

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – **March 9, 2020**

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Monday, March 9, 2020 at 6:00 PM in the Village Hall Board Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Barbara Ankenman, Chair
Trustee William Meyer, Member
Trustee Aaron Towle, Member

Others Present: Kathleen O'Hara, Village Board President
Megan Michael, Village Clerk
Regis Charlot, Village Trustee
Mark Dewart, Village Trustee
Joy Markee, Village Trustee
R. Drew Irvin, Village Administrator
Bettina O'Connell, Finance Director
Marlene Scheibl, Assistant Finance Director
Glen Cole, Assistant to the Village Administrator
Jake Terlap, Public Works Superintendent (arrived at 6:30 PM)
Peter Friedman (arrived at 6:50 PM)

II. Approval of Minutes

Member William Meyer made a motion to approve the minutes of the February 24, 2020 meeting as presented; seconded by Member Aaron Towle and approved unanimously on a voice vote.

III. Business Items

1. Review of the Pay Plan

VA Irvin gave a summary of the recommended Pay Plan changes. He said as in past practices, we've dealt with competitive pay, pay compression, and internal equity. This year was a little different in that there were multiple changes versus just a handful but those were all market driven. There are no employees at the low end and a couple people close to the high end, which gives them some ability for some movement so there is nobody who will receive an automatic increase solely based on market changes at the low end. Chair Ankenman stated the Village has a low employee turnover rate and has been successful filling open positions, so these updates are recommended to reflect the market. Member Towle asked if the employee benefits beyond pay are comparable to competitors, benefits such as health insurance and time off. VA Irvin replied Lake Bluff's benefits were comparable to similar communities. He stated there is another document the board considers and approves as part of total compensation and that's the Employee Personnel Manual and the board will see that for approval at the second board meeting in April. Trustee Charlot asked what incentive is given for the team to stay together. He further clarified that pay is and should be considered, but there are other incentives to provide employees beyond pay. VA Irvin responded he has an obligation to operate within the regulations given but when there is something that is extraordinary, it has been addressed with the Board. President O'Hara stated that when she became Village President she had noticed that employee staff works all day the day before Thanksgiving and Christmas Eve, which is a holiday. She stated that as long as she's been Village President, she has allowed employees to leave at noon the Wednesday before Thanksgiving and has given employees the day off as a holiday on Christmas Eve. She is going to ask the Board to

approve this policy as official. President O'Hara said these are some minor things that keep a team together. Trustee Charlot opined in his experience he felt the smaller things are what keep the team together. VA Irvin stated that there may be unique opportunities or special training which can be provided to employees to help incent the team to stay together.

Member William Meyer made a motion recommending that the Village Board accept the FY20-FY21 Village Pay Plan as presented; seconded by Member Aaron Towle and approved unanimously on a voice vote

2. General Fund Updates

Director O'Connell stated that, after reviewing final changes and updates to the General Fund prior to the budget deadline and before presenting it at the hearing, there has been some small changes made to the fiscal plan which she wanted to review:

Server licenses were originally in the General Fund under the Police Department for \$5,550. Because those licenses are spread across the entity as a whole and are used by all employees as a function in IT those license expenses have been moved to the Replacement Fund. There was a reduction of \$5,550 to the General Fund.

Lake County Task Force dues and memberships, which the Police Department pays for, also include a liability insurance which increased for this year. There is an increase of \$1,000 bringing those dues to \$1,500 for both years of the biennial budget.

She said that Village staff reviewed the HVAC system project for the Village Board room. Originally we were only looking at the air conditioning. Mike Croak, Facilities Manager, came back and said for different HVAC reasons it would be better to focus on the air conditioning and the heating systems at one time. It is more cost effective but increases the project cost by \$10,750.

Public Works made an additional request for a repair to the spill bucket. We received a quote. We are looking at that in the second year of the biennial budget so that increased by \$7,500.

Director O'Connell concurred with VA Irvin that there were some changes to salaries based on the Police Chief's continuation with the Village.

VA Irvin stated he would like to mention as part of the budget updates, after being discussed at length internally, the budget does not include the installation of electric vehicle charging stations. He said that there had been discussions about doing this in the central business district and the Village had received a price last year for \$23,000 for two stations. He stated that the Village Staff did not recommend including them in the budget and investigated a little more to see what other communities were doing in this regard, but the result was they are not included in the budget. If that is something the Board thinks is important, he added, it can be added in.

Discussion ensued regarding electric charging stations and their use. Member Towle suggested instead of spending \$20,000 on a capital project for the charging stations, the Village could offer a discount or free building permit to residents when they have the electric charging stations installed in their home. This would not have a large impact for the Village but would encourage residents to have the station installed at home and inspected. Trustee Dewart said it may be an option to also offer a free vehicle sticker. Chair Ankenman said by offering incentives to electric vehicle users the Village is not spending capital and spreading the costs.

The consensus of the committee is to recommend to the Village Board waive both the permit application fee for residents installing electric vehicle charging stations in their homes, and the vehicle sticker fees for electric vehicles as designated by the Illinois Secretary of State

3. Review of the Water Fund

Director O'Connell presented the update of the Water Fund budget for the FY20-22 budget. She stated at the last Finance Committee meeting we discussed the rate and the effects to net assets and determined the rate would remain flat until we received all of the water meter non-revenue data through the water meter installation project.

Director O'Connell said there were a few questions that Chair Ankenman presented with regards to water sales and purchases. She stated while historically this year our water purchases are trending down, she still used the \$650,000 estimated budget number for the expenditures in the water purchases line because it has been conservative. Although it is down trending, we will review that and if it needs adjusting we will do that in the second year of the biennial budget. She said there was a question regarding capital outlay and expenditures in the budget. For the projected year-end, Director O'Connell said that there was \$950,000 in the budget that was tied to the meter project. She went on to explain that the number is likely to change as the project expenses are not exactly what we had anticipated for the current year and some of those expenses may come out of next year. She said that we may see something closer to a \$650,000 amount at year-end and then the additional expenses will be incurred next year. Those rolling expenditures change the numbers to the budget in the capital expenses. Then, in the out years, the \$400,000 in 2022 is actually part of the capital ten year plan.

Village Engineer Hansen discussed trying to uphold a ten percent number to maintain water main repairs, valve repairs and replacements in the out years so we continue with a percentage of replacements through the capital plan.

Chair Ankenman stated that the Village is looking at the water system in the same manner that we look at the roads in that there should be a certain amount of maintenance done and not wait for something to break. Director O'Connell added the sum of all those budget numbers exceed the bond money received in part because not all of the bond proceeds are being spent in the years they were originally allocated.

The consensus of the committee is to recommend to the Village Board to approve the Water Fund Budget as presented.

4. Review of the Comprehensive Fee Schedule-Green Building Incentives

Discussion ensued regarding green building incentives. Chair Ankenman stated that in terms of the memorandum before the committee regarding the comprehensive fee schedule and the green building initiatives, one of the adopted changes could be trying to incentivize some of these fees and there doesn't seem to be enough time to consider this tonight. VA Irvin said that staff could gather more research on the passive and LEED homes and bring it back to the committee. Member Towle said there should also be a discussion as to what individual improvements, not necessarily a whole building project, the Village could incentivize.

IV. Informational Items

Chair Ankenman asked if there were informational items to be discussed. VA Irvin said the Senior Project that has been discussed with Lake Forest is still up for discussion, but is not within the draft fiscal plan. He said that the City of Lake Forest has asked the Village to stand by so that will be a topic staff will bring back when presented.

V. Adjournment

Member Meyer made a motion to adjourn the meeting at 6:58 PM; seconded by Member Towle and all members voted aye.

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Respectfully submitted,

Marlene Scheibl
Assistant Finance Director