

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orland-park.il.us



Meeting Minutes

Thursday, August 18, 2016

6:00 PM

SPECIAL MEETING - 2017 BUDGET

Village Hall

Board of Trustees

Village President Daniel J. McLaughlin

Village Clerk John C. Mehalek

*Trustees, Kathleen M. Fenton, James V. Dodge, Jr., Patricia Gira,
Carole Griffin Ruzich, Daniel T. Calandriello, and Michael F. Carroll*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:08 PM.

Staff Present: Interim Village Manager Timothy McCarthy, Finance Director Annmarie Mampe and Assistant Finance Director Sarah Schueler

Present: 6 - Trustee Fenton, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, Trustee Carroll and President McLaughlin

Absent: 1 - Trustee Dodge

SPECIAL MEETING

2016-0591 2017 Budget - Revenue Projections and Estimates

Interim Village Manager Timothy McCarthy reported that Finance Director Annmarie Mampe and Assistant Finance Director Sarah Schueler will be reviewing the Village's revenue budget. At the conclusion they will present the Board with several options, which in the beginning shows how staff started with the budget process and then how staff got to the revised budget that provides the amounts of a discretionary funding for personnel and operating capital expenditures.

He noted that President McLaughlin along with this Board have not enacted any new taxes in over fifteen years in the Village. Taxes that could have been implemented for example are restaurant taxes, gas taxes, real estate taxes, utility taxes, and others that are common in most communities. The Property Tax Levy for the past five years has not been raised. This is a remarkable achievement.

Interim Village Manager McCarthy stated that he believes as Interim Village Manager it is his duty to provide the Board with different revenue options, one being tax increases for their consideration. These are options that should be reviewed and discussed by the Board.

President McLaughlin stated that every year staff and the Board look at what new revenues will be coming to the Village and what expenses are going out. Also, what projects can be worked on and if the Village can afford them or they need to wait. Interim Village Manager McCarthy just mentioned numerous taxes that the Village does not implement; the Village does not have a real estate transfer tax, extra gas tax, or does not have utility tax, and no park district tax. But each year the Board and staff need to review these as possible new sources of revenue if the Board feels they want to move forward on projects.

Finance Director Mampe gave a power point presentation (EXHIBIT A). On page 3 – The projected fund balance in the General Fund will be \$14 Million and that is 26 percent of operating expenditures. The Boards approved policy is 20 percent. For many years the budget process has started with excess funds from prior

years, this year the Village will start with approximately \$2.7 Million. The budget process in 2016 began with \$4.6 Million in excess funds and in 2015 it was \$3.8 Million.

The FY2017 revenue forecast is \$134 Million that includes (as of today - it is being estimated) \$15.6 Million in capital funding sources outside the water fund.

Director Mampe reviewed the different revenue sources:

- Sale Tax (page 5)
- Home Rule Sales Tax (page 5)
- Income Tax (page 6)
- Development Fees (page 7)
- Fines, Forfeitures & Misc. Police Revenues (page 8)
- Recreation & Parks Fund (page 9)
- Water & Sewer Fund (page 10)
- Property Taxes (page 11)
- Property Taxes – Levy (page 12)
- Misc. Revenue (page 15)

Director Mampe reviewed the following options for Potential taxes:

- 2016 Levy Option (Page 13)
- Potential Food and Beverage Tax (page 14)

Trustee Ruzich question what the revenue was on the sale of the vehicle sticker's.

Director Mampe stated approximately \$1 Million.

Trustee Fenton questioned what the cost was that is associated with the vehicle stickers.

Director Mampe stated approximately \$60,000 to \$80,000.

Director Mampe reviewed miscellaneous revenues (page 15) that are in the General fund and net revenue calculation and allocations (page 16 and 17) which are the fixed costs.

President McLaughlin clarified that currently Director Mampe and staff are working on the operating budget and some of the discretionary items using the \$908,000 (page 17), which will be discussed during the upcoming departmental budget hearings.

Director Mampe stated that is correct.

Director Mampe stated that in order to move forward staff needs guidance from

the Board that says based upon either the \$134 Million (FY17 revenue forecast) or some variation of it that staff can move forward and begin putting together a budget.

President McLaughlin stated that he is not prepared tonight to add to the funds by creating any new tax revenues that will need further discussion. He stated that he agrees with the assumptions that were proposed tonight.

Trustee Ruzich stated that she believes sooner rather than later that new revenue sources need to be examined if the Villages property taxes want to remain as low as they have been. Her opinion is that The Food and Beverage Tax could be an alternative. There are firms that collect data on what the impact would be on the different restaurants and she requested that such data will be needed for the Board to make this determination.

Director Mampe stated that she will have her staff begin this process of doing this analysis.

Trustee Fenton stated that the Board had requested last year to try to schedule the budget meetings on the off Mondays. Most of the Board keeps their Mondays open. However, most of the meetings have been scheduled on Wednesdays and Thursdays.

Director Mampe stated that when she originally did the schedule it was on the Mayor's availability. She will try to change the meetings, but for now they will remain on what is on the proposed FY2017 budget schedule.

I move to recommend directing staff to move forward using the assumptions as proposed in the tentative Fiscal Year 2017 Revenue Budget so that these revenues can be used to prepare the operating and capital budgets for FY2017.

A motion was made by Trustee Griffin Ruzich, seconded by Trustee Carroll, that this matter be APPROVED. The motion carried by the following vote:

Aye: 6 - Trustee Fenton, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, Trustee Carroll, and President McLaughlin

Nay: 0

Absent: 1 - Trustee Dodge

ADJOURNMENT - 7:15 PM

A motion was made by Trustee Griffin Ruzich, seconded by Trustee Carroll, that this matter be ADJOURNED. The motion carried by the following vote:

Aye: 6 - Trustee Fenton, Trustee Gira, Trustee Griffin Ruzich, Trustee Calandriello, Trustee Carroll, and President McLaughlin

Nay: 0

Absent: 1 - Trustee Dodge

/nm

APPROVED:

Respectfully Submitted,

John C. Mehalek, Village Clerk