



## CITY OF PARK RIDGE

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# MINUTES

## BUDGET WORKSHOP MEETING

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

Monday, March 30, 2015 at 7:00 p.m.

### I. Roll Call

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

City Clerk Henneman read the roll call; the following Elected Officials indicated their presence at the meeting: Alds. Sweeney, Smith, Knight, Mazzuca, and Acting Mayor Maloney. Alds. Shubert and Milissis were absent. There was a quorum.

### II. Approval of Minutes

#### a. March 17, 2015

Ald. Knight made a motion to approve. Ald. Sweeney seconded the motion.

The minutes were approved.

### III. Scorecard Review/Updates

Finance Director Gilmore said there are two new adjustments on the scorecard. The first adjustment is the Water Fund data processing that staff thought was budgeted for, but was not. The Water Fund data processing is for Third Millennium, the company that mails out the City's water bills. The budgeted amount for water bills is now set at \$25,000. The second adjustment is the Non-Union wage increase which will be discussed later in the meeting by City Manager Hamilton.

Ald. Mazzuca asked what Third Millennium is.

Director Gilmore said they do the City's water billing.

Ald. Mazzuca asked if water billing was now outsourced.

Assistant Finance Director Lamberg said the amount due is generated in-house and staff sends the amounts to Third Millennium who then sends out the water bills to residents.

Director Gilmore continued with the updates which were requested by Council at the previous meeting. He said Total Insurance Costs by Category is a closer look at the detail of the insurance breakouts and compares the categories and fiscal years by line.

Ald. Knight asked why the amounts in the unemployment line varied so greatly.

City Manager Hamilton said the City is self-funded for unemployment. When a former employee is eligible for unemployment and it is awarded, that is when the City has to pay claims. However, some people do not file for unemployment, which is why the numbers vary so greatly from year to year.

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Director Gilmore moved onto the next update which was a Breakdown by Year comparison of regular and overtime wages, which tie back to the FY16 budget.

Ald. Mazzuca asked why the overtime went up.

Director Gilmore said the overtime increased due to staff vacancies.

Ald. Mazzuca asked why the Police Department's overtime greatly increased compared to other departments.

City Manager Hamilton explained a lack in staff was not the only factor as to why overtime increased for Police. He said that Family Leave Medical Act (FLMA) requests, and on and off the job injuries also play a part as to why Police has more of an increase in overtime versus other departments.

Ald. Mazzuca requested a further look into Police, with more detail on the overtime.

Director Gilmore continued onto the Ambulance Billing breakdown saying that there is around an 80% collection rate. This breakdown shows the collections by category and the types of payors. There is an outstanding balance of \$82,000 which comes from people without insurance; the collection rate for that category is low.

Ald. Knight asked what the definition of a "trip" was and why the number of trips is so high.

City Manager Hamilton said he would ask Fire Chief Sorenson for the actual definition to be presented at a future meeting.

#### **IV. Elected Official's Requests**

City Manager Hamilton referenced the two memos in the packets saying that an additional request was made by Ald. Shubert to bring back the Alley Paving Program with a cost-sharing element. He wanted the program to include commercial properties. City Manager Hamilton said they do not currently have a line item for the program due to lack of funds in the Budget. He continued to say that they have been deferring Alley Restoration projects, which is different from Alley Paving. Alley Restoration is the paving of alleys that have already been paved and are in need of repair.

Acting Mayor Maloney asked what the budget was for this and if there was any funding for it.

City Manager Hamilton said he would ask Public Works Director Zingsheim since this wouldn't just involve alleys; it would involve sewers and infrastructure.

City Manager Hamilton provided an update on a previous request from Ald. Shubert to reinstitute the Holiday Lights Program. City Manager Hamilton and Public Works Supervisor McGrath had a meeting with the Chamber of Commerce to discuss the Holiday Lights Program. The Chamber of Commerce said the program was not in their key mission and they did not want to be responsible for coordinating it. However, they did say they would assist in gathering volunteers to put the lights up. The Chamber put a survey out to other chambers to see who was in charge of putting up their holiday lights and the majority of the municipalities said the City is responsible for the lights.

The cost of just the lights, cords, and cables is estimated at \$15,000.

City Manager Hamilton said there are four options Council can choose from if they decide to move forward with the Program. The first option is to have current Public Works employees hang lights during the day. The second is to have the current Public Works employees hang lights after hours which would go into overtime. The third is to outsource people to hang lights, and the fourth option is to hire temporary employees to hang lights.

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Ald. Mazzuca felt that since Council was told that Public Works is already understaffed, that the first option would not be a viable one.

Ald. Knight said he was voting against having the program brought back since the City didn't have enough money for it. He then asked if anyone wanted the program to move forward.

City Clerk Henneman commented that Ald. Shubert's intention was the quality of the lights hanging in the City and the risk of injury to the volunteers who couldn't get up to the higher tree branches. She said he wanted it to look nice since the surrounding communities hang lights.

Ald. Knight said since there is no one who wants the program to move forward, they will move on.

## **V. Non-Union Wage Increases**

City Manager Hamilton said a couple of years ago there was a placeholder put out for non-union wage increases. The placeholder gets "trued up" closer to the end of the budget process based on the preliminary evaluations of employees. Employee evaluations are finalized during the budget process in May and he asks department heads to score the employee. The FY16 proposed budget had \$80,981 in the merit based pool, which was then reduced to \$71,715, which is below the originally established placeholder by \$9,266. This adjustment is an increase to the General Fund. The merit increase varies by employee with a 2% maximum pay increase.

Ald. Mazzuca asked what the percentage of the \$13,075 is the percentage of employee's salaries. He said he wanted to know how the total cost is changing, since the percentage will be higher than a 2% increase for some employees.

Ald. Knight asked if it was 2.75%.

Director Gilmore said he will come back with the answer.

Ald. Knight said he agreed with Ald. Mazzuca, saying he wanted to see a breakout of the increases since they were not doing across the board increases.

City Manager Hamilton noted that the adjustment amount on the chart needed a second look for further calculation.

Ald. Mazzuca asked City Manager Hamilton where on the chart the City Manager's increase was.

City Manager Hamilton said his increase is not shown on the chart.

Ald. Knight requested to see the pay increases for FY14, 15, and 16, including all non-union pay actions, specifically the merit pool versus all other types of adjustments.

City Manager Hamilton moved on to the next topic of discussion which was the salary adjustment added in for Community Development & Preservation Director Testin in the amount of \$13,075, which brings the total at \$84,790 for budgeted salary increases. He said that while he feels Council is going too far by looking at employee personnel files, he has no problem with any member of Council scheduling an appointment with HR Manager Suppan to review Director Testin's file. As an employee evaluation is not a document that can be FOIA'd, he would not provide hard copies to anyone.

Alds. Mazzuca and Knight went on the record saying that they were interested in seeing Director Testin's file before they made a decision about his proposed salary increase.

Ald. Knight noted he disagreed with City Manager Hamilton, saying that looking at employee personnel files was not going too far and felt there was nothing that the Elected Officials should not have access to.

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City Manager Hamilton noted the evaluations for Director Testin would not yet be completed since the Directors complete their department's employee evaluations first which are done in May, and then the Directors have their evaluation. The previous year's evaluation would be in the file.

## **VI. Shared Services**

Assistant Finance Director Lamberg said there are three Enterprise Funds; Parking, Water, and Sewer. The purpose of Shared Services is to show the true cost of running those business type enterprises, and since they are not true business. The Shared Services calculation is the estimated calculation of the shared central services that the General Fund pays for, and the shared services between the Parking, Water, and Sewer funds.

Ald. Knight asked if they move the money around during the year.

Assistant Finance Director Lamberg said at the end of FY16, a journal entry is done, and we would only make a change to the estimate if there was a significant change.

Ald. Sweeney asked if the City was paying for the Library through HR and payroll which came out to \$121,000.

Assistant Finance Director Lamberg said yes.

Ald. Knight asked why the City was not charging the Library for these particular shared services.

Assistant Finance Director Lamberg said it was due to past practices.

## **VII. Transfers**

Director Gilmore said there is a summary sheet that reflects all the transfers in and transfers out by fund.

Ald. Knight asked why there was such a difference of amounts in the Uptown TIF and Debt Service with FY15 having \$1.8 million and FY16 showing \$200,000.

City Manager Hamilton said in FY16 the Property Tax Abatement was passed and was payable in FY15, FY16 shows the savings from the bond refinance, which is the \$200,000. All the bond payments are now being paid from property taxes instead of being paid out of the General Fund, which is why there is a large decrease in that transfer.

## **VIII. IMRF**

City Manager Hamilton said this fund also serves as the fund that provides expenditures for social security payments. FICA, Medicare, and IMRF pension payments also come out of this fund. He continued to say that the City's contribution to IMRF has been decreasing due to the amount of claims from the City as well as the fact that IMRF is the only retirement program in Illinois that is close to being fully funded.

Ald. Mazzuca asked if they should be expecting the Police and Fire Pension Funds to be doing as well as IMRF, and if they aren't what can Council do about it.

City Manager Hamilton said he would have to look into this since he didn't know what the asset allocation mixes were at the moment for each pension fund.

Ald. Mazzuca felt the Pension Funds could be earning better return rates, since it is a \$30-40 million asset in the City's budget.

Ald. Knight said they can take this item to the next Finance & Budget Committee of the Whole meeting for discussion. He also requested that staff give Council a scorecard for the discussion.

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City Manager Hamilton noted he would discuss this item at the next Pension update.

## **IX. Capital Projects**

City Manager Hamilton said they discussed the individual capital project per department during the different departmental Budget Workshop meetings. Provided is a summary report listing all the previously discussed projects. The only project that is not budgeted for is the repair to the Library stairs.

Ald. Knight said he wanted the repair of the Library stairs and retaining wall moved up into FY16. Not only are they City Assets, the stairs need to be repaired for aesthetic and safety purposes as well. When the Uptown TIF area was being developed, the City imposed the project on the Library, and chose the contractor whose work turned out to be less than subpar. He said he wanted the project put out to bid and suggested that maybe part of the repairs could be made by Public Works.

Acting Mayor Maloney asked what part of the Library is considered the City's and what part is theirs.

Ald. Knight said that since the City told the Library to take on the project and the project failed, it should be ours to fix.

Ald. Mazzuca asked if this project could be reimbursed by the TIF Fund.

City Manager Hamilton said he would look into it.

Ald. Knight took a consensus of moving the repair of the Library stairs up in FY16.

There was a consensus (5-1) with Ald. Sweeney being the nay vote.

City Manager Hamilton noted that these repairs will be a budgeted \$32,500 reduction to the General Fund.

## **X. Two Year Projections**

Director Gilmore said the Two-Year Projections were not yet complete since Finance does not have a Financial Analyst yet. He said the plan is to produce and distribute the two-year projections prior to the Budget Hearing.

Resident Barbara Gaffke, 747 N. Delphia, inquired about the Sewer Capital Bond Fund asking what the \$300,000 was for FY16.

City Manager Hamilton said that amount was for invoices that did not meet the deadline of April 30 for payment under this fiscal year. The amount shown is the budgeted amount for the invoices that will be carried over from FY15 into FY16.

Ms. Gaffke asked where the money for the Country Club Feasibility Study came from, and if there was any cost-sharing involved.

City Manager Hamilton said that the money came from the Sewer Capital Bond Fund.

Ald. Knight said there was no cost-sharing.

Ms. Gaffke asked what the result of the study was.

Acting Mayor Maloney clarified saying that the Country Club Feasibility Study was not the study of the Country Club Property, but the study of the property west of the Country Club and was not a study for flood control on the Country Club property. The result of the study was voted down by Council.

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Ms. Gaffke felt that the Country Club was the property that benefited from the study and not the property west of it. She requested the City study the old Oldsmobile property for possible detention. She also asked if Sewer Capital was budgeted for FY15.

City Manager Hamilton said it appeared as though the detail for the FY15 Capital Expenses for that item were missing and would have to go back and look at it.

Ms. Gaffke asked if there would be money for the last three projects.

Ald. Knight said there was not money budgeted.

Ms. Gaffke asked if there could be money budgeted for the future.

Ald. Knight said there could be and if they wanted to continue with the three projects they would do a budget amendment.

Ms. Gaffke asked if they would still be looking at sewer separation and the old Oldsmobile property.

Ald. Knight said he was not sure of the status of those projects.

City Manager Hamilton said this meeting concludes the annual Budget Workshop meetings. The final reading of the budget to approve the FY16 budget will be on April 20.

Ald. Knight asked if the remaining requests could be completed and given to Council by the April 8 Council meeting.

City Manager Hamilton said if Finance staff can complete the requests by that time, they will.

**XI. Adjournment**

The meeting adjourned at 8:30 p.m.