



CITY OF PARK RIDGE

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

MINUTES

BUDGET WORKSHOP MEETING

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

Tuesday, February 17, 2015 at 7:00 p.m.

I. Roll Call

Ald. Knight called the meeting to order at 7:04 p.m.

Senior Administrative Assistant Julie Zarlenga read the roll call; the following Elected Officials indicated their presence at the meeting: Ald. Sweeney, Milissis, Shubert, Knight, Mazzuca, and Maloney. Ald. Smith and Mayor Schmidt were absent. There was a quorum.

II. Approval of Minutes

a. February 3, 2015

Ald. Sweeney made a motion to approve, Ald. Shubert seconded the motion.

The motion carried.

III. Scorecard Review/Updates

City Manager Hamilton said the scorecard is the same, and there have been no adjustments since the last meeting.

IV. Elected Official's Requests

City Manager Hamilton said that Ald. Shubert requested that the Holiday Light Program be budgeted for FY16. He said the estimate for the lights would be \$40,000 to \$50,000. He also noted there was not enough staff to take over the holiday lights.

Ald. Shubert said the program was in place until 2009, but when funding was eliminated, volunteer groups such as the Indian Scouts and Indian Princesses took over the program. The Chamber of Commerce coordinated the program, however with the recent lack of volunteers, an email was sent to business owners requesting they put up their own lights. He asked for the lights to now be coordinated by the City along with the Public Works Department.

It was noted that Public Works has involvement with hanging the lights to a certain extent.

Ald. Mazzuca suggested the Chamber of Commerce take ownership of the lights and coordinate the volunteers.

A consensus was taken for staff to figure out the logistics of the Holiday Light Program and to bring back additional information.

There was consensus, (5-1) with Ald. Knight dissenting.

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City Manager Hamilton said that Ald. Maloney requested an increase in the fund for pest control to fund for rat batting. There is currently \$8,000 in the fund for pest control and the estimated increase to the fund for rat batting is \$3,000 plus overtime.

Ald. Maloney said he wanted the batting to trap the rats in the alleys.

Community Preservation & Development Director Testin said the batting and traps would actually be put into the sewers as opposed to the alleys due to safety reasons.

City Manager Hamilton noted that this was strictly an expense item and there would be no revenue offset.

A consensus was taken to have \$3,000 for rat abatement put on the scorecard as a placeholder.

There was consensus (6-0).

V. CP&D

Director Testin introduced the Department Goals and Objectives saying the department runs like a business and that by meeting certain goals they are meeting certain revenue markers. The departmental goals included being able to schedule inspections within two days of a request, and rat abatement.

Salaries and Department Expenditures showed an increase due to the overtime needed for the added pest control, as well as the manpower needed to meet the goal of being able to schedule inspections within two days of a request.

Contractual Services has increased, however half of the increase is reimbursable.

Ald. Knight asked what \$135,000 for software licensing was for.

Director Testin said the department needed the technology updated in their building permitting software. The software no longer existed and updates were not available. He said they wanted the software to tie into MUNIS to make things coordinate.

City Manager Hamilton said the money for the new software would come out of the IT Replacement Fund.

Ald. Mazzuca asked if the 20% increase in salaries was in sync with incoming revenue.

Director Testin said yes, that the salary increase is because positions were moved around from the contractual services line item to salaries, along with the transfer of a position from Administration to CP&D.

Ald. Mazzuca asked if there was a way to figure out if the revenue has increased with the increase in salaries.

City Manager Hamilton introduced a Salary Adjustment for the CP&D Director saying after a recent survey showing salaries of CP&D directors in other municipalities, he felt Director Testin deserved a 12% increase in pay, making his salary \$125,000. He noted this increase is consistent with his compensation philosophy of paying at the bottom of the median salary range. Aside from the salary findings from other municipalities the decision was made based on an increased workload. City Manager Hamilton said he would like Director Testin to act as the staff liaison for P&R. He said this would allow him to focus on bigger projects as opposed to the day to day operations of the City.

Resident Pat Livensparger, 413 Courtland was opposed to Director Testin getting a salary increase. She felt there were poor choices made in zoning and because of those choices felt a raise was not deserved.

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Resident Judy Barclay, 524 Courtland agreed with Ms. Livensparger and felt Director Testin should not be used as City Manager Hamilton's assistant, as he already had one. She said that P&R branched out across many important topics and that it needed a City Manager to run it and not a director.

Ald. Knight said he would need time to think about the salary increase. Ald. Knight also noted that while the Mayor was not present, he requested data showing a financial improvement in the running of the CP&D Department, along with salaries spanning over four years.

VI. Finance

Finance Director Gilmore said that there is one position open which is referenced in the organization chart. The Department Expenditures page shows a comparison of FY15 & 16 budgets. Contractual Services is \$1,207,000 and that number comes from liability claims, one in particular that increased that number. Citation fees, postal charges, bank service charges pertaining to printing and positive pay are some of the charges that factor into the Contractual Services fund.

Ald. Knight asked if they were still printing checks, and if they were considering outsourcing check printing.

Assistant Finance Director Lamberg said they were still printing checks; however the printer was very old and would not be replaced, thus making it necessary for outsourcing the check printing. She noted that while Council would not see an increase in expenses there would be a decrease in materials for check printing as well as better use of staff time.

Ald. Mazzuca spoke about positive pay in reference to reducing check fraud and asked how much check fraud the City has had.

Assistant Director Lamberg said they have had none, but that implementing positive pay was not only a preventative measure, but one that most banks require businesses to have.

Ald's. Maloney and Shubert inquired about the time frame for implementing an e-pay system where people can pay online. It was noted they felt this was an important goal and should be moved up on the list of priorities.

Assistant Director Lamberg said the system should be in place in the last half of FY16 due to scheduling of the audit, budget, and vehicle sticker season.

Ald. Mazzuca said that salaries have increased by 40% since 2013 and asked if this increase would continue.

City Manager Hamilton said because of all the vacancies, the actual salaries were lower than previously, but now that most of the positions have been filled, the salary section has increased and this increase is indicative of the actual salaries. City Manager Hamilton said the FTE of the department has not changed in a couple of years.

Ald. Knight asked staff to create a bridge from 2013 to 2014 to show the 40% increase.

a. Revenue

Director Gilmore discussed the details saying that the first section is property tax which makes up 25% of revenue.

Accounting Manager Lamberg addressed the reduction in Municipal Telecom Taxes saying that since most people are using their cell phones, they have gotten rid of their landlines. In addition, cable companies are offering bundled packages and deciding which service to charge the most for and the landline phone which is sometimes included in the package tends to cost the least amount of money, thus the reduction in taxes.

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Director Gilmore continued saying that most of the items are based on trending. He said building permits were down to \$1.1 million and this is due to big developments from the prior year being excluded. The state income tax has a reduction in rates due to a reduction in higher tax rates. Employee Contributions are shown at the gross amount at \$770,000.

A revenue matrix was added as requested by Council that shows how certain line items get calculated.

b. TIF

City Manager Hamilton discussed the Uptown TIF saying that on the revenue side there was a tax code segmentation project which produced a \$400,000 revenue increase. The expense side reflects the transfers out which is where the bond payments come from. The only transfer out is the \$200,000 for the abatement for the December 2014 Levy. For FY16 there is a surplus in the TIF, and at the end of the Fiscal Year the surplus will be used to abate property taxes for the next Levy cycle. Contractual Services are where the Intergovernmental Agreement (IGA) payments go, and the payments are based off of the current structure of the IGA.

The Dempster TIF can be described as an in and out TIF and the only expenses for this TIF are payments made to the City's TIF consultant Kane McKenna.

c. Debt

City Manager Hamilton said this was also a transfer in, transfer out leaving the net effect at zero. This is the fund the bond payments go into. Once the bonds are sold, a scorecard adjustment will be made.

d. Parking

City Manager Hamilton went through the data saying the salaries of two part-time parking enforcement officers come out of the parking fund. There is a deficit in the parking fund and staff is currently developing a strategy to resolve the deficit. Some of the contributing factors of this deficit lie in parking enforcement, meter rates, and collections. As of now this is a placeholder as staff is trying to look into the bigger problems of this deficit.

Ald. Knight asked what the \$350,000 in parking lot construction was for.

Senior Accountant Patoska explained that the streetscaping in parking lot construction was not a new project. The capitalization expense ties to the CAFR. Since the parking fund is not a budgetary fund, modifications need to be made in order to budget for certain capital expenditures.

IV. Adjournment

The meeting adjourned at 9:03 p.m.