plan request of \$17,000
- Recommendation of \$10,000 for Adler to manage maintenance
- Amend the lease for long-term solution

Trustee Johnson asked if the funding was appropriate. Administrator Amidei noted that the plan has not yet been fully vetted. Trustee Moras asked if the money for maintenance would be in perpetuity. All agreed that justification was necessary before committing. Administrator Amidei stated that information would be available for the Board to consider before voting on the budget.

Adler Arts Center

- Due to decrease in revenues in Hotel/Motel Fund, only two of the three capita projects are scheduled.
- Deferred \$47,642 Wood Window Frame project
- Can complete if Board directs Staff to take Hotel/Motel Tax Fund below fund balance policy

President Wepler asked if further damage would result from the deferral. Trustee Moras asked if the floor damage had been a result of the windows leaking. He also asked if deferral was the right course. Administrator Amidei stated that she would check.

Trustee Johnson asked who was responsible for overseeing Homeowners' Associations and Special Service Areas. Director Mostardo stated that Staff oversees both.

Trustee Moras provided background on the utility taxes, a sunset clause, the reduction of electrical tax and elimination of the gas tax. He added that these taxes are only enacted in emergency situations.

ADMINISTRATION & FINANCE

Deputy Administrator Ashley Engelmann reviewed the following:

- Duties of Administration and Finance
- Financial Summary
- FY 2020-2021 Accomplishments

- FY 2020-2021 Goas Status
- FY 2021-2022 Goals
- Strategic Plan/Goal Setting
- Legislative Boards and Commissions
- Legal
- Meeting Summary
- Community Organizations and Activities
- Technology and Equipment Replacement Fund (TERF)
- Financial Summary
- FY 2020-2021 TERF Goal Status
- Accomplishments (IT)
- MYGIS
- Tree Management
- Impervious Surface
- Maintenance Dashboard
- FY 2021-2020 IT Goals

Trustee Garrity noted the importance of security initiatives and asked if the IT vendor were the best to oversee security. Deputy Administrator Engelmann stated that the vendor is up to speed and is the right fit for Village needs. Trustee Johnson asked that employees be reminded to be careful mixing business and personal emails on Village-owned devices.

- Notable Operational Initiatives

RECREATION

Deputy Administrator Engelmann provided the following recreation information

- Recreational opportunities
- Financial Summary
- FY 2020-2021 Goal Status
- FY 2021-2022 Goals

COMMUNITY DEVELOPMENT

Director of Community Development John Spoden provided the following information:

- COMMUNITY DEVELOPMENT
 - Financial Summary
 - Performance Measures
- PLANNING DIVISION
 - Outdoor Dining
- ECONOMIC DEVELOPMENT
 - Marketing
- BUILDING DIVISION
- FY 2021-2022 GOALS

Trustee Moras asked for a recap of auto dealership partnerships. Trustee Johnson stated the Economic Development Coordinator Heather Rowe was instrumental in keeping the Infiniti dealership in Libertyville and thanked her.

FIRE DEPARTMENT

Fire Chief Rich Carani presented the following information regarding the fire department:

- Financial Expenditures
- Revenues Generated by the Fire Department
- FY 2020-2021 Accomplishments
- Department Videos
- Staffing
- Financial Summary
- Ambulance Billing
- Summary of Department Statistics
- Performance Measures
- Call Volume
- FY 2020-2021 Goal Status

Trustee Johnson expressed concern regarding stress levels of Fire Department employees during the COVID pandemic. She stated the importance of Staff getting help and recognizing signs of stress before a problem arises. She added that mitigation should focus on mental health, suicide prevention, and debriefing assistance. Chief Carani noted that the State Fire Marshall requires assistance as part of the curriculum. He added that Lake County Fire Chiefs are participating in COVID vaccinations as well as between 60 and 70 support staff to help vaccinate at the Lake County Fairgrounds.

- FY 2021-2022 Goals
- Emergency Management – EMA

Chief Carani introduced Libertyville Fire Protection District President Lee Haak.

PUBLIC WORKS

Director of Public Works Paul Kendzior presented Public Works information, including the following:

- Public Works Functions
- General Fund Expenditures
- Financial Summary

ENGINEERING/ADMINISTRATION DIVISION

- Accomplishments
- Goals
- Budget Notes

STREETS DIVISION

- Responsibilities
- Budget Notes

SNOW REMOVAL AND ICE CONTROL DIVISIONS

- Responsibilities
- Budget Notes

REFUSE AND RECYCLING DIVISION

- Responsibilities
- Budget Notes

PARKS MAINTENANCE DIVISION

- Accomplishments
- Goals
- Budget Notes

Activities

UTILITY FUND

- Financial Summary

WATER DEPARTMENT

- Responsibilities
- Budget Notes
- Expenditures

SANITARY SEWER DEPARTMENT

- Responsibilities
- Budget Notes

WASTEWATER TREATMENT PLANT

- Responsibilities
- Budget Notes
- Expenditures

STORMWATER SEWER FUND

- Financial Summary
- Responsibilities
- Budget Notes

VEHICLE MAINTENANCE AND REPLACEMENT FUND

- Financial Summary
- Responsibilities

- Budget Notes

POLICE DEPARTMENT

Deputy Police Chief Ed Roncone presented the information regarding the Police Department, including the following:

- Financial Summary FY 2021-2022 Budget Highlights
- Staffing
- Summary Statistics
- FY 2020-2021 Goal Status
- FY 2021-2022 Goals

CLOSING REMARKS

Village Administrator Kelly Amidei thanked Mayor Wepler and the Village Board for their support. She noted that recommended changes would be incorporated into the final budget document. A follow-up will occur at the March 9, 20201 Committee of the Whole.

ADJOURNEMENT

With no further business to come before the Committee of the Whole, President Wepler asked for a motion to adjourn. Trustee Garrity moved to adjourn at 1:51 p.m., Trustee Carey seconded, and the motion carried on roll call vote as follows:

AYES: Trustees Johnson, Moras, Justice, Adams, Garrity, and Carey

NAYS: None

Respectfully submitted,



Sally A. Kowal
Village Clerk