

**MINUTES OF LONG RANGE FINANCIAL PLANNING  
VILLAGE COUNCIL MEETING  
VILLAGE OF DOWNERS GROVE**

**June 28, 2011**

**INFRASTRUCTURE SYSTEMS OVERVIEW**

Mayor Martin Tully called the meeting to order at 6:32 p.m. in the Committee Room.

Council Members Present: Mayor Martin Tully; Commissioners Marilyn Schnell, William Waldack, Sean P. Durkin, Geoff Neustadt, Bob Barnett and Becky Rheintgen

Staff Present: Dave Fieldman, Village Manager; Judy Buttny, Finance Director; Mike Baker, Deputy Village Manager; Nan Newlon, Public Works Director; Steve Sanderson, Budget Officer; Doug Kozlowski, Communication Director; Allison Alonzo, Management Analyst; Andy Sikich, Assistant Public Works Director; April Holden, Village Clerk

Village Manager Dave Fieldman reviewed the meeting agenda, including staff presentations on the infrastructure systems, and the types of expenses and revenues the Village experiences. The objective is to have a dialogue between Council and staff regarding Village priorities.

Mr. Fieldman said the Long Range Financial Planning (“LRFP”) meetings are designed to create awareness of issues that may affect the Village’s financial position in coming years. The objective is to create a 3-5 year plan that will assist in budget preparation and operational decisions.

Mr. Fieldman explained that there are four meetings planned in the LRFP discussions, and this is the second of those four. The next two meetings focus on infrastructure and capital needs, ending with a draft plan at the August 23 meeting.

Mr. Fieldman then discussed the infrastructure facilities and the 2012 bond issuance. He provided an overview, stating this project started as preparation for the 2012 bond issuance. Recommendations that came out of the last planning sessions were to prioritize needs, pledge revenue sources, issue debt in a pay-as-you-use approach, and implementation beginning in 2012. As staff worked on the project, they realized that an infrastructure sustainability plan was seriously needed. This was consistent with the Strategic Planning goals to provide a top quality infrastructure and financial sustainability. Mr. Fieldman noted that the current Community Investment Plan includes \$12 million of projects over the next five years. This is a new

approach to the infrastructure, comprehensive in scope, and designed to improve decision-making processes and sustainability.

Mr. Fieldman said that for the third meeting, staff will focus on options for funding infrastructure needs, how much the 2012 bond issuance should be, and how the proceeds will be used. He reminded everyone that a great deal of work has already been done on the water fund, resulting in specific findings and recommendations. If they follow the recommendations and plan, the water fund will be self-sustaining.

Andy Sikich, Assistant Director, Public Works, reviewed the background of the Village's system, and the nation's infrastructure system in general, noting that the investment over the next five years in the nation's system is estimated at \$2.2 trillion based on the American Society of Civil Engineers 2009 report card for America's infrastructure. Less than half of that amount has been budgeted. A 2010 report graded the State of Illinois infrastructure categories with a D+ overall.

Mr. Sikich noted that the Village has, however, continued to spend funds on maintaining the existing infrastructure and preparing for upcoming needs. The Village owns and maintains many different systems of infrastructure: Water, streets, stormwater/drainage, sidewalks, traffic, streetlights, bikeways, and facilities. He explained that tonight's discussion will focus on four issues: streets, stormwater/drainage, sidewalks and traffic.

## **Streets**

The Village currently maintains 329 lane-miles of local, collector and arterial roadways, 40% of which have ditches, and 60% of which have curb and gutter. Objectives are to maintain streets at the most cost-effective level, and coordinate the timing of street projects with other projects to minimize costs. Issues facing the Village include many old or annexed streets, which were not built to modern standards and require upgrading. Other streets are in danger of falling into the "reconstruction" category. Using a slide presentation, Mr. Sikich showed the anticipated system performance for streets in the Village, and provided photographs of the varying conditions of Village streets. The key to an effective maintenance program is to perform maintenance when the street is at a condition where the rehabilitation cost is at the theoretical \$1.00 level vs. the \$4-5 level when a street falls into serious disrepair. Twenty-two percent of the streets fall into the "very poor" to "serious" condition and may require reconstruction. Four million dollars is budgeted for maintenance in 2011, and \$5.2 million per year is anticipated beginning in 2016. He explained that reconstruction projects are much different than maintenance, requiring more intensive preparation, planning, targeting, etc. They are more expensive, but funding for reconstruction should be a high priority. Staff recommends a gradual increase in street maintenance expenses to just over \$5 million per year to continue operation on a 20 year life cycle.

Commissioner Durkin inquired why the Village doesn't seek a bond issuance for \$25 million and take advantage of discount rates. Mr. Fieldman said that would be an option, and will be discussed.

Commissioner Neustadt asked what the Village grade would be as compared to the State.

Nan Newlon, Director, Public Works, said that 78% of the roads are in maintainable condition, and the Village is in better shape than the State as a whole.

Commissioner Schnell asked whether areas of potential annexation have been factored into the reconstruction and maintenance figures. Mr. Fieldman responded that staff factored potential annexation areas into the estimate. He noted that the streets to be annexed are in good condition. Commissioner Schnell then asked whether they can keep the existing streets in good condition with \$4 million, and Mr. Fieldman replied that staff would look into that.

Commissioner Barnett referenced the theoretical performance curve slide. He asked as to the increase needed to keep the streets at the "Fair" level vs. the "Poor" level. Mr. Sikich said he would look into that further. Commissioner Barnett continued, asking if \$25 million includes streets only, or sidewalks curbs, etc. Mr. Sikich said it is street only, except for drainage structures within the street. Ms. Newlon added that they have budgeted money in other areas for partnership projects.

Commissioner Schnell asked for clarification that nothing has been factored in for new curb and gutter work, and Mr. Sikich said that was correct.

Mayor Tully asked about sources of funding from other parties, such as overweight truck fines, etc. He then asked what strategies are available to extend the life of the roads, beyond what is currently being done, and whether there are any strategies to reduce the number of streets the Village has to maintain. Mr. Fieldman said staff would look further to answer his questions.

## **Stormwater**

Ms. Newlon provided background on Village stormwater facilities. She explained that there are three major watersheds within the Village, each of which is drained by a creek, including Lacey Creek, St. Joseph's Creek, and Prentiss Creek, which make up about 11 miles of streams. She provided statistics on storm sewers, drainage structures, ditches, culverts, etc.

Ms. Newlon explained the objective of the stormwater system includes maintaining existing facilities, completing construction of high priority infrastructure projects, and meeting the requirements of the Clean Water Act. Regarding stormwater maintenance, Ms. Newlon said the existing infrastructure is extensive and aging. The current resource levels make system maintenance targets unattainable. Streams have not been properly maintained historically, and

sedimentation leads to poor water quality and poor system performance. She noted that there are also increasing regulations for water quality.

Using a slide presentation, Ms. Newlon reviewed the target maintenance activities that are recommended. Sewer cleaning should be on a 5 year cycle, but is at a 14 year cycle. Structure maintenance has a recommended target of 5 years, while the actual is 13 years. Roadside ditching is presently on a 20 year cycle, while the acceptable cycle would be 10 years. She showed photographs of some of the problematic areas in the Village.

Ms. Newlon then discussed streambank stabilization noting some of the issues faced by staff. Roadway issues are more visible to the public than stormwater issues. She showed photographs of projects such as the Washington Park Stormwater facility and Lacey Creek streambank stabilization. She summarized that maintaining the existing system is a high priority, as is meeting the Clear Water Act regulations.

Commissioner Schnell asked how much of the present system would eventually have to be replaced because it was undersized, and the possible costs. Also, with regard to streambank stabilization, she inquired as to the longevity of new projects and the maintenance costs for those projects. She also asked if those figures are in the budget. Commissioner Schnell then asked if we are using all of the funds, or are there more projects than funds. She questioned what the contributing factors are to the increased problems that are being brought by residents to the Village's attention.

Commissioner Neustadt asked if the additional projects have been identified due to their severity or proximity to other projects. Mr. Fieldman said that staff is looking at issues that come up on a daily basis and continues to identify projects that are high priority.

Commissioner Rheintgen referenced the inventory of streets, and asked whether there is a list of all of the sewers and conditions. Ms. Newlon responded that there is no complete list at this time, but staff is in the process of putting that together; it is about 75% complete.

Commissioner Waldack inquired as to current projects and how they are performing. He said reports on an ongoing basis would be good to have, because sometimes water surprises us. He would like to consider improving the best management practices.

Mayor Tully said he thought that there was an effort undertaken by the County some time ago regarding updating best management practices. Mr. Fieldman replied that the County did this within the past two years.

Commissioner Waldack then asked what the Village's recommendations were absent the federal mandates. He is curious as to how much extra work the federal government is passing on to the Village. He would like to stress federal grant funding. He then asked if we anticipate having

problems with property owners because of escalated costs. He said he didn't understand the role of the stormwater study. Mr. Fieldman said that the plan is to get the stormwater study to the Council before the budget discussions occur. Staff recommendations will be made with the Stormwater Utility Study, and they will explain how it fits into the overall plan.

Commissioner Barnett asked staff to prepare a curve chart, similar to the street chart, for the stormwater projects. He then asked if there was work associated with the downtown area that was not done. Mr. Fieldman responded that Washington Street was not done. Commissioner Barnett asked about a map of sewers locations, and Ms. Newlon replied there is no complete map, but they know the location of about 75% of them.

Commissioner Barnett then asked about the streambank stabilization, and whether it is conveyance, restoration, etc. He would also like to hear more about what the Village might want to do above and beyond what is required by the County and federal mandates.

Mayor Tully discussed maintenance versus new construction. In terms of stormwater, there is a great deal of new construction. The Mayor inquired, as part of the long-term budgeting, what it would cost when detention fails, and how would it be reflected in the long-term budgets. He also discussed private detention and retention areas and maintenance of those if the owner or property manager does not maintain them. He then asked, to the extent that a revenue stream is generated by stormwater utility, what impact does that have on the Village's ability to pledge funds for additional borrowing power. Mr. Fieldman said some of the information would be discussed at the July meeting.

Commissioner Schnell asked whether staff has the tools and technology necessary to do the job the Council is asking of them.

Commissioner Neustadt inquired whether the Village has been doing inspections in line with the Watershed Infrastructure Improvement Program (WIIP). Ms. Newlon said they are going through the entire system beginning in the older sections of the Village. Commissioner Neustadt said that WIIP addresses many of these issues.

## **Sidewalks**

Mr. Sikich noted that the Village policy is to have a sidewalk on at least one side of every street in the Village. Currently, there is an estimated 240 miles of sidewalks. The Village matrix has about nine miles remaining, which is 96% toward the goal. The Village is pursuing sidewalks and trails along Ogden Avenue, 31<sup>st</sup> Street, Belmont Avenue and 55<sup>th</sup> Street, as grant funding permits. Staff's objectives are to maintain the existing sidewalks, continue implementing the sidewalk matrix, reconstruct the downtown crosswalks with grant funding, and pursue right-of-way acquisition along Ogden Avenue.

Commissioner Neustadt noted that the downtown asphalt sidewalk appears to have held up well. Mr. Sikich agreed.

Commissioner Barnett spoke to the matrix and asked if staff is looking for connectivity gaps. He suggested revisiting the policy and identifying the areas that shouldn't have sidewalks. He also suggested considering a goal of sidewalks on two sides of the road.

Commissioner Durkin asked whether Denburn Woods is part of these nine miles, and he was told it is. Mayor Tully said that Denburn Woods has a unique spot on the matrix.

Commissioner Schnell asked whether they will be looking at alternatives regarding sidewalks, and Mr. Fieldman said they would. Commissioner Schnell noted that there is a lot of old sidewalk within the Village, and they do not have a sidewalk maintenance plan. She thinks they need a way to identify when a sidewalk was installed and the maintenance needs. She agreed that there are parts of the Village where sidewalks on both sides of street would be beneficial, and she agrees that they need to modify the policy. There are some areas on the matrix that realistically will never have sidewalks. She would like the Council to investigate the policy further.

Commissioner Waldack commented that the federal government is looking at unifying sidewalks, streets, bikeways, and public transportation as part of the transportation process. He believes the Village should also look at these issues as part of transportation.

Commissioner Rheintgen asked how often the matrix is updated. She also noted that there are certain areas by schools that need sidewalks on both side of the street. She asked how this gets into the matrix. The Mayor replied that the matrix is put together based on objective criteria. Ms. Newlon noted that currently, installation of sidewalks on two sides of the street are not on the matrix. Mayor Tully said it would still be considered with the same criteria. He then asked about the cost of new construction as related to payment in lieu of sidewalks. Mr. Fieldman said they have started discussion on that already. The Mayor said he would rather see curb and gutter installed before sidewalks on both sides of the street.

## **Traffic**

Ms. Newlon explained that the Village's traffic system includes all components that allow vehicles to move about safely within and throughout the Village. She provided data on equipment including traffic signals, video detection cameras, Opticom units, signage, striping, etc. Objectives for the traffic system are to provide for the safe and efficient movement of people and goods within and through the Village, and to provide a reliable system that meets all regulatory requirements. Regarding needs, the traffic system components must be maintained or replaced on a regular schedule. Concerns about traffic safety continue to be expressed by residents, and a neighborhood approach to traffic management has been effective. Regularly

collected traffic data is a valuable tool when managing traffic.

Commissioner Schnell asked about the life span of the Opticom system. She also asked where traffic calming devices fit. Ms. Newlon said that the Village does not have money for traffic calming. Commissioner Schnell suggested that as part of the long-range plan, this should be included as part of traffic safety.

Commissioner Durkin asked the status of the temporary traffic calming devices. The Manager said staff would get an answer to him. Commissioner Durkin then asked about the red light cameras, and solar powered signs that tell you what your speed is. He also asked if they are looking at countdown pedestrian walkways.

Commissioner Barnett inquired as to what it would require to get a traffic-calming template.

Commissioner Neustadt agreed with traffic calming as a long-range component of the plan. He is a proponent of using the tools we have.

Commissioner Waldack mentioned neighborhood traffic studies, saying they need to keep the big picture in mind. As you work on one area, the traffic moves to another. He said there was a movement in the downtown area some time ago to prevent the Village from synchronizing the lights, but synchronized lights are effective. He then brought up the possibility of restoring the Main and Curtiss criss-crossing walkway.

Mayor Tully said they are talking about \$25 million to reconstruct streets. He asked if they can build in traffic calming concepts into these streets while in the design phase. He noted that changes are forthcoming around Downers Grove North High School, and questioned how that will factor into this issue.

## **Revenue and Expenses**

Mike Baker, Deputy Village Manager, said there are three types of expenses: 1) Debt service payments we are obligated to make; 2) Maintenance of existing infrastructure and facilities; and 3) Expansion/major reconstruction. Anyone who is a homeowner deals with these three categories of expenses in terms of paying a mortgage, maintaining their property, and engaging in major repair and reconstruction. The Village has those three responsibilities with regard to its infrastructure.

Mr. Baker reviewed current outstanding debt and the year in which the debt payments will be completed:

Water AMS System – 2012  
Fairview Avenue Reconstruction – 2016  
Downtown TIF Improvements – 2021

Fire Station 2 Construction – 2028  
Stormwater Improvements – 2038

Mr. Baker provided a graph showing the cumulative debt service payments from 2010 through 2038. He said the Village has a moderate amount of debt and has preserved its ability to issue debt.

In terms of annual maintenance expenses, Mr. Baker provided information as to the funds in the FY11 budget and the current needs. The FY11 budget includes \$6.3 million for streets, stormwater, sidewalks, streetlights, traffic and facilities. The financial need for those systems is \$9.2 million, representing a \$3 million gap.

In terms of expansion and major reconstruction, the current outstanding needs total \$109.2 million. Mr. Baker said \$25 million is needed for nine identified street reconstruction projects; \$20 million for stormwater; \$3 million for sidewalks; and \$61.2 million for facilities.

Mr. Baker then discussed annual funding sources as estimated for FY12. Revenue for infrastructure in FY12 is estimated at \$10.2 million: Home rule sales tax - \$5.6 million; property tax - \$2.6 million; motor fuel tax - \$1.1 million; telecommunications tax - \$.7 million; and local gasoline tax - \$.2 million.

Commissioner Durkin asked if this included the annexed areas. The Manager said he would check into this.

Commissioner Durkin noted that no amount had been identified for traffic system expenses and he suggested \$1 million.

Commissioner Neustadt said he would like more information as to the \$61.2 million needed for facilities. He would like to review maintenance needs for the Village Hall and Police Departments vs. the cost of construction of a new facility.

Commissioner Barnett asked if, instead of just choosing a number, there is a typical estimate of streets with traffic calming or special design elements. He also asked about the sidewalk costs if the unique areas were taken out as well as the cost of sidewalks on both sides of the streets.

Commissioner Waldack asked over how many years the \$109.2 million is spread. The Manager said there is no timetable. The amount is based on currently identified needs.

### **Prioritization**

Mr. Fieldman said the needs exceed the revenues. There are many options available and priorities need to be established to package the options available.

Mr. Fieldman then presented information regarding three levels of priorities as developed by staff:

- A. Highest Level Priorities
  - Existing debt payments
  - Maintenance of existing systems
- B. Second Level
  - Reconstruct streets in need of reconstruction (\$25 million)
  - High priority stormwater (WIIP) projects
- C. Third Level
  - Expansion of any system - new sidewalks, new traffic systems, new facilities, new streetlights, new bikeways, remainder of WIIP

At the July meeting, options will be presented to meet the staff priorities.

The Mayor asked if staff has taken all opportunities to modify existing debt.

Judy Buttny, Finance Director, responded affirmatively.

The Mayor said the priorities outlined by Mr. Fieldman make sense to him.

Commissioner Schnell asked how revenue sources are meeting the existing debt payments. She said she does not necessarily disagree with the priorities outlined by staff. She said existing services have to be maintained. She asked if the debt can be phased in with respect to street construction. In terms of WIIP projects, she said there was an expectation that resident projects would be included and how do we tell residents that their projects will not be included.

The Mayor asked about new strategies that could allow for the “C” items.

Commissioner Barnett discussed the terms “responsible level” and “maintain existing systems.” These are open to interpretation and need to be defined. We have not maintained infrastructure to the level people expect in most of our public elements for a long time. He noted that our service to people is good, but other than Fire Station 2 and some of the recent stormwater projects, he asked if any of the infrastructure systems were exceptional. The systems listed under the third level are there due to our limitations, but they are not optional.

Commissioner Neustadt said he agrees with the priorities. He discussed the need to determine when maintenance costs outpace construction costs in terms of facilities. He said he places a higher priority in “B” on the WIIP projects and suggested that the street reconstruction and the WIIP projects be bundled to the extent possible.

Commissioner Rheintgen said the prioritization is logical. She agreed that the longer it takes to repair a street, the more it costs.

Commissioner Durkin asked about including the existing debt payments as there are designated revenue streams to pay this.

Mr. Fieldman said the payment of the debt service is not an option.

Commissioner Durkin suggested that street reconstruction be an “A” priority. He said it is important to take advantage of the favorable bidding climate and do these now. He also suggested that the WIIP projects be prioritized.

Commissioner Waldack said he is worried about debt. He thinks residents would like dollars to go to projects, not banks. He would like a pay-as-you-go plan to keep debt as low as possible although he realizes that sometimes debt makes sense. He noted that facilities will move up in terms of priorities sooner or later. He said this may be an opportunity to partner with others in terms of facilities. Further, he suggested looking at our Code to cut costs. He said he also had some thoughts on the tree canopy and snow plan.

The Mayor discussed “exceptional” and asked if the goal could be “quality” or “sufficient.” By doing so, we might be able to address more items.

Commissioner Barnett said he would like more information regarding the Village’s debt capacity in terms of how low, moderate and elevated debt is defined. He also asked as to the experience of other communities in terms of their debt levels. The Manager suggested that the DuPage County community bond ratings might be useful.

Commissioner Durkin said he heard the government is looking to change the weight capacity of trucks. He asked what effect this would have on our roads and revenues.

Commissioner Neustadt asked when the answers to these questions will be available. The Manager said staff will try to provide answers in sufficient time for them to be considered before the next meeting.

The Mayor asked if the Village could better position itself for grants and third party funds.

The Manager said staff will provide a range of options for Council consideration.

Marge Earl asked how many WIIP projects are unfunded.

Tom LeCren said that the sidewalks on Ogden Avenue cannot be used in the winter months. He asked what can be done to force businesses to shovel their walks.

The Mayor thanked everyone for attending the meeting and the meeting was adjourned at 8:48 p.m.

April K. Holden  
Village Clerk