

Finance Committee Meeting Minutes
Thursday, November 3, 2022

Heidi Rudolph, Chairperson
Scott Lewis, Trustee
John Mastandona, Director of Finance
Alice Gallagher, Village President
Ellen Baer, Village Manager
Casey Biernacki, Deputy Village Manager
Daisy Chavez, Assistant to the Village Manager

Others Present:

Village Hall

Meeting called to order at 6:16 pm

Items of Discussion:

- **Public Comment:** None
- **Minutes:** The minutes of the October 4, 2022, Finance Committee meeting were approved as presented.
- **Stormwater Fee Update:** Deputy Village Manager Biernacki presented different fee options and credit recommendations for the stormwater utility fee. He discussed that the fee is based on the amount of impervious area in each parcel. The calculated Equivalent Runoff Unit (ERU) as a unit of measurement to be used throughout the community. One ERU is ~ 3,700 square feet of impervious area. He discussed that the recommendation splits residential into three tiers and non-residential would be calculated utilizing the ERU's. He presented rate options and discussed that rates could be used to pay for debt service if the Village issues bonds to raise resources to take on large projects in the first few years. He presented different scenarios of issuing bonds in the amounts of \$3.5 million, \$6.5 million, and \$9.5 million. Staff recommends the scenario of issuing \$9.5 million in bonds, allowing the Village to be able to fund projects that have already been identified. He stated that the issuance of any bonds would need to be approved by the Village Board at a future date. This option would keep the rate steady for at least three years. Discussion ensued about what projects could be funded by this fee. Director Mastandona stated that funds received by the stormwater utility fee can only be used for stormwater costs. A separate fund would be created, like the water fund that would keep revenue and costs designated to stormwater separate from the Village's other funds. Deputy Manager Biernacki stated that the scenarios assumed annual costs of approximately \$2 million. He stated with current resources, the Village spends about \$200,000 a year on stormwater projects, which has not kept up with needed projects. Manager Baer stated that Village staff over the years has done a great job at utilizing limited resources to address the most important issues on an annual basis but needed projects and routine maintenance are unable to be funded. Deputy Manager Biernacki said the next steps of the process is public education, which includes working with Raftelis to create an online tool that residents can go to our website, put an address in, and see what their fee would be and how it is calculated. He further discussed potential credits and incentives program that would allow residential and non-residential customers the ability to improve the stormwater management conditions on their property by taking actions to reduce impervious areas or improve stormwater retention on their property and thus lower their utility fee amount. There is also a potential of a Community Partnership Credit. Non-residential customers that work with the Village to install stormwater control measures that reduce the impact of impervious area in the community, manage stormwater runoff, or that slow, capture, and treat stormwater runoff from other properties in the area are eligible for an additional credit on their total stormwater bill. Deputy Manager Biernacki stated that throughout the process, staff has assumed that the fee would be applied to all properties within

the Village of Western Springs, including Village parcels, schools, religious institutions, and other government agencies. Chairperson Rudolph inquired about what action is needed at tonight's meeting. Manager Baer said that staff is just looking for direction to continue moving forward in the process. The Committee agreed that Staff's recommendation presented of the fee structure, credits/incentive program, and the fee being applied to all properties is a good direction to continue the process.

- **Budget Amendments:** Deputy Village Manager Biernacki requested a budget amendment for \$116,399.84 to increase Separation Benefit line item in the General Fund (1201100 40950). He stated that the amendment is needed due to the number of resignations and retirements that happened this year. Earned accrued time needs to be paid out when employees leave the Village. A budget amendment for \$20,000 to increase Fire Training – Part time-other in the General Fund was requested by the Director of Fire and EMS (5104100 40250). Director Mastandona stated that this increase was due to the number of recruits enrolled in the Fire Academy for the year were higher than anticipated. A budget amendment for \$39,180 to increase Software in the Water Fund was requested by the Director of Finance (4301510 55123). He stated that the upgrade to the billing system has been needed for some time, but the potential stormwater utility fee has increased the urgency. The upgrade would provide better efficiency and will be needed to meet current technology of new meters. The project would not be completed until 2023, which is when it will be paid for. The funds are included in the 2023 budget. The budget amendment is needed to start the process with our software company as there is a long lead time. A budget transfer for \$20,000 to increase Professional Services (1201100 50100) and decrease Police – Full Time Salaries (3101100 40100) in the General Fund was requested by the Village Manager. She stated that this was an estimate and was needed with the recent retirement of the Director of Law Enforcement Services. The Village will be looking to fill the role but may utilize the services of a consultant for the short-term. She stated that any contract the Village may enter would be approved by the Board of Trustees. The Finance Committee approved the requests and recommended that the amendment be placed on the November 7th Board Meeting agenda.
- **2022 Property Tax Levy:** Director Mastandona presented the updated draft of the Proposed 2022 Property Tax Levy. He stated that this draft includes the Thomas Ford Memorial Library's levy. The total levy is \$10,312,601, an increase of 5.03%. He stated that County reports regarding the 2021 Property Tax Levy should be made available in the next week and the anticipated due date of the second installment of the 2021 Property Tax is December 31, 2022. Also, included is a resolution determining the estimated real property tax levy for year 2022 that would need to be recommended to be placed on the November 7th Board Meeting agenda. The Finance Committee recommended that the resolution be placed on the November 7th Board Meeting agenda.
- **2023 Proposed Budget:** Director Mastandona presented the draft 2023 budget recap for all funds, along with revenue line items. He highlighted some major changes compared to the 2022 budget, such as investment income is projected to be significantly higher than the current year due to the increases in the Federal Reserve's target rate. He also mentioned that staff has monitored line items that are tied to the health of the economy, such as building permits and sales tax. Building permit activity continues to come in at expected levels and sales tax estimates provided by the Illinois Municipal League (IML) are strong for FY 2023. Conversation continued about specific line items. Director Mastandona also noted that the 2022 budget included a transfer from the Special Purpose Fund to the General Fund to cover expenditures related to engineer studies that are currently happening. Staff recommends not doing the transfer, as revenues in the General Fund came in higher than anticipated and would be able to be used to cover the costs of the studies.

There being no further business, the meeting was adjourned at 7:45 pm

Respectfully Submitted,

John Mastandona
Director of Finance

APPROVED: November 28, 2022