



AGENDA
COMMITTEE OF THE WHOLE
May 16, 2017 – 7:30pm

- 1) Elected Officials Training Part I
- 2) Budget Parameters
- 3) Building Permit Process for Residential and Commercial

CLOSED SESSION:

- 1) Union Negotiations - AFSCME – 5 ILCS 120/2 (c) (2) of the Illinois Open Meetings Act
- 2) Union Negotiations – Local 150 – 5 ILCS 120/2 (c) (2) of the Illinois Open Meetings Act
- 3) Personnel – 5 ILCS 120/2 (c) (1) of the Illinois Open Meetings Act

Committee-of-the-Whole Agenda – May 16, 2017

1) Elected Officials Training – Part I

The City Attorney will conduct training for the Elected Officials

Committee-of-the-Whole Agenda – May 16, 2017

2) FY 2018 Budget Parameters

Attachments:

- Budget Planning Calendar
- Estimate of Debt Service Outstanding as of December 31, 2017
- Tax Levy – Preliminary Look for City Council Discussion

This discussion begins the process of reviewing basic parameters for the FY 2018 Budget with the City Council. Staff will present a power point during tonight's Committee-of-the-Whole Meeting. The City Council's input from this discussion is valuable and appreciated.

It should be noted that the City continues to monitor the State of Illinois' budget issues, potential property tax freeze, unfunded mandates, impacts to the Local Government Distributive Fund (Motor Fuel Tax, Personal Property Replacement Tax, Use Tax, Income Tax and others), grants, and other items. The City is evaluating the Property Tax for the FY 2018 Proposed Budget to determine the most financially prudent way operate over the next few years. Some municipalities have taken a look at slight increases to their property tax levy just in case a property tax freeze takes place or LGDF items are cut.

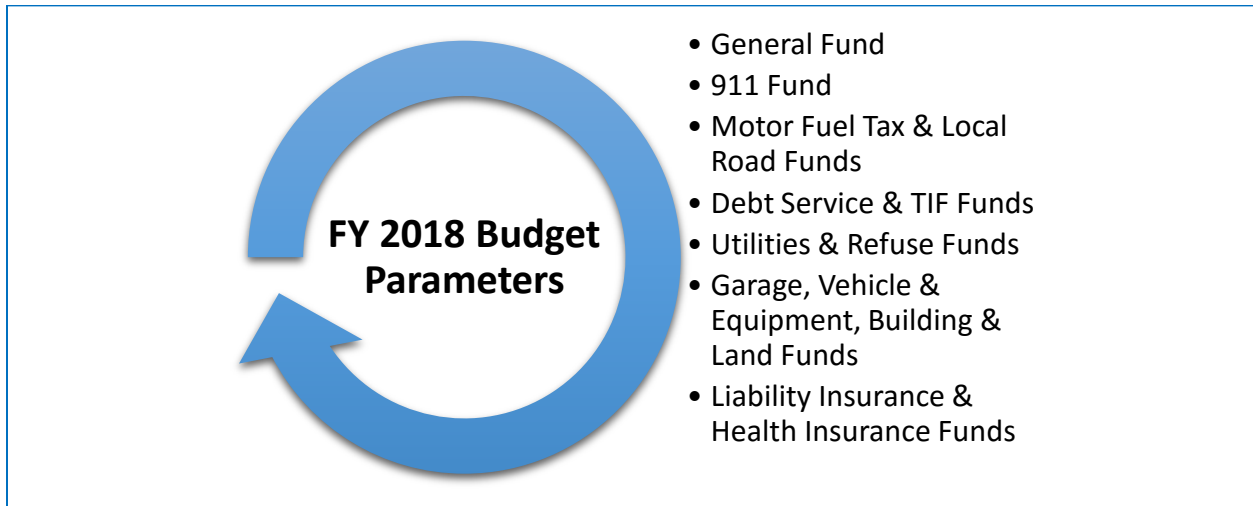
The City develops two key financial planning documents to guide the City's decision process in allocating revenues and expenditures: the Budget and the 5-Year Capital Improvements Plan. The 5-Year Capital Improvements Plan will be developed and reviewed by the Ad-Hoc Capital Improvements Committee from April to July. The 5-Year Capital Improvements Plan will be presented to the City Council at the August 15th Committee-of-the-Whole Meeting. A week later, the FY 2018 Proposed Budget will be presented to the City Council at the August 22nd City Council Meeting. (Please remember that all items in the Capital Plan do not always make it into the Budget.)

As a reminder, the City's Auditors and City Staff will complete the FY 2016 Audit over the next month. At the June 20th Committee-of-the-Whole Meeting, the FY 2016 Audit will be presented to the City Council.

Shown below are some highlighted facts from the City's FY 2015 Audit. (Note: this data will be updated in the FY 2016 Audit – presented to the City Council at the June 20th Committee-of-the-Whole Meeting.)

| ROLLING MEADOWS FAST FACTS (From FY 2015 Audit) | |
|--|--|
| Population | 24,099 |
| Per Capital Personal Income | \$29,331 |
| Total Taxable Assessed Value (2014 Levy) | \$730,170,392 |
| Fiscal Year 2015 Revenues | \$53.0 million |
| Fiscal Year 2015 Expenses | \$50.0 million |
| City Full-Time/Part-Time/Seasonal Employees | 160 FT / 16 PT / 12 Seasonal |
| City Outstanding Bonded Debt | \$10,170,000 |
| Current City Bond Rating | Aa3 from Moody's AA+ from Standard & Poor's |

Shown below are parameters to begin the budget setting process as the FY 2018 Proposed Budget is developed over the next few months.



Revenues

- Assess the baseline data and develop revenue estimates which will be similar to the FY 2017 Adopted Budget (to be adjusted where necessary).
- Evaluate the Tax Levy (see attachment) based on the fact that one of the bonds will mature in FY 2017 (\$832,000), Staff re-allocated the property tax levy items. This is only a first glance scenario and is subject to final review by the City Council. As mentioned, it might be beneficial to evaluate a slight increase to the property tax as a hedge against potential a property tax freeze.
- For the General Fund, the City Council discussed increasing Building Permit Fees. Some information will be presented in the power point presentation.
- Determine and evaluate the Fund Balance availability after the FY 2016 Audit is completed in June 2017.
- Evaluate revenue estimates based on prior trend-line data, Illinois Municipal League data, and various other sources.
- Propose Utility Rates similar as in past years – Water (blended 7% based on City of Chicago rates); Sewer (5%) and Stormwater (5%) with potentially evaluating the issuance of bonds.
- Evaluate the Refuse Rate per the Fund Balance Policy and to not to exceed 3.25% of an increase per the agreement. Given that the EAB work is nearing completion, as discussed with City Council, Staff feels there is some discussion to bring back the residential chipper service. If so, then a slight increase in the rate to cover the service would be proposed.
- Increase Chargebacks for Funds where possible (based on Expenditure needs).

Expenditures

- Assess the baseline data and develop expenditure estimates which will be similar to the FY 2017 Adopted Budget (to be adjusted where necessary).
- Review Consumer Price Index (CPI) data from 2016 and 2017.

- Fully fund the Police and Fire Pension Funds at 100% with the funding to 2033 vs. 2040.
- Evaluate the Capital Improvements Plan estimated projects and develop a funding plan for issuance of bonds.
- Determine the key road funding projects and funding availability from the State Motor Fuel Tax Fund and the Local Road Fund.
- Continue the repayment plan of \$100,000 from the General Fund to the Vehicle and Equipment Replacement Fund. [The City started with \$100,000 in FY 2016 of a \$1.0 million repayment to the Vehicle and Equipment Replacement Fund.]
- Continue the transfer of funds from the Health Insurance Fund to the General Fund for Compensated Absences. [At the end of FY 2017, the City will have \$1,021,452 towards this effort.]

Again, Staff will present a power point discussion to review the FY 2018 Proposed Budget parameters for City Council's review and discussion.

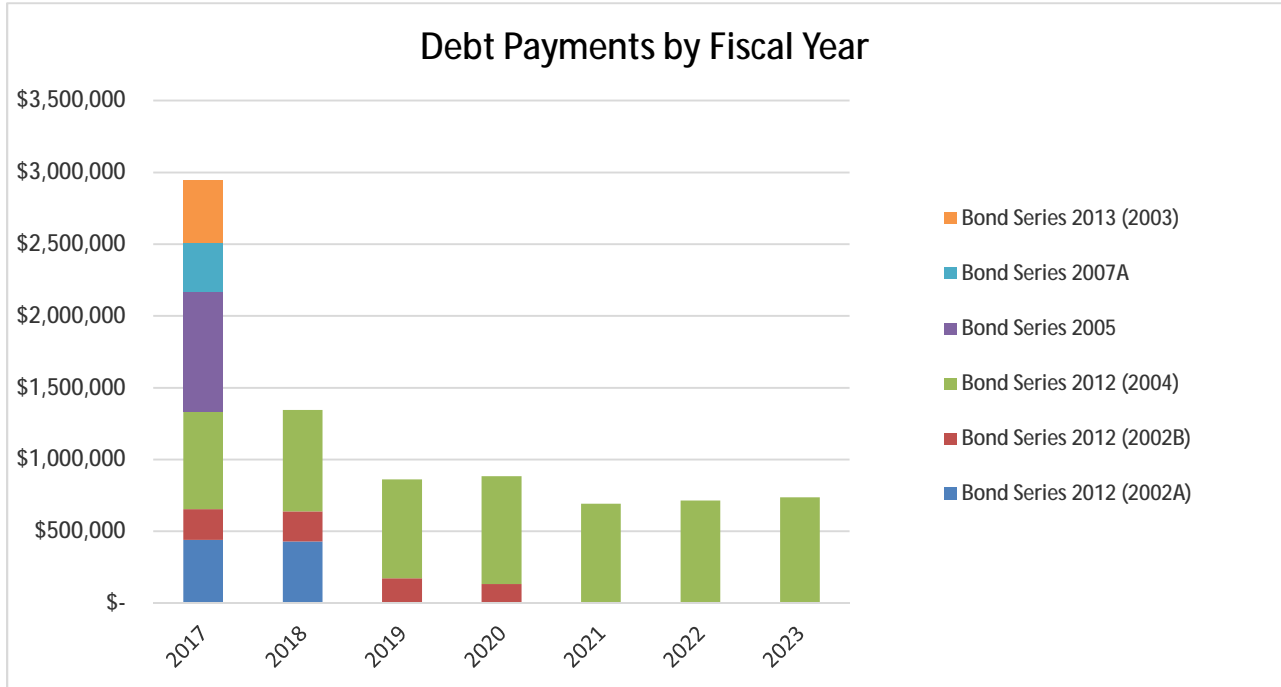
CITY OF ROLLING MEADOWS
 FY 2018 BUDGET PLANNING CALENDAR

| DATE | DAY | ACTIVITY |
|--------------------|-----------|--|
| February & March | --- | Capital Improvement Projects - Inputted by Departments. |
| March | --- | CIP Meetings & Review with City Manager & Finance Director. |
| May 16, 2017 | Tuesday | May Committee of the Whole Meeting. Budget Parameters Discussion. |
| January to July | --- | Ad-Hoc Capital Improvements Committee Meetings. |
| March to July | --- | Input Budget Entries, Review Budget Entries, Hold Departmental Meetings, Review and Edits by City Manager and Finance Director. |
| June 20, 2017 | Tuesday | June Committee of the Whole Meeting. FY 2016 Audit Presentation & FY 2016 Year-End Fund Balances Presentation. FY 2016 Citizens' Annual Financial Report Presentation. |
| August 4, 2017 | Friday | CIP Released to the City Council & Public. |
| August 15, 2017 | Tuesday | CIP presented to the City Council at the Committee-of-the-Whole Meeting for discussion & Revenues, Chargebacks, and Fund Balances. |
| August 18, 2017 | Friday | FY 2018 Proposed Budget Released to the City Council & Public. |
| August 22, 2017 | Tuesday | FY 2018 Proposed Budget: Staff Report in advance of the September COW. |
| September 19, 2017 | Tuesday | Committee-of-the-Whole Meeting: City Levy/Budget Discussion. |
| September 2017 | Wednesday | Public Hearings for Tax Levy (9/26/17) & Budget (10/10/17) published in newspaper. |
| September 26, 2017 | Tuesday | <i>City Council Meeting - Public Hearing - Tax Levy (i.e., Truth In Taxation)(City & Library).</i> City Council Meeting - Some Budget Ordinances - 1st Reading. |
| October 10, 2017 | Tuesday | <i>City Council Meeting - Public Hearing - City Budget & Library Budget.</i> City Council Meeting - Some Budget Ordinances - 2nd Reading. |
| October 17, 2017 | Tuesday | Committee-of-the-Whole Meeting - City & Library Levy/Budget Discussion. |
| October 24, 2017 | Tuesday | City Council Meeting - 2nd Reading of some Ordinances & 1st Reading of some Ordinances. |
| November 14, 2017 | Tuesday | City Council Meeting - Approve City & Library Levy (1st Readings), and 1st and 2nd Reading of some Ordinances. |
| November 21, 2017 | Tuesday | Committee-of-the-Whole Meeting - City Budget |
| November 28, 2017 | Tuesday | City Council Meeting - Approve City & Library Levy (2nd Readings), Adopt City Budget & Accept Library Budget; and 2nd Reading of some Ordinances. |

Note:

The Property Tax Levy must be filed with Cook County by Friday, December 19, 2017 in order to meet the State Statute deadline.

Outstanding Debt Service – General Obligation Bonds Outstanding – Estimated for Year Ending December 31, 2017



**CITY OF ROLLING MEADOWS
SUMMARY OF OUTSTANDING GENERAL OBLIGATION BOND ISSUES**

Highlighted in yellow and shown with blue arrows are the two Bonds that are paid by Property Taxes. The 2005 Bond is \$832,000 and matures in FY 2017. It is still shown on this form.

| Issues | City Fund Debt Retired By | Original Amount Issued | Budget Year - Debt Matures | Estimated Principal & Interest Outstanding @ 12/31/2017 |
|--------------------------|-----------------------------|------------------------|----------------------------|---|
| Bond Series 2012 (2002A) | Debt Service (47)(Tax Levy) | \$ 4,885,000 | FY 2018 | \$ 430,500 |
| Bond Series 2012 (2002B) | Utilities (20) | \$ 2,600,000 | FY 2020 | \$ 514,676 |
| Bond Series 2012 (2004) | Debt Service (47)* | \$ 8,070,000 | FY 2023 | \$ 4,293,151 |
| Bond Series 2005 | Debt Service (47)(Tax Levy) | \$ 7,425,000 | FY 2017 | \$ 0 |
| Bond Series 2007A | Utilities (20) | \$ 1,199,205 | FY 2017 | \$ 0 |
| Bond Series 2007A | Refuse (16) | \$ 300,510 | FY 2017 | \$ 0 |
| Bond Series 2007A | Local Roads (61) | \$ 1,335,285 | FY 2017 | \$ 0 |
| Bond Series 2013 (2003) | TIF #2 (Kirchoff/Owl -37) | \$ 4,030,000 | FY 2017 | \$ 0 |
| | | \$ 29,845,000 | | \$ 5,238,327 |

Notes:

- 1) The City refunded (i.e., refinanced three bonds (2002A, 2002B & 2004) in FY 2012 for a savings of nearly \$750,000 over a twelve year period.
- 2) The 2004 Bond is retired with a transfer from the General Fund to the Debt Service Fund.
- 3) The 2003 Bond was refunded in FY 2013 for a savings of approximately \$65,000.
- 4) In FY 2014, the City paid its capital lease in full for the Fire Rescue Pumper saving the City \$11,000 in interest savings.
- 5) The City has IEPA Loans paid for by the Utilities Fund not shown on this chart. To be paid until FY 2033.
- 6) Bond Series 2012 (2004) is paid for by the General Fund.
- 7) Highlighted in yellow and shown with blue arrows are the two Bonds that are paid by Property Taxes. In FY 2017, one of these bonds - the 2005 Bond is paid in full and is shown as a \$0.

Property Tax Levy - For Discussion Purposes Only

| Property Tax Levy Item | 2015 Tax Levy (for FY 2016 Budget) | 2016 Tax Levy (for FY 2017 Budget) | 2017 Tax Levy (for FY 2018 Proposed Budget) | \$ Change from 2016 Levy | Percent Change from 16 Levy |
|---|--|--|---|-----------------------------|-----------------------------------|
| <u>General Fund</u> | | | | | |
| Police Protection ¹ | \$ 1,810,905 | \$ 1,629,836 | \$ 1,800,000 | \$ 170,164 | 10.4% |
| Fire Protection ¹ | \$ 1,810,905 | \$ 1,629,836 | \$ 1,800,000 | \$ 170,164 | 10.4% |
| Police Pension ² | \$ 2,805,767 | \$ 3,220,749 | \$ 3,393,779 | \$ 173,030 | 5.4% |
| Fire Pension ² | \$ 2,977,769 | \$ 3,541,622 | \$ 3,693,563 | \$ 151,941 | 4.3% |
| IMRF Pension ³ | \$ 975,000 | \$ 875,000 | \$ 850,000 | \$ (25,000) | -2.9% |
| Public Works Operations ⁴ | \$ 43,801 | \$ 43,801 | \$ 46,002 | \$ 2,201 | 5.0% |
| Sub Total General Fund | \$ 10,424,147 | \$ 10,940,844 | \$ 11,583,344 | \$ 642,500 | 5.9% |
| <u>Local Road Fund</u> | | | | | |
| Annual Street Program ⁵ | \$ 500,000 | \$ 550,000 | \$ 750,000 | \$ 200,000 | 36.4% |
| <u>911 Fund</u> | | | | | |
| 911 Service | \$ 551,500 | \$ 601,500 | \$ 601,500 | \$ - | 0.0% |
| <u>Debt Service Purpose</u> | | | | | |
| 2005 Bond (Matures in FY 2017) | \$ 832,800 | \$ 832,000 | \$ - | \$ (832,000) | -100.0% |
| 2002A Bond (2012) Bond (Matures in FY 2018) | \$ 444,300 | \$ 441,000 | \$ 430,500 | \$ (10,500) | -2.4% |
| Sub Total Debt Service | \$ 1,277,100 | \$ 1,273,000 | \$ 430,500 | \$ (842,500) | -66.2% |
| Total City Tax Levy | \$ 12,752,747 | \$ 13,365,344 | \$ 13,365,344 | \$ - | 0.0% |

Notes:

- For Police & Fire Protection, the amounts were reduced in the 2016 Tax Levy and should be brought up to previous levels or higher such as at \$2.0 million level). The Police & Fire Budgets are approximately \$17.0 million.
- The Police & Fire Pension amounts are based on funding at 100% to 2033 vs. 2040 (shorter amortization period). The funded status of both of these Funds are at or just below 50%. This follows past City Council discussion.
- The IMRF Pension Fund's final data will be available in June (this is an estimate).
- Public Works Operations in the General Fund was reduced in the 2016 Tax Levy and should be increased. The Public Works Budget is approximately \$2.2 million.
- The Annual Street Program was increased in this scenario.

For each increase of in the Levy:

| | |
|------------|------|
| \$ 130,000 | 1.0% |
| \$ 270,000 | 2.0% |
| \$ 405,000 | 3.0% |
| \$ 530,000 | 4.0% |
| \$ 670,000 | 5.0% |

Committee-of-the-Whole Agenda – May 16, 2017

3) Building Permit Process for Residential and Commercial

Background:

There will be a PowerPoint presentation on this subject at the meeting. (A few examples of the permit process will be provided during the discussion and why violation notices are provided).

Reason's for Building Permits:

- 1) Safety,
- 2) Keep your contractor honest,
- 3) Helps to protect your property value and to make selling your property easier,
- 4) Saves you money (insurance),
- 5) Work you do may adversely affect adjacent properties as well as your own, and
- 6) It's the Law (local, State, and Federal items).

What is the building permit process?

- 1) Identify a contractor,
- 2) Best to obtain three estimates and sign Illinois Attorney General Consumer Rights Form with chosen contractor,
- 3) Submit completed permit applications with all necessary information attached (Also, please make sure that contractor licenses, bonds and insurance are all up-to-date and submitted as well),
- 4) Applications and plans are entered in the Community Development system and reviewed. Reviews generally take five to ten business days (depending on the complexity of the job) and are done in the order which they are submitted,
- 5) If plans are not approved (or missing items), a written plan review identifying point-by-pint the deficiencies will be issued,
- 6) Once the contractor or homeowner addresses all deficiencies (resubmittals) the permit will be issued,
- 7) At time of permit issuance, the location will received a placard for display (it must be visible from the street). Approved plans must also be on site at all times,
- 8) After the permit is issued, construction may begin (Contact Community Development for appropriate inspections once work progresses),
- 9) Requests for inspections are made a minimum of twenty-four hours in advance (the Department schedules half hour windows),
- 10) Upon completion of the project and passing of all final inspections, any refundable bond taken should be returned.

Staff Comments & Recommendation:

In for informational purposes.