

APPROVED
VB mtg 4/25/2016

April 11, 2016
Meeting Duly Noticed
According to Statute

MINUTES OF A VILLAGE BOARD AND STANDING COMMITTEE OF THE WHOLE MEETING OF THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF BLOOMINGDALE HELD ON APRIL 11, 2016 AT THE ROBERT J. HOMOLA MUNICIPAL CENTER 201 SOUTH BLOOMINGDALE ROAD, BLOOMINGDALE, ILLINOIS, DUPAGE COUNTY

CALL TO ORDER

The meeting was called to order by Village President Coladipietro at 7:02 p.m.

ROLL CALL

Upon Roll Call by the Village Clerk, those in attendance were:

PRESENT: Mayor Coladipietro, Trustees Von Huben, Hovde, Belmonte, Bucaro, and Ackerman
ABSENT: Trustee Bolen

QUORUM PRESENT

PLEDGE OF ALLEGIANCE

AUDIENCE PARTICIPATION

Motion by Trustee Von Huben, seconded by Trustee Hovde, to open the floor to the public. All Trustees present voted **AYE**.

MOTION DECLARED CARRIED

Mr. John Schmitz, 344 Wentworth Lane, addressed the Board regarding the 10% increase in the Republic Service bill on top of the 9% increase last year, stating he felt it was an egregious amount. The Mayor thanked Mr. Schmitz, and noted that it was a contract that was already in place, and previously negotiated. Mr. Scalera also stated that the rates in the contract called for an annual increase. He also stated he would be happy to sit down with Mr. Schmitz and go over the process of the contract.

Motion by Trustee Hovde, seconded by Trustee Von Huben, to close the floor to the public. All Trustees present voted **AYE**.

MOTION DECLARED CARRIED

APPROVAL OF AGENDA

Motion by Trustee Von Huben, seconded by Trustee Ackerman, to approve the Agenda of April 11, 2016. All Trustees present voted **AYE**.

MOTION DECLARED CARRIED

APPROVAL OF MINUTES

Motion by Trustee Hovde, seconded by Trustee Bucaro, to approve the Minutes of the March 28, 2016 Village Board and Standing Committee of the Whole Meeting of the President and Board of Trustees.

AYES: Trustees Hovde, Bucaro, Von Huben, Belmonte, and Ackerman
NAYS: None
ABSENT: Trustee Bolen

MOTION DECLARED CARRIED

SWEARING IN/PROCLAMATIONS/PRESENTATIONS/APPOINTMENTS

Mayor Coladipietro swore in Raymond Murrell, Probationary Police Officer and the Board expressed their congratulations.

DISCUSSION ITEMS

TRAFFIC AND STREETS - Trustee Belmonte

1. FY17 Aggregate Material "Spot Market" Procurement Approval

Mr. Marchi stated that this is done annually and the amount exceeds their administrative authority; therefore, Board approval is needed for the cost of \$23,750. He stated the aggregate material is typically purchased for excavation and backfill for pothole and patching, and procurement is done on a "spot market" basis pursuant to the Code.

Motion by Trustee Belmonte, seconded by Trustee Hovde, to **approve the waiver of the advertising of bids for the FY 17 Aggregate Material Procurement Program and the purchase and delivery of aggregate materials from various vendors with pricing to be obtained utilizing spot market procedures in an amount not to exceed \$23,750 pursuant to subsection 3-2-6F of the Village Code as recommended by the Director, Assistant Director and Utilities Division Supervisor of Village Services in their memo dated March 30, 2016.**

AYES: Trustees Belmonte, Hovde, Von Huben, Bucaro, and Ackerman

NAYS: None

ABSENT: Trustee Bolen

MOTION DECLARED CARRIED

2. FY 17 Hauling and Dumping "Spot Market" Procurement Approval

Mr. Marchi stated that they do excavate materials that are unsuitable to be replaced back and need to be hauled away. He stated they utilize trucking companies that will deliver material and then haul unsuitable materials, so no truck is empty either way. Since the amount exceeds their authority, he is requesting approval for \$29,000.

Motion by Trustee Belmonte, seconded by Trustee Ackerman, to **approve the waiver of the advertising of bids for the FY 17 Hauling & Dumping Services and the procurement of hauling & dumping services from various vendors with pricing to be obtained utilizing spot market procedures in an amount not to exceed \$29,000 pursuant to subsection 3-2-6F of the Village Code as recommended by the Director, Assistant Director and Utilities Division Supervisor of Village Services in their memo dated March 30, 2016.**

AYES: Trustees Belmonte, Ackerman, Von Huben, Hovde, and Bucaro

NAYS: None

ABSENT: Trustee Bolen

MOTION DECLARED CARRIED

Removed from the Roll: Trustee Hovde recused himself from the dais at 7:15 p.m.

3. Resolution – Burke, LLC Construction Management Agreement

Mr. Scalera stated this is a contract for a design/build on behalf of the Village to coordinate the undergrounding of the overhead utilities in Old Town. This will include the coordination of the electrical feeds to the properties that will be affected as well as service connections to the new service pedestals that will be placed in the Old Town. He stated this will allow Burke to be the coordinator from beginning to end in that phase of the project. It was questioned if this work started and answered that the work has not started, but the engineering design phase has.

Motion by Trustee Belmonte, seconded by Trustee Bucaro, to adopt **Resolution No. 2016-R-12: A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A CONSTRUCTION MANAGEMENT AGREEMENT BY AND BETWEEN THE VILLAGE OF BLOOMINGDALE AND BURKE, LLC FOR DESIGNER-LED DESIGN BUILD PROJECT RELATED TO RELOCATING EXISTING OVERHEAD UTILITIES UNDERGROUND IN CONJUNCTION WITH THE VILLAGE OF BLOOMINGDALE OLD TOWN STREETScape & INFRASTRUCTURE REDEVELOPMENT PROJECT.**

AYES: Trustees Belmonte, Bucaro, Von Huben, and Ackerman
NAYS: None
ABSENT: Trustee Bolen
RECUSED: Trustee Hovde

MOTION DECLARED CARRIED

Added to the Roll: Trustee Hovde returned to the dais at 7:18 p.m.

PLANNING, ZONING AND ENVIRONMENTAL CONCERNS - Trustee Hovde

1. Resolution – Parcels 2 and 4 – Stratford Commons

Mr. Scalera stated that this resolution allows the developer to change the original plans from duplex homes to single family.

Motion by Trustee Hovde, seconded by Trustee Von Huben, to adopt **Resolution No. 2016-R-13: A RESOLUTION DEMONSTRATING SUPPORT FOR THE DEVELOPMENT OF THE REAL ESTATE COMMONLY REFERRED TO AS PARCELS 2 AND 4 IN STRATFORD COMMONS BLOOMINGDALE, ILLINOIS.**

AYES: Trustees Hovde, Von Huben, Belmonte, Bucaro, and Ackerman
NAYS: None
ABSENT: Trustee Bolen

MOTION DECLARED CARRIED

FINANCE & ADMINISTRATION - Trustee Bolen

1. Warrant #1 for the Month of April, 2016 - \$957,832.77

Motion by Trustee Von Huben, seconded by Trustee Ackerman, to **approve Warrant #1 for the Month of April, 2016 in the amount of \$957,832.77, as presented.**

AYES: Trustees Von Huben, Ackerman, Hovde, Belmonte, and Bucaro
NAYS: None
ABSENT: Trustee Bolen

MOTION DECLARED CARRIED

2. Governmental Funds 5-Year Forecast

Mr. Scalera acknowledged Messrs. Szott and Altic in preparing the Governmental and Water & Sewer 5-year forecasts. He noted their efforts in obtaining feedback and stated the budgeting and forecasting have been spot on and he expressed his kudos to them.

Mr. Szott began that the two (2) reports on the 5-year forecasts are all part of the budget process. He stated the annual budget is a small scope with 12 months, while the 5-year forecasts give a framework to see if policies and procedures implemented are sustainable in the

5-year horizon. This framework allows for decisions for revenue sources, cutting back or eliminating them, and if new projects on the spending side can be accomplished. He commented that back in December the 5-year forecast for the Golf Course was addressed.

Mr. Szott stated all three of the 5-year forecasts comply with the best practices of the Government Finance Officers Association (GFOA). On page 1 of the report, there are five items listed and each one of them has been addressed in all the forecasts. The table on page 2 lists the twelve governmental funds. He noted there are two new funds: the 2017 General Obligation Bond Fund (22) and the Indian Lakes Open Space Improvement Fund (32). He also commented on the funds that are not included: the Water & Sewer (to be addressed later; the Golf Course (which was covered in December); the Police Pension Fund, as those assets are not available for the Village to use; and the TIF funds, because those funds can only be used in the TIF areas.

Mr. Szott reviewed the twelve funds and summarized into a broad format how each fund is projected through FY21. A common financial statement used is a *Statement of Changes* and Mr. Szott highlighted two reference points listed on page 3: 1) Excess/(Deficiency) of Revenues Over/(Under) Expenses Before Capital Outlays and Debt Service (row #18 on each fund); and 2) Fund Balance at End of Year (row #32). The first gives an idea of how operating revenues are meeting operating expenses, and the second is a very common measuring point for governmental funds, the fund balance or cash balances.

The twelve funds are as follows and explained on the following pages:

- | | |
|---|--|
| 1) General Fund [01] | 2) Motor Fuel Tax Fund (MFT) [06] |
| 3) Home Rule Sales Tax Fund (HRST) [07] | 4) ILR Business District Tax Fund [08] |
| 5) Stratford Square Bus. Dist. Tax Fund [09] | 6) Community Relations & Events Fund [11] |
| 7) 2017 General Oblg. Bonds (<i>new</i>) [22] | 8) 2009 GO Refunding Bonds Fund [26] |
| 9) 2007A/2015 GO & Refund Bond [28] | 10) 2007B GO Bond Fund [29] |
| 11) Capital Equip Replacement (CERF) Fund [11] | 12) IL Open Space Improv. Fund (<i>new</i>) [32] |

The statements begin on page 19 and go through to page 43 for each fund. A number of multiple revenue sources are used in the forecast as well as expenses, which are categorized in groups. The revenues begin on page 4, and it explains how the forecast is derived for each revenue source. Mr. Szott referred to the Telecommunication Tax (page 7), which lists how it will be gradually stepped down as permitted, eventually eliminating it in FY22, or possibly sooner.

The Sales tax has a huge impact on our overall budget and is forecast on page 8 at 3%, actually 2.75% (and rounded to 3%). As a point of reference, Mr. Szott noted that every 1% (i.e., from 3% to 2% or from 3% to 4%) change equals \$170,000 per year, which can go up or down.

Mr. Szott stated that some of the categories were being impacted, either positively or negatively by unusual (or unique) events such as the Emerald Ash Borer (EAB) and we addressed those items in the trend analysis, and removed them so as not to influence future forecasting. For instance, on page 14, maintenance and commodities category projected to increase by 6% annually, but if the EAB program was not removed from prior years, the maintenance costs would have increased by 13% each year. In essence, we tried to remove those one-time events. Also, in commodities, if we did not remove the one-time influences, there would a 10% annual increase versus the 2% used in the forecast, and it gives a more realistic picture of the expense forecast.

Page 17 gives a graphical depiction of our Debt service. In order to accomplish all the capital projects, i.e., Indian Lakes Open Space, which is estimated to be \$4.2 million, this new debt is to be repaid by using home rule sales tax, and is listed in the blue line on the graph.

Mr. Szott stated that pages 19 and 20 are the results of all input for the forecast, and reiterated row 18 is the Excess, and row 32 is the Fund Balance. He pointed out that last year's forecast did not include the Old Town project, and this year's forecast does not include the economic impact of Mariano's, or the residential developments occurring in the Village. He also stated the long-term impact has a strong outlook, our revenue projections are strong, and our expense projections have been tempered by the removal of one-time impacts.

- 1) He continued that the **General Fund** financial situation has improved dramatically since last year because we are receiving more revenue than projected, and our expenses are significantly less.
- 2) Mr. Szott stated for the short-term on the **Motor Fuel Tax Fund (MFT)** on page 23, we are doing fine and with slight projections. In December, a 5-year forecast for the Road Program was incorporated into this forecast, and FY19 has a spike (for \$3.1 million) and each year Engineering and Village Services review that program. Our Fund Balance is fine in the short-term, but the long-term may have some issues of being over \$1.5 million projected.
- 3) The overall **Home Rule Sales Tax** fund and its forecast have changed with a significant fund balance from what was projected last year. In the short run, the cost of the Old Town project was not included last year but it has been addressed in this year's budget. It will be accomplished without an issue; the Fund Balance will grow at a slower pace, as we are using those resources to invest in our community now. Mr. Szott noted in FY21, we are projecting an \$8 million Fund Balance, and going further based on known projects/demands, and going out 20 years, our Fund Balance would grow to \$20 million, given the known projects now. This can provide a lot of flexibility to fund the annual Road Program or to the Water & Sewer fund, which will be discussed by Allen Altic next.
- 4) Last year we looked at the **Indian Lakes Resort Business District Tax** and it had a significantly higher fund balance, and additional research shows we may be able to pay ourselves back.
- 5) Pages 29-30 is the **Stratford Square Business District Tax Fund**, and Mr. Szott pointed out that there is an additional sales tax on the mall itself, funding up to \$20 million improvements back in 2007. It is operating as expected and as we expect through FY25.
- 6) Pages 31-32 is the **Community Relations and Events Fund**, which is the Hotel Use Tax fund. This fund is being used for more and more community relations type activities, making more of a demand on this fund, i.e., the Farmer's Market, the TV advertising, and the holiday lighting.
- 7) Pages 33-34 address the **new debt** being issued to pay for the improvements on the **Indian Lakes Open Space** property, and is the repayment of the debt. \$294,000 is used annually to repay \$4.2 million in bond proceeds. This is what is projected and it is recommended to go forward.
- 8) Pages 35-36 represent the prior debt issue for the **Golf Course** which has been fully paid. There is no more debt for the acquisition of the Golf Course.

- 9) Pages 37-38 is another debt service fund and was issued to **purchase the Indian Lakes Open Space** property. It is operating and functioning as planned and on page 38, the bar graph running off the top is because of the refunding of \$3.6 million.
- 10) Pages 39-40 shows the repayment of the debt issued to help **Indian Lakes re-brand as a Hilton property**. This will be completely retired in FY19. The purple and black bars are a little different because of the way we are managing our cash so we can accomplish the Old Town improvements.
- 11) Pages 41-42 depict the **Capital Equipment Replacement Fund**, and is a reserve set aside to replace our larger pieces of equipment. FY18 and FY19 have a larger demand and will need to be replaced at that time. Beginning in FY23 through FY24, the Fund Balance will not meet the target, but not diminish what we will need to accomplish except managing the cash flow a little better.
- 12) Pages 43-44 addresses the construction of the **Indian Lakes Open Space Improvement** fund estimated at \$4.2 million cost and it is anticipated that there will be bond proceeds to pay for this project.

Mr. Szott stated that the Governmental Funds are operating as anticipated and we will continue to meet the goals and accomplish the projects set forth. He stated if there were any questions from the Board, to please let him know.

Motion by Trustee Von Huben, seconded by Trustee Bucaro, to **accept the Five (5) Year Financial Forecasts for the Governmental Funds as prepared by the Finance Director/Treasurer dated April 4, 2016.**

AYES: Trustees Von Huben, Bucaro, Hovde, Belmonte, and Ackerman
NAYS: None
ABSENT: Trustee Bolen

MOTION DECLARED CARRIED

3. Water & Sewer Fund 5-Year Forecast

Mr. Allen Altic, Assistant Finance Director, addressed the Board regarding the Water & Sewer Fund. He stated the analysis is measured by four (4) objectives.

Objective #1 is to generate income from operations, before depreciation of \$200,000. Historically, the fund has met this objective. However, in the FY17 budget, it is projected to be \$5,968, which does not meet its goal.

Mr. Szott interjected that the Water & Sewer Fund has an objective of generating income of \$200,000 on an annual basis. As it stands right now, the FY17 budget will only generate approximately \$6,000 of that income to the fund; however, over the past five (5) years, as noted on the graph on page 2, our annual surplus has been \$395,000, almost double our \$200,000 target. We have had a surplus over the past five (5) years, and he did not feel the need to be too alarmed at the \$6,000 in the budget.

Mr. Altic continued with the assumptions utilized in preparing the analysis. The FY12 through FY15 amounts are actual audited (as noted on page 2) and the FY16 end-of-year and FY17 budget represent the amounts proposed in the FY17 budget. The FY18 through FY21 forecasts utilized trend history. He noted the cost the Village is charged by the DuPage Water Commission (DWC) is currently \$4.85 per 1,000 gallons and their proposed FY17 budget, which

is not yet approved, will reflect at 5¢ rate reduction to \$4.80 per 1,000 gallons. The analysis holds the water rates at their current level.

Objective #2 is to maintain a 25% operating reserve. Mr. Altic stated this reserve is to ensure that resources are available when needed to cover unanticipated costs. Historically, this fund has met its objective and is forecast to meet this objective through FY19. Beginning in FY20 and FY21, this reserve balance is anticipated to be depleted as resources are utilized to pay for capital projects, which will be discussed later.

Objective #3 is to maintain a fiscal balancing objective of 1:1 ratio of water revenue to water expenses as well as sewer revenue to sewer expenses. This objective is met for water, but will not be met for sewer operations.

Objective #4 is to follow a "pay-as-you-go" or cash financing approach for capital projects and debt service. Mr. Altic stated that pages 4-5 list the capital projects as well as debt service. He continued that there are enough monies to cover the 2008 Illinois EPA loan for the WRF Phase 1 project, through the life of the loan. The next debt service is the 2011 Illinois EPA loan to finance the WRF Phase 2A project and is anticipated to have enough resources available through FY19. A possible source of revenue beginning in FY20, would be a sewer rate increase of 20¢ per 1,000 gallons and another increase in FY24 of 11¢ per 1,000 gallons to repay this loan through its retirement.

The W&S Fund generates revenue to pay for non-WRF FPA related capital projects since 2012. Historically, through FY17 the fund has enough resources with a combination of "excess" cash from operations to pay for the capital projects. However, beginning in FY18, there will not be enough revenue to sustain a "pay-as-you-go" approach to funding the capital projects.

Mr. Altic stated there are projects in the Capital Improvement Plan (CIP) that are infrastructure projects that represent annual wear and tear and deterioration of the water and sewer mains. Another capital shortfall beginning in FY18 is the scheduling and timing of projects and revenues needed from water and sewer rates. Possible revenues could be generated by water and sewer rate increases, contributions from HRST, and the Community Relations Event fund. Another source could be to become a more frequent issuer of debt. Mr. Altic also noted that debt payments must be made on a timely basis. Lastly, in objective #4, in FY19 and FY20, it is anticipated that the WRF Phase 2B project will begin at a cost of approximately \$7.44 million, with debt service payments anticipated to begin in FY21.

Mr. Szott fielded questions from the Board regarding pay-as-you-go, Bloomingdale as compared to other communities, and on other projects that will have significant impact on the 5-year time frame, i.e., the painting of the water tank (done every 20 years), and a master plan of improvement for the water system.

Mr. Szott stated that the HRST fund is the lifeline and looked at as a resource to benefit the community. To fund the shortfall in non-water WRF and Phase 2B (\$7.44 million) project, the HRST is still generating money on known projects today to avoid a rate increase. The issue is to address the capital part.

Mr. Altic recapped that the first three objectives from an operational standpoint are performing well through FY17 and will be closely monitored out into the future. The DuPage Water Commission as part of their FY17 budget will have the rate reduction, which is \$39,000 savings to the Village, and our rates will remain at the same level. It is recommended that current rates be kept as they are and the \$39,000 be allocated toward capital projects.

Lastly, the Village has 16 utility accounts connected to the sewer system, but not the water system, and the accounts are charged a flat-rate sewer equal to 16,000 gallons on a bi-monthly basis. Average bi-monthly consumption is 12,000 gallons, and it is recommended the sewer rate be adjusted to be more in line with the average consumption rate. The reduction will equal \$1,700 per year. Mr. Altic fielded questions from the Board regarding this topic, and will get back to the Board regarding residential and commercial usage.

Mr. Altic reiterated the importance of the future of the W&S fund. He recommended the following: using the savings from the reduction of the DuPage Water Commission (DWC) be allocated from water operating revenue to capital projects; reduce the unmetered sewer rates to 6,000 gallons per month; and address the CIP funds going forward.

Mr. Szott summarized that the Village is solid for FY17 from an operational standpoint. Our focus should be to look annually and address our capital needs going forward in FY18, with transfers of money and/or rate increases.

Lastly, as a point of information, Mr. Szott stated that the decline in water usage has leveled off to about a 1% decrease, possibly due to improved economy, testing of accuracy of water meters, and areas identified for stabilizing water consumption.

Motion by Trustee Von Huben, seconded by Trustee Bucaro, to **accept the Five (5) Year Financial Forecasts for the Water and Sewer Funds as prepared by the Finance Director/Treasurer dated April 7, 2016.**

AYES: Trustees Von Huben, Bucaro, Hovde, Belmonte, and Ackerman
NAYS: None
ABSENT: Trustee Bolen

MOTION DECLARED CARRIED

OTHER BUSINESS

None

MEETING REMINDERS

Monday, April 18, 2016 – Standing Committee of the Whole Meeting

Monday, April 25, 2016 – Village Board Meeting

ADMINISTRATIVE STAFF REPORTS

1. Village Administrator, P. Scalera
No report.

2. Assistant Administrator, B. E. Weber

Ms. Weber stated an e-mail was sent to remind the Board that the Economic Interest statements were due to the County. She stated e-mails were sent directly from the DuPage County Clerk on March 1, and filing could be done electronically. She stated if they had not renewed, or cannot find the information, to please let her know so she can make sure that the statement is filed. She also mentioned an invitation to the Character Counts annual awards breakfast, and that the Village Clerk is a nominee and will be receiving an award

3. Village Attorney, M. Castaldo, Jr.
No report.

ADMINISTRATIVE STAFF REPORTS (Continued)

4. Director of Village Services, M. D. Marchi
No report.

5. Human Resources Director, K. Argo
Ms. Argo was absent.

6. Finance Director, G. L. Szott
Mr. Szott commented that the budget approval is scheduled for the April 25 meeting. He noted that the SCOW meeting of April 18 will address any questions on the budget as well as the proposed Capital Improvement Program (CIP). He stated that he is available to answer any questions prior to approval.

7. Chief of Police, F. Giammarese
Chief Giammarese commented on the Coffee with the Mayor and the Chief last Saturday. He thanked Peter Scalera, Trustee Ackerman, and the Mayor for a great event and stated that there were about 40 people in attendance.

8. Community & Economic Development Coordinator, S. Gascoigne
Mr. Gascoigne was absent.

COMMENTS FROM THE PUBLIC (AGENDA ITEMS ONLY)

Motion by Trustee Von Huben, seconded by Trustee Hovde, to open the floor to the public. All Trustees present voted **AYE**.

MOTION DECLARED CARRIED

No one came forward.

Motion by Trustee Von Huben, seconded by Trustee Hovde, to close the floor to the public. All Trustees present voted **AYE**.

MOTION DECLARED CARRIED

ADJOURNMENT

Motion by Trustee Hovde, seconded by Trustee Bucaro, to adjourn the meeting of April 11, 2016 at 8:21 p.m. All Trustees present voted **AYE**.

MOTION DECLARED CARRIED – MEETING ADJOURNED

Respectfully submitted,



Jane E. Michelotti
Village Clerk