



CITY OF PARK RIDGE

505 BUTLER PLACE
PARK RIDGE, IL 60068
TEL: 847/ 318-5200
FAX: 847/ 318-5300
TDD: 847/ 318-5252

MINUTES

BUDGET WORKSHOP MEETING

CITY HALL
COUNCIL CHAMBERS
505 BUTLER PLACE, PARK RIDGE, IL 60068

Tuesday, March 19, 2013, 7:00 p.m.

I. ROLL CALL

Alderman Knight called the meeting to order at 7:05 p.m.

The Roll Call was read and the following Elected Officials indicated their presence at the meeting: Ald. Di Pietro, Ald. Smith, Ald. Knight, Ald. Mazzuca, Ald. Maloney, and Mayor Schmidt. There was a quorum.

Staff Present: Shawn Hamilton, Diane Nelson, Kent Oliven, Andrea Hatcher, Wayne Zingsheim, Sarah Mitchell, Frank Kaminski, Mike Suppan, Mike Zywanski, Jeff Sorensen

II. UPDATE

There has been an update to the budget workshop schedule adding the public hearing on Wednesday, April 10 at 6:30 pm, a special meeting of the Council at 6:45 pm, followed by the Committee of the Whole Meeting at 7:00 pm. The reason for this change is the fact that the budget approval should happen in mid-April and the information about the public hearing must be posted 10 days prior to the Council meeting on April 10 when the budget will be approved.

There is a fund balance scorecard in the budget packet with no changes.

III. CITY ORGANIZATION CHARTS

Acting City Manager Shawn Hamilton went through the City of Park Ridge organizational charts. Hamilton thanked the HR Department for putting the charts together. Ald. Mazzuca asked some questions regarding miscellaneous positions in Police and Public Works which are new due to a re-organization.

IV. HISTORICAL INCREASE FOR SALARY AND INSURANCE

Hamilton shared a historical summary of pay increases since 2008 and insurance contributions since 2010 for Fire, Police, Public Works, ICOPS, Sergeants and non-union employees. The percentages, including insurance and wage, are already included in the budget that has been submitted. Ald. Mazzuca asked if the 13% employee contribution for insurance is low or high compared to other communities. HR Manager Mike Suppan said that we are mid-range compared to other communities and most are in the 10% to 15% range. Hamilton explained that we are just getting numbers finalized from our insurance companies. Insurance companies are already factoring the changes that will occur on January 1 with the new federal health plan. Ald. Knight asked if we are bound by any laws for increases in insurance. Per Hamilton, the increases that we can impose for unions are all contractual. Ald. Knight asked for a definite answer to this question. Ald. Sweeney asked if these are percentage for single and family. Per Suppan, there will be four rates established for employees which would level the playing field for all employees. Ald. Mazzuca asked if it is possible to institute an incentive program for

employees that waive coverage. Per Hamilton, this could be put together quickly but a bulk of those people that already waive insurance will get the incentive also and we are not ready to run those analytics at this time. A 5% increase was budgeted and our insurance costs should fall under that increase. Hamilton stated that if someone does not take family coverage, it saves the city about \$20K per employee. Aids. Mazzuca and Knight asked that we get the number of people that are currently enrolled in family coverage. Per Hamilton, the impact of an incentive would not be known until the end of April due to the fact that it is open enrollment time.

V. FY14 PERSONNEL CHANGES

Hamilton went over a memo comparing miscellaneous city position changes. He started with the Administration group and noted that there is a place holder of \$30K for an Economic Development person but it is not being opened as a job yet. This memo reflects a \$92K savings in Administration as compared to last year. Ald. Maloney asked if the Asst. to City Manager position is a vital position. Hamilton said that he most definitely needs this support. Some of the duties the person in the position will perform will be managing the budget for phase one of the police station, contacting vendors to get the best pricing and other maintenance projects within the city. There are no clear duties as of yet because he is still in the process of transitioning out of the Finance Department and cannot give his full time to this position as of yet. Ald. Sweeney noted that we had three positions a few years ago, City Manager, Deputy City Manager and Asst. City Manager. Ald. Mazzuca asked what the additional benefits are within these positions that are not included in the numbers. Per Hamilton, this sheet just shows compensation and not a total dollar savings. The number for modeling of benefits is usually 40%.

Ald. Maloney asked what the goals are for the Economic Development Position. Hamilton said that this is currently being discussed but a job description is not available at this point. Per CP&D Director Jim Testin, as soon as we get through the skill sets, we can make a decision. Hamilton stated that we need someone that is a marketing/PR person but do not believe that we need a full time person. Ald. Mazzuca asked why we have \$30K put aside instead of just doing a budget amendment at a later date. Ald. Knight asked to leave it in the budget and ask the Hamilton not to hire anyone until the Council has a chance to buy off on the decision. Ald. Maloney asked if interns are ever used and Hamilton said they have been used in Finance. Ald. Sweeney asked if there are problems with the union in bringing in voluntary help. Hamilton stated that this has not been a problem since the help is part-time. Ald. Di Pietro made an observation that placeholders were not used in the budget last year. It was decided by a 3-3 show of hands that the placeholder will remain in the budget. The consensus is the expectation that the Acting City Manager will not hire for this position until it is more clearly defined.

For Finance there is a change in the budget to decrease the soon to be new Finance Director from the amount of \$122K, which was the previous Finance Director's salary, to \$110K. This will signify an increase of \$20K for the current Finance Manager. Ald. Maloney asked why this raise is merited. Per Hamilton, this has been the intention all along after the 90 day interim period. Ald. Knight stated that Oliven came in at a lesser salary because the previous Finance Director was still employed and they did not want an overlap in salaries. The intent was always to give an increase after the 90 days.

For CP&D, Hamilton proposed a \$7K increase for the CP&D Director, Jim Testin. Hamilton said that he is extremely happy with what Testin has done with the department to this point. Ald. Maloney asked what changes Testin has made in CP&D to merit this increase. A couple of changes that have occurred are a new two week turnaround time for customer requests, which is working very well, and he also hired two new employees after two longtime employees left.

Ald. Knight asked Hamilton to present evaluations for the positions of Director of Finance and CP&D Director prior to May 1 and prior to the increases being approved. Ald. Knight also request comparables to have the compensation amounts justified. Hamilton stated that this is the only raise that they would receive this year.

Also in CP&D, there is a new Senior Planner position which will be replacing the Planner I position with an increase of \$6,170. This is a title change with additional duties and responsibilities which is an expansion of the current position. There is a development plan for this position that is being worked on at this time. Ald. Sweeney stated that in previous years there were multiple planners upstairs.

There are also postings for 2 part-time positions for inspectors based upon their need. In the past we have used contractors to fill these roles. This will eliminate any union conflicts and will improve turnaround time for residents.

There also 3 proposed new part-time positions for CP&D which include an Urban Forester, Emergency Preparedness and Economic Development TBD.

Fire Chief Zywanski explained the funding for the new position of Emergency Preparedness. Currently, many of the duties are being split between other positions within the department. There are six major functional areas of emergency preparedness that the City needs to address. These include mitigation functions, preparedness functions, training and some administrative functions. Many of the procedures need to be updated. This should be a person that has experience with emergency management and is roughly a 20 to 24 hour position. Another big area that this position would handle would be to pursue emergency preparedness grants which need to be researched and written, which is very time consuming process. The city plans need to be up to date on many procedures. Ald. Knight requested a copy of the job description when it is complete.

The urban forester is a much needed position since Public Works cannot keep up with the work load. This position does currently have a job description. Ald. Knight requested a copy of it.

VI. NON UNION MERIT PROPOSAL

Hamilton went over the evaluation process for non union personnel and the timeline and stated that evaluations have not been done very well in the past. HR Manager Mike Suppan and Hamilton are working on honing the process. The process will start at the end of March and should be completed by employees and supervisors by April 30. A copy of the evaluation instrument was attached to the document.

Hamilton then discussed the non-union pay increases based upon the merits of the evaluation instrument that was attached to the budget documents. The amount of \$78,418, which was proposed in the FY14 budget, would fund a 2% across the board increase for all non-union non-library employees. The amount of \$57,800 is being requested to fund merit increases for FY14. The amounts will not be distributed until the evaluations for employees are completed. The merit increases will vary for each employee, but would not exceed 2% for employees, except for those merit increases documented in another memo.

Hamilton said that the department heads have stated that they will not take salary increases this year. Ald. Maloney asked if there is a formal improvement plan for individuals that do not meet expectations. Suppan said that most improvement plans are done on an individual basis since they do not happen very often. Ald. Knight asked if he can be presented with a documented formal improvement plan. Department heads

stated when there is an issue with an employee it is handled immediately so there is no need for a formal written plan.

Ald. Di Pietro asked if these evaluations could be done prior to the budget meetings next year. Per Hamilton, this could be done since it is not a timeline issue.

VII. CONTRACTING AND MATERIALS

a. Additional Acting City Manager Budget Reductions

Hamilton discussed updated contracting and materials information. Based upon additional meetings with each department head, and having actual expenditures through February, there were additional cuts to the FY14 contracting and material budgets (scorecard adjustments). The cuts show a further reduction of \$300,144 in this budget. Hamilton asked all managers to engage him in any decisions regarding major expenditures.

Ald. Knight questioned the reduction of \$50K for legal counsel. Hamilton has requested that all requests for legal services come to his office first which has helped to cut back on attorney hours. He also asked that we only use the attorneys when they are in the office and not call on the 24/7 hot line. Ald. Maloney asked if we are looking into different options for legal. Hamilton stated that there are two different options being looked which consist of looking for another firm or hiring our own legal. This is currently in the data gathering phase. Ald. Di Pietro asked Hamilton to look back at the data from when we had an attorney on staff and do a cost comparison.

Ald. Knight asked about the \$15K decrease in IT General Contractual. Hamilton explained that the list was reprioritized by IT Director Diane Nelson. Per Hamilton all of these items reflect a reprioritization of needs for all departments. Ald. Knight suggested that this probably should have been done in the first pass. Hamilton explained that the key to this process was looking at four years of history and realizing that in four years we have never gotten to the amount that was budgeted for.

Hamilton brought up some revisions to the 2014 budget due to the fact that there is more information available now. The additions consist of snow removal supplies/salt (\$65K), postage (\$5K), natural gas at Dee Road Depot (\$2K) and refuse disposal (\$20,000).

The cost of producing the Spokesman was discussed. Per Ald. Di Pietro, the residents are very happy with the Spokesman and would like to see it continue to be produced. One of the cost reductions was to have it produced in house only four times a year, which was done this year. Ald. Maloney asked about using the newsletter to inform residents about various commissions in Park Ridge including the Airport Commission. Ald. Knight believes that legal did not believe that this should be done since it would look like the City is advocating the project. Ald. Mazzuca stated that the information that they are asking to be published would be purely educational. Mayor Schmidt suggested announcing in the Spokesman a link to the website where the information for the airport commission can be viewed.

b. Updated Tables

Hamilton noted that there are updated charts for all of Contracting and Materials included in the budget packet.

VIII. FY13 TO FY14 CARRYOVER

Hamilton went through the five carryover items from FY13 which consist of:

1. Phase 1 of Police Department project - \$318K will be moved into FY14
2. \$100K of the Fire Department building maintenance projects which covers epoxy flooring for both buildings, painting and ceiling work
3. \$5K for City Hall building maintenance which includes carpeting in Administration
4. \$83,568 for Local 150 retro pay and uniform allowance. This is a salary item.
5. \$153,400K for fire department defibrillators.

Chief Zywanski brought up another potential expense in the firehouse regarding the apparatus floor in the firehouse which is buckling. The Chief is hoping that the whole floor will not need to be replaced. An ultrasound will be ordered for the floors in both firehouses. Zingsheim offered a suggested for a less expensive way to handle this issue. Per Hamilton, this came up a couple of days after these five items were put together so there no cost estimates for work as of yet.

Mayor Schmidt asked if the Phase 2 of the Police Department would be a separate line item and Oliven stated that it would not be a problem.

Hamilton stated that if invoices for the above projects come in before the budget process is completed, the carryover will be decreased by that amount.

IX. COMMUNITY GROUPS

At a previous meeting, Hamilton had requested holding any decision on Council Policy Statement 6 until the results of the community survey which was sent out by Lutheran General Hospital are available. There has been no funding added for the Community Development group at this point since the survey has not been completed and tallied. Ald. Di Pietro stated that the deadline for returning community health surveys is March 31. There have been over 900 responses so far but the hospital is hoping to receive over 1200. The purpose of the survey is to examine the overall health of the community and to try to create programs and strategies to meet these needs. The results should be compiled and available to the community by the summer or early fall. Ald. Knight requested a copy of the survey to review what types of questions were asked of the citizens.

Ald. Maloney expressed his views that he does not feel that we should wait for survey results and have this issue swept under the rug as he feels it was last year. Per Chief Kaminski, a large part of the needs of the community consist of mental health issues and keeping seniors safe. There are many unmet needs in the community at this time. Ald. Di Pietro suggested that after the survey results are tallied, we should do a placeholder for funding under Community Services, not Community Groups. It was suggested that Laura Dee from Community Development and Jennifer Steurer from Fire take part in a planning group for putting together the needs of the community prior to the survey results. Hamilton said that he would work on this project.

X. DOWNSIDE CONTINGENCY PLAN DISCUSSION

Ald. Knight discussed the contingency plan that Hamilton was asked to put together. Hamilton has put together a short roster list of where the reductions would come from if something catastrophic happens and extra funds need to be pulled from somewhere. Hamilton will present something at the final budget meeting on the 28th. Ald. Mazzuca asked Hamilton approximately how much of a downside that should be pre-planned for. Per Ald. Knight, we are probably talking about the possibility could be about \$1 million with known issues that are out there. He suggested that a few specific programs should be identified. It would need to be decided by the Council not to use the General Fund for these contingencies.

XI. ADJOURNMENT

The meeting adjourned at 10:18 pm