



CITY OF PARK RIDGE

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MINUTES

BUDGET WORKSHOP MEETING *Revised*

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

Monday, March 31, 2014 at 7:00 p.m.

I. Roll Call

Mayor Schmidt called the meeting to order at 7:00 p.m.

City Clerk Henneman read the roll and the following Aldermen indicated their presence at the meeting: Sweeney, Milissis, Smith, Shubert, Knight, Mazzuca and Maloney and Mayor Schmidt. There was a quorum.

II. Budget Review

A. Finance Director Report

Director Oliven summarized recent changes to the fund balance scorecard as follows:

- March 24 Finance Committee of the Whole - \$4,000 was added for historic preservation plaques.
- February 18 budget workshop - as part of contractual services, \$10,000 was added to the audit.
- March 24 Finance Committee of the Whole - Water Fund water main replacement FY14 to FY15 carryover was being reduced by \$100,000.
- March 24 Finance Committee of the Whole - FY14 to FY15 carryover memo had the training tower expenditure, but the associated \$40,000 grant is now also being moved to FY15.
- March 24 Finance Committee of the Whole - \$28,789 is being added to FY15 MFT expenditures for the City's portion of an LED light replacement grant.
- March 24 Finance Committee of the Whole - \$80,000 Economic Development Coordinator position was eliminated from the FY15 budget.
- February forecast change for FY14 has been included.

He continued that two changes have been made to the FY16 & FY17 fund projections:

- FY13 General Fund column, as shown in the prior meeting, did not reflect the estimated accruals. This column has been updated, with the exception that it does not have the transfer that is needed to eliminate the FY13 Uptown TIF deficit of \$1.33 million. As the Fund Balance Scorecard incorporated that transfer in its forecast, these two documents differ, with the Fund Balance Scorecard being more accurate. It has been confirmed that the Uptown TIF Advance to the General Fund will be written off as part of the FY13 audit.
- The FY14 & FY15 columns had been completed before some of the recent changes had been made. They have been updated.
- No material changes happened to FY16 so the December 2014 property tax levy remains unchanged.
- The Library's FY17 projection had a mistype on the Other Revenue and should be \$150,000. He noted that as this is FY17, it did not affect the projected 2014 tax levy.

March 31, 2014

Director Oliven distributed a memorandum from Director Van De Carr regarding two FY14 Capital projects that needed to be added to the FY14 to FY15 carryover as they will not be completed until FY15. Alderman Knight confirmed with other members that there were no objections to this carryover.

Alderman Mazzuca questioned if the budgeted amount for the eliminated Economic Development Coordinator position had included benefits or just salary. Director Oliven stated that he would verify and make any necessary change in the final budget. City Manager Hamilton explained the monthly insurance budget cap based on the previous year's figures

B. Final Fund Balance Scorecard

Director Oliven stated that the Fund Balance Scorecard reflects the above noted changes and that the Library carryover will be added.

Director Oliven confirmed that a 2/3 Aldermanic approval would be required for the following funds: Parking, IMRF, Emergency Telephone, Uptown TIF, and Sewer Construction.

Alderman Shubert questioned what would happen to the \$30,000 budgeted in FY14 for a part time Economic Development Coordinator. City Manager Hamilton replied that it was included in the carryover amount.

C. Final Summary Budget

Director Oliven confirmed that the February Forecast had been included in the FY14 Forecast.

D. Final FY16 & FY17 Fund Projections & Projected 2014 Levy

Director Oliven detailed why the Uptown TIF Advance to the General Fund will be written off as part of the FY13 audit, as a result of an evaluation by an independent specialist and the Kane McKenna report. This had been confirmed by the auditors on March 28, 2014.

Alderman Mazzuca questioned the amount that was being written off in the General Fund. Director Oliven stated that the advance accumulated before the end of FY12 was approximately \$5 million and that the FY13 deficit approximately \$1.35 million, not including projections. There may be more to write off in FY14 and FY15, but that this process was ending as the City Council had started not abating any Uptown TIF bond payments that the Uptown TIF could not fully pay.

Director Oliven noted that the Parking Fund has not been paying for itself for many years and is not sustainable as it is now. He stated that an increase in rates was examined and rejected as part of the FY14 budget and that he reiterated his March 24th recommendation that parking rates be looked at again after the budget process. Alderman Knight asked staff to gather 3-5 years of historical information on parking revenue and rates. City Manager Hamilton stated that staff would also gather parallel data from neighboring municipalities.

Director Oliven stated that there were no material changes to the 2014 Tax Levy projection. He noted that this is just a projection based on the FY16 numbers which flow from the FY15 numbers, and is not a proposed levy. The only item that can change dramatically could be the EAV in the TIF. If the EAV parcels get above the base level for each property, this could result in lowering the amount of debt service. However, he noted that any change in a parcel's EAV would not change the amount of property taxes paid by the property owners - it would only affect where the property tax dollars are allocated.

Alderman Mazzuca asked staff to provide recommendations as to what can be done to bring down the projected tax levy. City Manager Hamilton stated that he would prepare a downside contingency memorandum similar to last year.

City Manager Hamilton outlined the next steps in finalizing the budget, noting that the Public Hearing would be held on April 21 prior to the City Council voting on the various budget components.

March 31, 2014

III. Adjournment

The meeting was adjourned at 7:40 p.m.