

**COMMITTEE-OF-THE-WHOLE  
MINUTES OF THE MEETING OF THE PRESIDENT  
AND THE BOARD OF TRUSTEES OF  
THE VILLAGE OF ARLINGTON HEIGHTS  
VILLAGE HALL BOARD ROOM  
WEDNESDAY, NOVEMBER 14, 2018  
7:00 P.M.**

BOARD MEMBERS PRESENT: Mayor Thomas Hayes, Trustees Baldino, Blackwood, LaBedz, Scaletta, Sidor, & Tinaglia

BOARD MEMBERS ABSENT: Trustees Rosenberg & Glasgow

STAFF MEMBERS PRESENT: R. Recklaus, D. Mikula, T. Kuehne, M. Rath, S. Touloumis, C. Perkins, G. Mourning, M. Juarez, K. Baumgartner, P. Wilkiel, Various Department Support Staff

OTHERS PRESENT: Greg Zyck & Various Arlington Heights Memorial Library Staff

**SUBJECTS:**

- A. Arlington Heights Memorial Library Budget Review
  - B. Village Budget Overview for 2019 - Randy Recklaus/Tom Kuehne
  - C. Village Budget - Questions from the Village Board
  - D. Review of Department Budgets
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President Hayes called the meeting to order at 7:02 PM.

Mayor Hayes stated that the annual budget meetings are a very important process for the Village Board and for the Village. He thanked staff and all employees for the hard work that resulted in the proposed annual budget presented.

**Arlington Heights Memorial Library Budget Review**

Mr. Greg Zyck, Treasurer of the Arlington Heights Memorial Library, introduced the Library staff and trustees that were present this evening.

Mr. Zyck stated that the Library had an incredible year with over a million visitors. He went on to say that the Library has had great programming and was pleased with the direction the Library is going. He stated that 2019 projected expenditures are a bit higher than revenues in the proposed budget, saying that some cash reserves will be used. He also said that the proposed budget includes a 1% Levy increase for this year. Mr. Zyck continued by giving an overview of some of the things the Library will be doing in 2019.

The Mayor and the Board thanked Library Staff for doing a great job for the community.

**Trustee Tinaglia moved, seconded by Trustee LaBedz, that the Committee-of-the-Whole recommend to the Board of Trustees that the Board acknowledge with thanks the proposed budget for the Arlington Heights Memorial Library Fund. The motion passed unanimously.**

**Village Budget Overview for 2017 - Randy Recklaus/Tom Kuehne**

Mr. Recklaus and Mr. Kuehne presented a general overview of the budget plan on a fund-by-fund basis and how they believe it will address the priorities that the Board has identified, as well as how it responds to the changes in the Village's operating environment.

Mr. Recklaus stated that the Village is having a very productive and successful year, saying that staff was able to begin and complete a number of high profile projects in response to the Village Board's 2018-2019 priorities. Some items he highlighted include the Police Station Project, the storm water plan, the completed parking study, the merger of Public Works and Engineering, and consideration of new development proposals.

Mr. Recklaus went on to say some of the challenges that the Village is facing included decreased sales and telecommunication tax revenues, as well as issues with the State government being on a financially unsustainable path. He went on to say that because of some of the hard decisions, the Village Board has made in recent years, this year's budget will allow the Village to stay on course to maintain the same high level of services that its residents enjoy without any drastic changes to revenues or its operating philosophy.

Mr. Recklaus stated that based on the Board's direction during budget ceiling discussions, staff in various departments were able to find ways to trim down the budget so that they could meet the Board's goal of a lower than projected property tax increase. He explained that due to the flattening of the sale tax receipts and the telecommunication tax, staff was unable to eliminate the increase all together.

Mr. Recklaus was proud to say that this year's General Fund operating budget only increases by 1.7%. He went on to explain that continued long-term organizational planning is done when positions go vacant, that improvement of Village processes are continually sought, and that reorganization of code enforcement assignments among departments is being done. Mr. Recklaus continued with highlights of his presentation, which included General Fund and Capital Fund expenditures and highlights of key projects for 2019.

Mr. Kuehne went over the property tax levy portion of the presentation. He explained that Village's portion of the total property tax bill is about 12.5%, with the school district having the highest percentage of the bill. He continued by explaining some current history of the Village's portion of property tax bills, and on how property taxes are put together. Mr. Kuehne stated that during the budget ceiling process back in June, it was projected that the proposed property tax levy increase would be about 2.5%. He said that staff worked on getting it down lower by coming in under the budget ceiling, as well as looking at current projected revenues. The Village's proposed property tax increase is 1.97% or \$19.00 for a \$300,000 home, and the library portion is 1% for a total tax levy increase of 1.70% or \$23.00 for a \$300,000 home.

Mr. Recklaus stated that the proposed budget does not include any new positions. He did say that there is a lot of work and pressure to retain knowledge due to the amount of retirements the Village is experiencing. He noted increased overtime for Public Works due to the installation of LED lighting and the reallocation of funds for increased temporary help in the Building Department.

Mr. Kuehne continued the presentation regarding multiple funds. He said the General Fund has three major revenue sources, sales and home rule sales tax, income tax, and telecommunication tax. He explained that sales taxes have been leveling off, that the State is taking 5% of income taxes revenues, and that telecommunication taxes are lower because more people have given up their landline phones. Mr. Kuehne went on to say that regarding expenditures, public safety is 65% and Public Works/Engineering is 20% of total General Fund expenditures.

Mr. Kuehne said, regarding the Water & Sewer Fund, that the cash position is lower because of lower water consumption due to conservation and wet weather during the spring. He stated that actions have been taken to extend the water main replacement program, that during 2019 a 5-year review of water and sewer rates will be looked at, as well as alternatives for capital plans and rate structures. Public Works is also looking at ways to reduce water system losses.

Mr. Recklaus talked about the Capital Projects Fund noting that there is a lot of work proposed for the Downtown area this year, including storm water, brick paver, and streetscaping projects. He stated that staff would have discussions on how the Village will coordinate and communicate with Downtown residents, business owners, visitors, and commuters on what they should expect during the proposed work. Mr. Recklaus went on to say that staff will present to the Board, at a Committee-of-the Whole meeting planned for early 2019, impacts and communication efforts planned and to get their feedback.

Mr. Kuehne talked about two budget transfers regarding Capital Projects that are built into the proposed budget. One is for \$800,000 from the Public Building Fund to the Capital Projects Fund to help support the Capital Project Fund's long-term fund balance. The other one would be a short-term 0% interest loan of \$500,000 from the Storm Water Control Fund to the Water & Sewer Fund to help with the coordination of street reconstruction and water main work on Yale and Beverly Streets.

Mr. Kuehne continued by talking about the AE & E Fund, saying that while working on this proposed budget some large increases in expenses were noted from last year to this proposed year for certain events. He explained that by using the Cityworks software, Public Works can more clearly identify expenses for special events that should be charged to the A,E & E Fund. He said that since these events have become more popular, they require more trash pick-up, and portable toilets, as well as more cleaning of the washrooms in the Metropolis building, which increased the costs. Mr. Kuehne said, for that reason, it is recommended that the Village continue the \$20,000 transfer from the General Fund to the AE & E Fund. He added that over the next year staff will continue to look for additional sponsorship options to help reduce the costs of these events. Mr. Kuehne finished by saying that because there is a negative working cash balance in this fund, staff requests that for this year only, the Reserve for Replacement (Metropolis) line item be reduced to \$25,000 from \$75,000 in order to alleviate the negative working cash balance. Mr. Recklaus added that there has been some conversation with the Chamber about having shared sponsorships with the Special Events Commission, which could help with the AE & E Fund.

Mayor Hayes said that because special events are so well attended and received by all residents, it firms up the Village's reputation of being a family oriented community. He felt that anything the Village can do to continue to support them should be done, and appreciates the effort to look for sponsorship opportunities that can help with some of the additional costs.

### **Review of Department Budgets**

Each department gave a brief overview of their budgets as well as highlights of their department activities and/or initiatives as shown in the presentation.

### **Board of Trustees/Integrated Services**

Ms. Mikula said this year was a year of transition. She said that two administrative staff employees retired and that those positions were filled, as well as the new Management Analyst position. She continued by highlighting some major accomplishments of the department, which include:

- Continuance of the Customer Service Initiative
- Implementation of the Village Connection Newsletter
- Promotion of the Walk Arlington Initiative
- Continued promotion of the Arlington Heights @ Work online citizens request for service
- The launching of the Maps and Property search website page

Ms. Mikula went on to say some IT improvements include providing technology leadership with the building of the new Police station, continued enhancement of cyber security and mobile device management system. Next year the IT department plans to implement a document management system to create a central repository to digitized Village department documents. Along with Northwest Central Dispatch, IT will also be helping with the implementation of a new dispatch server.

Since joining the GIS consortium last September, many new shared applications have been turned on. She said that next year's GIS initiatives include identifying new analytical and visual reports that departments can produce for themselves and for the community.

Ms. Mikula continued by saying that accounting for actual costs of Special Events is better than before, and said that new ways of reducing Village costs and new sponsorship opportunities are being explored.

Ms. Mikula stated that the budgets for the Board of Trustees and the Integrated Services Department remain status quo.

Trustee Sidor voiced his concerns with the efficiency of the Village's website stating that he would like to reduce the amount of clicks to get to the information being looked for and to be able to get to the information faster. Ms. Mikula stated that there are opportunities for improvement and that staff will look at issues people are experiencing and look at reworking those.

Trustee Scaletta asked how it is decided on what events go into the AE & E expenditures. Ms. Mikula stated that the Village Board approved what events would be on that list. Mr. Kuehne added that the major cost is overtime costs attributable to the events. Trustee Scaletta felt that staff may want to reevaluate the list of events or stick within the Village's means in order not to take money from the General Fund. He also felt that the Village could not always be the one to absorb the majority of the costs for many of these events. Mr. Recklaus added that this budget has to reflect the will of the Board, and said that there has been an attempt over time to put things in here that will help the business community. He used the Holiday Happenings Event as an example of bringing people Downtown to spend money at a different time of the year, saying that it had very positive feedback from the restaurant community. Trustee Scaletta thought discussion needs to take place regarding the events and with the intention of the AE & E Fund. He believes the events in the AE & E Fund should be ones that increase traffic and food and beverage taxes collected. Mayor Hayes is not opposed to exploring or changing the funding source, but feels that these events are good business decisions and is money well spent. Discussion continued regarding event costs in the AE & E Fund as well as with the planned infrastructure improvements as they relate to scheduled events in the Downtown area.

Village resident Jim Elgas thought that the Village could try to have some grass roots projects that would not have high costs, and felt that there would be ways to do events without laying out a ton of money. Trustee Scaletta responded by saying that is what is being discussed tonight. He said the AE & E budget is used for creating events that would bring people Downtown in order to increase sales and food & beverage tax revenues. He added that the

Village and the Chamber of Commerce are looking for opportunities to generate sponsorships for the Mane Event and the Taste of Arlington events.

### **Human Resources**

Ms. Rath gave an overview of accomplishment of HR this past year, which include streamlining the employment application process, and expanding the use of the employee's intranet with benefits and wellness information. She said that in 2019 HR will work with ISD on the Village-wide document management system which will improve HR's file storage and continued compliance with record management practices. Ms. Rath also said HR will be researching the possibility of having electronic employee files, and digitizing both personnel files and the Employee Handbook.

Ms. Rath stated that it is estimated that 34% of Village employees will be eligible for retirement in 2019 and talked about employee recruitment and vacancies. Ms. Rath stated that the employee base is changing and that HR continues to audit processes and procedures.

Ms. Rath continued by saying that in order to keep Village medical costs down, HR has conducted an extensive comparative analysis of all the insurance benefit programs that are provided to our employees and retirees, along with an analysis of two benefit brokers. She added that after a thorough review by an outside consultant of all documents, HR, Finance, and Library representatives worked together to determine the most cost effective benefit programs while keeping the cost and customer service at the front of the decision.

Discussion continued regarding the hiring process of new employees and the importance of customer service.

Trustee Sidor stated that the Village has to have good benefits to recruit good people, but felt that the percentage of the benefit costs the Village pays is high. He hopes that in the upcoming years the Village looks at some of these benefits.

Trustee Scaletta questioned the significant increase in the budgeted amount for Worker's Compensation Fund compared to 2016. Mr. Kuehne stated that it is claim driven, saying that there have been some very high claims. Ms. Rath added that it also has a lot to do with the severity of the injuries, and loss days of work. Discussion continued regarding reducing worker's compensation claims and costs.

### **Finance**

Mr. Kuehne started by saying that the Finance Department performance measures are consistent from year to year, noting the billing of water consumption has decreased, that purchasing PO's have increased because of the Police Station, and that billing for ambulances has gone down. Mr. Kuehne went on to say that Finance staffing levels went down by .5 position, explaining that front counter staff was reduced by a half person a couple of years ago and determined not to be needed, so it was eliminated this year from the budget.

Mr. Kuehne highlighted and gave an overview of some of the 2019 goals for the Finance Department. They include initiation of a study of a new Enterprise Resource Planning (ERP) Village-wide software system, development of a multi-year Village fine and fee increase schedule, review and update of the Village's investment policy, and the review and implementation of revised vehicle sticker late fees and processes.

### **Building and Life Safety**

Mr. Touloumis stated that there are no major changes in the Building Department's budget. He said that funds from the Overtime Civilian, Professional Services, Plan Reviews, among other line items were moved to the Temporary Help line item in anticipation of exceeding this

year's inspection totals and permit applications. He explained that bringing in temporary help to do data entry would allow skilled staff to do increased inspections. Mr. Touloumis stated that there is a need for focus on technology in order to create efficiencies in the department's operations. He continued by saying that he is hopeful that review of the building codes can start by the end of the year, explaining that the delay was mainly from being short staffed for a good part of the year. He added that getting the codes done will be the primary focus for the upcoming year.

Trustee Scaletta asked why there was a significant drop in contractor license renewals from the previous two years. He also asked about the three-year comparison of construction values and if they included other taxing bodies, where the Village does not charge a fee. Mr. Touloumis stated that he will look into the answers and report back to the Board. Discussion continued regarding current staffing levels and with the importance of hiring good qualified people with good communication skills.

Trustee Tinaglia asked Mr. Touloumis what he was in the process of doing regarding permit fees, review fees, inspection fees, and standardized fees. Mr. Touloumis stated that it is in the analyses phase, saying that he plans for the restructuring of fees to be part of the building code updates and its adoption. He believes codes should be updated every three years, which would allow for fee increases to happen gradually. Trustee Tinaglia would like the fee structure to be reviewed sooner than later and hopes that something will be done next year. Mr. Recklaus felt that looking at fee structures should be looked at rationally and comprehensively along with the building code because they are so intertwined.

Trustee Sidor felt it was important for the Village to have consistency in inspections and to work with the business community so that they can open their businesses more quickly. Mr. Recklaus stated that there are notable successes in the Building Department, including making the code enforcement processes more efficient, and through technology, eliminating the back routing of plans from other departments after their review.

### **Planning & Community Development**

Mr. Perkins' presentation listed some of the department's strategic priorities for 2019. He said that the Police station is one of the major projects that is being worked on this year. Other accomplishments of the department include:

- Downtown Entertainment Research Study
- Annual Business Report
- Two phases of amendments to the Zoning code
- South Arlington Heights Corridor Study
- Business Retention Survey
- Corridor Enhancements
- TIF IV Market Assessment
- Redevelopment Agreement – 4 N. Hickory Project
- Downtown Parking Capacity Study

Mr. Perkins stated that the Planning Department developed new code enforcement procedures for landscaping inspections and zoning code violations. He went on to talk about other key accomplishments of the department, saying that they continue to build on the business attraction successes of Downtown. Mr. Perkins stated that the events held Downtown are very important to Arlington Heights in order to remain competitive with other communities in attracting visitors.

Being concerned with not having enough retail businesses coming to Arlington Heights, Trustee Sidor asked what recruitment efforts are being made, in an effort to bring in tax

revenue producing businesses to Arlington Heights. Mr. Perkins stated that it was a challenge, saying that there are not a lot of retailers opening stores, saying that the department has been focusing on entertainment themed retailers. He added that trade shows are being attended where they talk and network with brokers that represent retailers, saying they need to be ready to help them when they are ready to move.

Mr. Perkins continued by going over some of the funds in the Planning Department's proposed budget regarding future projects. Discussion took place about budgeted costs regarding the south Arlington Heights Rd. corridor, and on the light ceiling in the Downtown and enhancements for it.

## **Police**

Chief Mourning stated that the Police Department had a busy and productive year and met all their established goals and objectives. He gave an overview of them, which included:

- Participation in National Night Out
- Investigated the use of drones, which will be a shared resource with the Fire, Public Works and Engineering when acquired
- Design of a new forensic computer lab for the new Police facility
- Participation in the Illinois Traffic Safety Challenge
- Utilization of facial recognition software to investigate a criminal case
- Secured a conviction in a cold case homicide from 45 years ago
- Development of a Community Addiction Recovery Effort that targets opioid abuse (Developed by the Police, Fire, and Health Department, while working with NW Community Hospital and three local not-for-profit treatment agencies-launched in late July)
- Arlington Heights named one of the 100 safest communities in the USA

Some of the goals of the Police Department for next year include:

- Enhancement of the joint training partnership with the Fire Department personnel to increase operational readiness in the event of critical incident
- Assess investigative clearance rates
- Increase the number of investigators trained in the lie detector test called Computer Voice Stressed Analyses (CVSA)
- Explore of usage of the Volunteers and Police Service Program
- Explore adding a fine component to their existing compliance program
- Examine the issuance of seatbelt and distracted driving citations via local ordinance

Chief Mourning finished by giving a brief overview of the Police Department budget, saying that there were very few changes from the previous year. Discussion took place regarding the cost and use of a private evidence lab that gets paid with forfeiture money. Chief Mourning stated that the use of the lab increases the turnaround time which allows for faster apprehension of criminals. The consensus was that it is money well spent.

The Mayor and the Board appreciate the Police Department for all their work, especially having to work out of a temporary facility.

**TRUSTEE SCALETTA MOVED, SECONDED BY TRUSTEE TINAGLIA TO ADJOURN THE MEETING AT 9:52 P.M. The motion carried unanimously.**