

MINUTES OF WORKSHOP MEETING

DOWNERS GROVE, ILLINOIS

OCTOBER 22, 2002

Mayor Krajewski called the Workshop meeting of the Village Council of the Village of Downers Grove to order at 6:30 p.m. in the Council Chambers of the Village Hall.

Present: Mayor Brian Krajewski; Commissioners Marilyn Schnell, Thomas Sisul, Michael Gilbert, Sue McConnell, Martin Tully, Mark Zabloudil; Village Manager Riccardo Ginex; Village Attorney Enza Petrarca; Village Clerk April Holden

Absent: None

Visitors: **Press:** Ken Stahr, Downers Grove Reporter;

Residents & Others in Attendance: Chuck Krueger, 5956 Pershing; Sheldon Massey, 5960 Pershing; Representing CAG: Steve & Denise Dimpfl, 5509 Lomond Ave.; Diane Edwards, 5513 Lomond Ave; C. Linden, 2150 W. 59th St.; M.E. Murphy, 5824 Lee; Liz Chapin, 5623 Pershing; Randy & Pamela Owens, 5900 Pershing; Ann Muniz, 5617 Pershing; John Hoersch, 5723 Lomond Ave., Carolyn Mitrius, 5704 Pershing, Nancy Simpson, 5525 Elinor Ave; Mark Patno, 4517 Belmont; Andrew Clark, 1226 62nd Street; David Morrill and Louis Gallucci, Alfred Benesch & Co., 205 N. Michigan, Chicago; Eunice Rettinger, 5439 Elinor; Lorraine Sullivan, 5720 Pershing; Christine Fregeau, 1918 Elmore; Edward Shellcross, 5621 Pershing; Mardi Kaplan, 5520 Belmont; Dave Tatterson, 1210 Gilbert; Roger Cusman, 1140 Gilbert; Ron Kesselman, 7336 Hartford; Ron Sandack, 4833 Linscott Avenue

Staff: Police Department: James McGreal, Robert Bylls, Deputy Police Chief Pam Church, Deputy Police Chief Kurt Bluder, Police Chief Bob Porter, Records Manager Tracy Adams, Sgt. Kevin Groce, Lt. Lee Hahn, Lt. Mitch Vandenbos; Susan Brassfield, Grants Coordinator; Trisha Steele, Acting Director, Financial Services; Stan Balicki, Support Services Manager; Dave Van Vooren, Deputy Village Manager, Administration; Brian Pabst, Deputy Village Manager, Operations; Joe Skach, Director, Redevelopment

Mayor Krajewski explained that Council Workshop meetings are held the second and fourth Tuesdays at 6:30 p.m. The meetings are video taped live and for later cable-cast over cable channel 6.

The Workshop meeting is intended to provide Council and the public with an appropriate forum for informal discussion of any items intended for future Council consideration or just for general information. No formal action is taken at Workshop meetings.

The public is invited to attend and encouraged to comment or ask questions in an informal manner on any of the items being discussed or on any other subject. The agenda is created to provide a guideline for discussion.

Police Department

Police Chief Bob Porter officiated at the swearing in of two new police officers, Robert Bylls and James McGreal. The Mayor welcomed them to the Village Police Department.

MANAGER

Manager Ginex said that Item 7 has been removed from the Agenda pending further information from staff.

1. **Fee Waiver: Good Shepherd Evangelical Lutheran Church & School.** Manager Ginex said that Good Shepherd Evangelical Church and School has requested a \$10,910.90 fee waiver. He said 100% waiver is possible as petitioner meets the requirements.

Commissioner Tully said he assumed there were no extraordinary circumstances. Manager Ginex said that was correct.

2. **Application to the Illinois Environmental Protection Agency for the Drinking Water Grant Program.** Manager Ginex said that \$2 million in grant funds has been made available by the State of Illinois. The funding amount being requested is \$647,226 with a stipulation of a 30% local match from the DuPage Water Commission. This is for an infrastructure for 54 homes in the north Belmont Park area. Sign-offs will be required from the State Historic Preservation Agency and the Illinois Department of Natural Resources. The Manager said the local match would be approximately \$277,382 and staff is requesting waiving of the one-week waiting period.

Commissioner McConnell asked about the time frame on this application.

Sue Brassfield, Grants Coordinator, said that IEPA will reserve the funds once they have received the application. Then they must meet all other requirements, at which time funds will be released. She said for a time-line they expect it to take about one month. This hinges upon the approval of the other agencies as well.

Commissioner Tully asked about items to be submitted. Ms. Brassfield said she will work with Ed Docekal, Engineering, to obtain those items. Regarding user fees, Ms. Brassfield said they would have to be approved by the IEPA. Commissioner Tully then asked what is contemplated in terms of the survey. Ms. Brassfield said it appears that will no longer be a requirement. The Manger said they wanted to expedite this process, and since the grant process is bogged down, they have eliminated that requirement. Commissioner Tully asked whether this will come before the Council after IEPA approval and Ms. Brassfield said it would.

Commissioner Schnell asked whether the engineering documents are being prepared now. The Manager said they are already in progress.

The Mayor asked if they have to go back for an additional grant and additional matching funds if the project comes in over the preliminary estimate. Ms. Brassfield responded that it depends upon what other communities have requested. The reimbursement is based on actual expenditures.

The Manager said staff would look into what would happen if the estimate is too low.

Sheldon Massey, 5960 Pershing, asked about the DuPage County Implementation Agreement. The Manager said he just received the draft agenda yesterday. He said the time frame was one to two months. Mr. Massey said he was talking about \$10 million that was supposed to be given to the communities to loan to the residents. The Mayor said the Water Commission will loan the Village the 30% for the infrastructure, and the State will provide the other 70%. The Water Commission will also loan the hook up fee for the residents. The Manager said they will get it done as soon as possible.

3. Application to the Hinsdale Center for the Arts for the FY 2003 Community Arts Access Regranting Program. The Manager said this is a grant application for Hinsdale Center for the Arts for the fiscal year 2003. The Community Events is requesting funding for three performances of the Midwest Ballet Theater in conjunction with Heritage Festival on June 27, 28 and 29, 2003, in the amount of \$1600.

4. Digital Photo Imaging & Fingerprint System.

Project Manager Tracy Adams, Police Department, provided a synopsis of the system. She said it is a 2-part system for fingerprinting and mug shots. The Department received a \$104,000 grant. They looked at three different systems. The officers' preference was the less expensive option, which was Image Ware Systems, Inc. It eliminates the redundancy that currently exists. There is a single point of entry with this system. All systems share the information and read back and forth. The system also gives the officers all they need in one place, and it has been installed in other departments. Staff has checked the references and everyone who has the system was satisfied. Ms. Adams explained that the Department is currently cut off from other departments because it is the only department in the County with black and white photos.

Commissioner Gilbert asked about funds budgeted for this. Deputy Chief Bluder said it was \$104,000 from a grant. The remaining \$52,000 was not budgeted, but they were able to move other items around and get that amount.

Commissioner McConnell asked whether the Council will be hearing about the changes in the budget and whether the Department will be asking for that \$52,000 in the future. Deputy Chief Bluder said they had \$43,000 in the computer equipment as well as money in the evidence storage system that was no longer needed. Commissioner McConnell asked about the maintenance and budget fees. Ms. Adams said the maintenance is \$18,000 which is included in the 5-year plan.

Commissioner McConnell asked about the facial recognition software. Ms. Adams said they would probably request that for 2004-05 budget year. It is a software component whereby they take a photo or composite drawing to give the possibility for matching with other photos. It will take about a year to build a photo base.

The Mayor asked about the fingerprinting system and whether it would be tied into the county, state and federal data bases. Ms. Adams said it would be. Presently they mail prints to the

agencies and obtain results in about 4-6 weeks. They can, however, take prints to a neighboring Police Department and have them run it through their system. She said that they have to do this a few times a month for extreme cases. Under the new system it will take about 1-2 hours.

Commissioner Schnell asked whether the system will be hooked up to the laptops. Ms. Adams said that booking is done in the station booking room. They will be able to do photo searches from the laptops.

5. Fund Balance.

Trisha Steele, Acting Director, Financial Services, said that the Fund Balance discussion began in March 2001. The current policy was written in 1991. She said it is necessary to define the term fund balance.

Ms. Steele then used a Power Point presentation to review the Fund Balance procedures. She said the Fund Balance is not a specific amount of cash that is available for spending, but is the amount of resources available to spend that are not reserved or designated for other purposes. The value is a budget target stating where the Village wants to be at the end of the year. The purpose is to provide financial stability, and the ability to meet emergency expenses and cash flow for operations. A fund balance provides a general guide. Ms. Steele said that authoritative bodies recommend maintaining a prudent level of financial resources to protect against temporary revenue shortfalls. The GFOA recommends a minimum unreserved fund balance of 5% -15% of operating revenues depending upon the size of the community or approximately two months of regular operating expenses. She said the Village's general policy is 25% in the general fund. Ms. Steele discussed four fund balance policy considerations -- revenues, expenses, external impact and budget procedures.

Regarding revenues, Ms. Steele said that 43% of the general fund relies on the sales tax, 13% utility taxes, 18% other sources, 3% from the Code Department and inspection fees, 4% property tax for pensions, and 7% from property tax. New revenue also depends upon start-up times.

Regarding expenses, Ms. Steele said it is necessary to consider the predictability of the expenses as well as the sensitivity of the service demand, such as snow plowing. It is important to consider unfunded and long-term needs, and to have a replacement plan for infrastructure and capital assets on either a pay as you go or debt basis. She said a routine maintenance plan reduces the need for rainy-day repair funding. She said funding for new services include start-up costs, which must be taken into consideration.

Concerning external impacts, Ms. Steele discussed the impact of state or federal funding cuts, unfunded mandates, risk management, and the potential for other service disruptions. In addition, the Village needs to understand the community's philosophy, and the importance of bond ratings.

Regarding procedures, Ms. Steele said that internal controls must be established, and the performance of other funds must be followed closely. In addition, the budget should be viewed as compared to actual trends, with plans for variances, and plans for reviews of the budget process.

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Ms. Steele said policy considerations for the Village's fund balance include establishing different parameters for general operations, capital improvements, debt service, insurance claims, rate stability and a plan for excesses.

Ms. Steele then reviewed a draft policy for Council input. She said it is a targeted fund balance policy. Parameters include establishing a minimum of two months of projected operating expenses, but not more than six months as a component of the target fund balance for each fund that includes general operations. Capital improvements are long-lived, high-cost fixed assets. Ms. Steele discussed cumulative balances, saying they will become more important with the implementation of GASB-34.

Using the draft policy, Ms. Steele provided an example of the minimum and maximum fund balance targets for the debt service for the Capital Improvements Fund. She said payments on the debt service are in June for interest, and interest/principal in January. Interest amounts to about \$416,338 and the interest/principal payment would be \$1,002,914, which would require a minimum target of \$3.2 million or \$4.4 million maximum. She said that in 2001 the plan was to have a fund balance for the general operations as well as debt service expenses. Regarding insurance claims, the recommendation is to establish a fund balance of not less than 25% of project liabilities plus premiums.

The Mayor asked if the debt service related to the TIF infrastructure. She said it was, and stressed that the Village is loaning that money.

The Mayor said the fund balance policy of 1991 established 3 months of expenses or 25% of revenues. At that time they relied on fewer revenue sources than the Village does today. He said he would like to see the current balances of the Parking and Water funds, as well as the ten-year projections.

The Mayor said that County Board Chair Schillerstrom said that the County had outside consultants look at the fund balances. The Water Commission is looking at their funds now. He said the Village is addressing this issue, as are other municipalities, and he said he does not think they need to be at 25% for the general fund as they did in 1991.

Commissioner Zabloudil said the Finance Committee discussed this last week. He said they should look at the history of the variances on the revenue accounts, which will enable them to see the true impact on the budget. He asked the Council to pencil in possible percentages in A-E of the policy when they receive the information from Ms. Steele.

The Mayor asked that Ms. Steele get the information to the Council members directly for feedback.

Ms. Steele said that the revenue trends are in the September Treasurer's report, and staff is still working on the others. She anticipates having the remaining information within the next couple of weeks.

Commissioner Zabloudil asked that they look at the variances of the accounts for the past 12 months as well.

Commissioner Gilbert said that for many years the Village has been on a pay-as-you-go plan.

6. Professional Owner's Representative Services for Parking Deck.

Joe Skach, Director, Redevelopment, said they are going into the construction phase of the parking deck project. In looking at the tasks, they realized that the Village would need the assistance of experts in this area. Staff solicited RFPs and received several proposals. Staff was told to look carefully at cost monitoring and cost controls, as well as schedule monitoring. He noted that the schedule profoundly impacts the costs incurred by the Village. The longer the job takes the more expensive it becomes. Mr. Skach said that a panel reviewed the qualifications of the different firms. There was a fairly wide spread in the proposals, yet within about 2.5% of the projected construction costs. Staff is recommending unanimously Alfred Benesch & Company as the owners' representative on behalf of the Village.

The Mayor asked if they've acted as owners' representatives for other municipalities. Mr. Skach said they have been owners' reps for the City of Chicago, the Wacker Drive project, etc.

Lou Gallucci of Alfred Benesch said the City of Chicago is their largest client. They are doing a number of school projects for the Public School Building Commission in Chicago.

Commissioner McConnell said she feels that there shouldn't be any surprises based upon the report prepared by staff. She asked about the monthly reports. She said it is important that the Council receive routine updates without taking a lot of staff time. Mr. Gallucci said that was their intention and would work with the time frame for reporting established by the Council.

Commissioner McConnell also asked for some of the early warning systems such as cost overruns or other variances. Mr. Skach said that with respect to earlier stages of the project staff has sent out notices if the funds are being spent too fast. There may be peaks and valleys in regard to cash flow.

Commissioner McConnell asked whether Mr. Gallucci would be one of the people the Village would be working with once the project is underway. Mr. Skach said he would be.

Commissioner McConnell said they are getting to a critical point right now regarding this project and asked if there were any other things needed by staff from the Council. Mr. Skach said they are in the prebid stage with the construction documents. The main issues are technical at this time. They need to get the owners' representative on board to help with the contract implementation.

Commissioner Tully said that this was the most detailed RFP he's seen since he's been on the Council and said it is very helpful. He asked if the funding would come out of the existing budget, and Mr. Skach said it would. Commissioner Tully asked what is expected in return on the investment, such as safety, quality, and timeliness. Mr. Skach said that the key items are schedule control, because the longer the contract goes, the longer the cash flows out. They are already discussing acceleration of the schedule wherever possible. They need to look at value engineering for schedule acceleration and cost reduction. Another key asset is to oversee the operations that should be done in a timely manner, and holding down change orders. There may be some change

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orders, however, the owners' representatives play an important role in this area. They would like to keep the cost variance within the 5% range.

Commissioner Tully said that a part of the RFP deals with monitoring. In Section 2.24c it requires the owners' representative to halt work if they deem it appropriate, such as for reasons of safety concerns. He said that he assumed the owners' representative is fully cognizant of the OSHA requirements, as well as general public safety practices. Mr. Skach said that the contract language states it is the contractor's responsibility. The Village's role is oversight of the contractor.

Commissioner Schnell said there have been many surprises in change orders in the past. She asked whether the Council will be made aware of these sooner so as to be part of the decision. Mr. Skach said that will be part of the owners' representative's job, and the requirements for information is critical. It is critical that answers occur quickly in terms of identifying changes and estimating impact. Commissioner Schnell said in the past the problem has been lack of communication to the Council as to problems. Because this is such a large and visible project, they do not want surprises. She agreed that this was a very well prepared document.

Mr. Skach said that with a project as large and complex as this they will try to minimize surprises.

The Mayor said that it must be made clear to the general contractor that they cannot proceed with Change Orders without approval from the Council.

Commissioner Sisul complimented staff on the proposal, and said he was pleased with the results. He said staff will get the support from the Council, and said not having an owners' representative would be dangerous. He sees this as a reasonable rational approach.

ATTORNEY'S REPORT

Attorney Petrarca said she was presenting three items to the Council: 1) A resolution authorizing submittal of grant application to the Illinois Environmental Protection Agency; 2) A resolution authorizing submittal of grant application to the Hinsdale Center for the Arts for FY 2003 Community Arts Access Regranting Program; and 3) A resolution authorizing execution of an agreement between the Village of Downers Grove and Alfred Benesch & Company. She asked that the Council consider waiving the traditional one-week waiting period to consider authorizing the submittal of the grant application to the Illinois Environmental Protection Agency tonight.

Commissioner Sisul moved to waive the traditional one-week waiting period to discuss New Business. Commissioner Gilbert seconded the Motion.

AYES: Commissioners Sisul, Gilbert, Zabloudil, Tully, McConnell, Schnell, Mayor Krajewski

NAYS: None

The Mayor declared the Motion carried.

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Mayor Krajewski said this will authorize submittal of a grant application by the Village to the Illinois Environmental Protection Agency's Drinking Water Grant Program for financial assistance of costs in providing an alternative drinking water source to affected homeowners with contaminated wells.

A RESOLUTION AUTHORIZING SUBMITTAL OF GRANT APPLICATION TO THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

RESOLUTION 2002-92

Commissioner Sisul moved to adopt a resolution authorizing submittal of grant application to the Illinois Environmental Protection Agency, as presented. Commissioner Gilbert seconded the Motion.

AYES: Commissioners Sisul, Gilbert, Zabloudil, Tully, McConnell, Schnell, Mayor Krajewski

NAYS: None

The Mayor declared the Motion carried.

STANDING COMMITTEE REPORTS

Public Services Committee

Commissioner Tully said the Public Services Committee will meet on October 29 to discuss the Stormwater program and needs.

VISITORS

Ron Kesselman, 7336 Hartford, asked about the Village's plans to lease the space formerly occupied by the coffee shop. He said he would like to know how to submit a bid.

Mayor Krajewski said a tenant was brought in temporarily. He said there will be a bid process. The space will be available for a long-term lease beginning in March 2003.

COUNCIL MEMBERS

Commissioner Tully said that the 9-1-1 Walkathon will be held on November 17 between 1:00 and 5:00 p.m. at Downers Grove North High School either on the track or in the Field House. This is sponsored by the Athletes Committed to Excellence, The Village of Downers Grove and the Character Counts! Coalition. The proceeds will go to local charities. He said that information can be received from Laura Johnwick at 795-8145.

Commissioner McConnell said this is Character Counts! week and the annual training will be held on Friday. She said it will be held at the Aramark facilities in the old Service Master location.

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Commissioner Schnell said the Pancake Breakfast fundraiser will be held on Friday from 7:00 – 11:00 a.m. at the First United Methodist Church for the Character Counts! Coalition.

Commissioner Sisul said that the Halloween Window Painting will take place on Saturday. There is no registration and the windows are not marked. It is being sponsored by the Rotarians. Contributions will go to FISH. Painting begins at 9:00 a.m.

There being no further discussion, the Workshop meeting was adjourned at 8:14 p.m.

April K. Holden
Village Clerk

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