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## **FINANCE & ADMINISTRATION** **COMMITTEE MINUTES**

Committee Date: February 24, 2022  
Present: Ald. Ames, Catalano, Curiale, Jakab, Messina, Sorrentino, Susmarski & Woods  
Absent: None  
Also Present: Mayor Pulice, Treasurer Porch, City Manager Mermuys, Police Chief Vesta, A. Lange, B. Wilson, W. Frese, K. Buggy, B. Garelli, P. Hastings, W. Ibares  
Meeting Convened at: 7:30 p.m.

*Mayor Pulice requested a moment of silence for former CDC Chairman Brad Karich who passed away unexpectedly.*

### **APPROVAL OF MINUTES:**

Ald. Catalano made a motion, seconded by Ald. Susmarski, to approve the minutes of the February 10, 2022 meeting as presented. A voice vote was taken, with all members voting aye.

### **REPORT & RECOMMENDATION**

FY 2023 BUDGET

### **DISCUSSION:**

Director Wilson presented the draft FY2023 Budget. He started by reviewing the six types of funds: General, Special Revenue, Capital Projects, Enterprise, Internal Service and Fiduciary. There are 15 active funds and 5 with proposed increase and 10 with a proposed budgeted decrease. Proposed revenues for all funds are \$43,160,594, and expenditures are \$56,479,604. These numbers exclude transfers. Personnel rates will increase due to IMRF, union contracts and FICA. He noted that the IMRF rate went down over 2.53% due to good returns. This number will go up with the Early Retirement Incentive that was offered in 2021.

There are four expanded level sheets in this budget, which are: IT Technician, Administrative Sergeant, Property Maintenance position, and entryway sign landscaping.

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### **General Fund Summary**

This will end with over \$799,000 surplus for FY2022. As presented, FY2023 has a budgeted surplus of \$1,106,543 (just over \$1.1 M). Director Wilson noted that \$925,000 of that is from the Recovery Act funding.

Director Wilson reviewed the Summary of Revenues. The increase in taxes is driven by property tax, income and use tax offset by a decrease in telecommunications tax. Mayor Pulice inquired about the fees increase amount and asked if all these contracts are lined up to come in to reach a total of \$350,000. Director Wilson explained they have put in for permits, and been made aware of the fees.

On the Summary of Expenses, personnel has an increase due to three of the expanded level items. Contractual is driven by the ACDC dispatch contract and increase in worker's comp insurance.

Ald. Jakab inquired about the huge increase for TraxGuard revenues. Director Wilson explained that staff had reviewed both good months with solid data and months that had technical issues where it was not operating correctly, and noted that as people drive more, there were more solid months. Ald. Jakab then asked why court supervision is budgeted so high when it appears the city has never come close to that number. Chief Vesta explained that if citations go to court and people plead guilty, those fees need to be used for squads and certain other items. With things return to normalcy, if people choose court supervision, those fees will return.

### *Administration*

The increase in personnel is due to an increase in positions, and included one expanded level item. The increase in contractual is due to Legal and IT and property casualty.

Director Wilson reviewed the IT Technician position who would assist the IT Director in the day-to-day operation and maintenance of the city's Information Technology infrastructure. Total funding for the position is \$99,033. When an inquiry was made regarding an increase in elected officials' salaries, Director Wilson stated that those salaries are set by ordinance so the ordinance would need to change for that to happen. There are several rules and regulations around that to avoid potential conflicts. He noted it has been more than 14 years since Council members received a salary increase. Although it was reviewed a few years back, at that time a decision was made to not do an increase.

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The Increase in Human Resources is related to P&C/WC insurance coverage, and the IT increase is due to additional increased licensing fees.

Ald. Jakab asked why there is an increase in professional services if another IT person is being proposed. Director Wilson stated that he was told by the IT Director that those services are for the highly specialized and technical issues like dealing with servers and the firewall. There was a consensus to move forward with another IT person.

#### *Community Development*

Decrease in personnel is due to reduction in positions in the department. Increase in contractual is for professional services largely related to the plan reviews. Ald. Messina expressed his satisfaction with the new automated billing system and the permit process. It was noted that residents can still come in person to obtain permits and pay their bills.

Ald. Woods asked about Building Department inspectors not being in Community Development. Manager Mermuys explained that PMI has been transitioned to the Police Department as it made the most sense as far as efficiency. Property Maintenance was a failure in Community Development and the Police Department has done a fantastic job with it. Ald. Jakab expressed concerns about CD staff being overstretched. Manager Mermuys stated that he would see how things go and make any modifications as needed.

#### *Finance*

Increase in contractual is due to professional services. A new employee was hired at a lower rate after a long-time employee left.

#### *Police*

Increase in contractual is for the ACDC contract offset by minor reductions in other line items. Increase in Other due to police pension contributions.

Ald. Jakab commented that the Police Department is always short staffed and asked about overtime. Chief Vesta explained that the overtime is impacted depending on how many vacancies and how many are in training; the department is constantly adjusting scheduling due to training days, regular days off, etc. He then explained the lengthy hiring process with backgrounds, academy and FTO training.

There are two expanded level items. The first is an Administrative Sergeant which would allow for two Sergeants on each shift. He reviewed the responsibilities for this new position, noting this individual would also be filling for Watch Commander when needed. This would save \$35,000 with the Support Services person leaving with the ERI. The consensus was to approve the new Administrative Sergeant position.

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The second expanded level is for a Property Maintenance CSO. This program was started to handle complaints; since 2019 the Department has already handled 560 complaints, with only a few not closed out. By using compliance, only five had to go to administrative adjudication. These employees would be non-uniformed and drive unmarked vehicles. Ald. Messina asked if this will address the weekend warriors who do work without permits. Chief Vesta stated the CSO's have been doing some of that through fall. With two CSO's just handling property maintenance issues, they will be able to have someone around on weekends. Chief Vesta provided more detail of what the PMI CSO position entails. There was consensus to approve the additional CSO position to handle PMI issues.

Ald. Jakab asked about seasonal crossing guards and was advised staff is requesting elimination of that position based on figures and rationale. The budgeted amount is zero.

*Police and Fire Commission*

Decrease is because there is no patrol or sergeant testing being done in this fiscal year.

*Public Works Administration*

There are no changes in staff.

*Streets Division*

There is a decrease in personnel due to a non-ERI retirement, and an increase in contractual related to landscaping of existing city properties. The expanded level item is for entryway sign landscaping; consensus was given to accept this item.

*Vehicle maintenance*

Personnel are down with a retirement related to the ERI.

**Special Revenue Funds**

*Road and bridge*

Increase in interfund is due to CERF transfer, and accounting for a greater cost of new plow trucks.

*Motor Fuel Tax*

Increase in interfund is related to the CIP for the Elizabeth Drive bridge and the city match for STP bridge funding.

*Tourism Fund*

Hotel motel tax revenues are showing signs of recovery. In Other, significant costs have been added for Prairie Fest and an increase in city signage to complete that project.

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*Narcotics forfeiture*

This is used for K9 unit expenses.

*TIF District #1 –Thorndale Corridor*

Interfund transfer is for the new Public Works facility work programmed in the CIP. Other items that may come up through the year would be brought to City Council for review.

*TIF District #2 – Town Center*

Although there are no approved projects yet, anything that would come up would go before City Council for approval.

*Special Revenues*

Funding increased for the anticipated rail merger by Canadian Pacific.

*Land acquisition*

No expenditures are planned; any that come up would come to City Council.

*Enterprise Level Funds*

*Commuter Parking Lot Fund*

The decrease overall is due to a reduction in line items based up more years of spending history. Decrease in interfund is related to CIP projects. Parking has been down 90% with low ridership from the Pandemic. Permits are also down. An inquiry was made from Ald. Jakab about the parking spot numbers being difficult to read. Director Lange will look into options for another numbering system at that lot.

*Sanitation*

Increase in contractual is per the contract with Flood Brothers.

*Water Sewer Fund*

Increase in overall revenues is related to previous rate increases and increased Video Gaming offset by a decrease in penalties and miscellaneous fees. Mayor Pulice asked about the video gaming increase all going to the water fund. Director Wilson advised that Council would need to decide if they wanted to reallocate any of that since it was a policy decision. Ald. Woods and Susmarski recalled this being just for one year originally. This will be discussed further when the Water Fund is reviewed.

*Wastewater*

There was one retirement affecting Personnel, but nothing else significant.

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*Public Utilities*

Personnel decrease is due to the retirements related to the ERI. The decrease in contractual is due to professional services. Increase in interfund is due to a slight increase in the General Fund amount. The decrease in Other is due to a reduction in credit card fees.

*Capital*

Figures presented include changes voted at the January 13<sup>th</sup> CIP Committee Meeting.

*CERF*

Expenses increased a bit this year. The amount budgeted each year depends on the fleet replacement schedule which is reviewed annually.

*Fiduciary Funds*

Increase in contractual is related to investment expenses. Increase in Other is related to benefit payments which was put together by the actuaries.

*Special Service Area*

This fund operates as a debt service fund as there are no ongoing projects related.

**VOTE:**

Ald. Catalano made a motion, seconded by Ald. Woods to approve the FY2023 Budget as presented including all the expanded level items. A roll call vote was taken with the following results:

Ayes: Ald. Ames, Catalano, Curiale, Jakab, Messina, Sorrentino, Susmarski and Woods  
Nays: None  
Motion: Carried

**ITEMS TO BE CONSIDERED AT FUTURE MEETINGS:**

- Water Rates - April 28<sup>th</sup>
- PC Replacement – Spring
- IT Control Room Discussion - Summer

**ADJOURNMENT:**

Ald. Catalano made a motion, seconded by Ald. Susmarski, to adjourn the meeting at 9:17 p.m. Upon a voice vote, the motion carried unanimously.

*Minutes taken by Eileen Schultz*