

MINUTES OF MAYOR BRAUN AND BOARD OF TRUSTEES FOR THE REGULAR MEETING OF THE
VILLAGE OF FLOSSMOOR, ILLINOIS HELD ON MARCH 1 2021

VILLAGE HALL / ZOOM MEETING

MARCH 1, 2021

7:32pm

Mayor Braun called the meeting to order at 7:32pm.

Village Clerk Ananda Billings took roll.

PRESENT: Mayor Braun, Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, Williams
and Village Clerk Ananda Billings

ALSO PRESENT: Village Manager Bridget Wachtel, Assistant Village Manager Allison Matson,
Finance Director Scott Bordui; Police Chief Tod Kamleiter, Fire Chief Greg Berk;
Public Works Director John Brunke; Scott Bugner, Building and Zoning
Administrator; Village Attorney Kathi Orr, 7 residents

Introductory Comments

Mayor Braun stated that in order to mitigate the transmission of the virus and reduce risk of COVID-19 illness, the Village has been advised and directed by the State to limit the number of in person Board session attendees to 50. A Zoom call will be made available for all other citizens who wish to attend remotely. All citizens are allowed and encouraged to participate remotely. Citizens were informed of this decision in advance and invited to submit comments and questions ahead of the Board meeting.

This meeting along with all subsequent remotely held Board meetings will be recorded. He then noted that public comment will be only available during the portion of the meeting during which the public is invited to address the Board. As communicated to the public earlier, those questions that were submitted to staff in advance of the meeting would also be addressed during this time.

Approval of the Minutes of the Regular Meeting Held on February 1st 2021

Mayor Braun asked the Board if they had any further changes or comments. He called for a motion to approve the minutes of February 1, 2021. Trustee Williams so moved, seconded by Trustee Lofton and passed by a voice vote.

AYES: Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

Citizens Present Wishing to Address the Board

Mayor Braun asked Assistant Village Manager Allison Matson if the Village had received any questions or comments prior to the meeting. She replied that there were no questions or comments. No citizens present wished to address the Board.

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Mayor Braun referred to Agenda Item #1- Discussion of the FY 22 Preliminary Budget

Village Manager Bridget Wachtel addressed the Board to present the FY 22 Preliminary Budget. She began with the Water Fund Summary. The Water and Sewer Fund cannot be self-sustaining without an accumulated fund balance to support capital improvements which for several years, it has not been able to. A poor performing water main is one concern, while poor performing water meters is another concern. New water meters are able to better capture flow reads and therefore, improve the bill-to-purchase ratio. However the bill to purchase ratio is dwindling down which is concerning. Replacing residential meters with the newer meters will assist with this issue.

Pass through supply costs from both Chicago and the City of Harvey have forced the Village to increase rates. Water supply is also a concern for Village officials. The cost to switch suppliers from Harvey to a new supplier will come with capital cost. Following the receipt of favorable contract terms, the Village Board has instructed the Village Attorney to proceed with negotiations with Homewood for our next water supply through Chicago Heights and Hammond.

The General Fund shows that we budgeted to use more in fund balance than we would have saved this year, mostly attributable to the replacement of the water meters at a budgeted cost of approximately \$1.4 million. Capital one-time non-operating projects are always planned with adequate monies available. Every community, including Flossmoor, was doing its best to anticipate the behavioral and economic impacts of the shelter in place on our May 1 budgets.

The analysis of expenditures shows that for our current Fiscal Year FY 21, the Village is projecting to perform better than budget as far as our operational position by approximately \$1.3 million. There are several significant expenses under budget that have contributed to this surplus.

There are several expenses over budget which include several COVID related items that the Village has done its best to mitigate. Building repairs, increase in PPE, and overtime in the Police Department have also contributed to this budget increase, as well as paying for tents in the downtown for outdoor eating.

The most significant capital project deferred in FY 21 was the replacement of the water meters. This project is estimated to cost over \$1.7 million with \$1.4 million allocated to the General Fund. This project was not re-budgeted for FY 22 but continues to remain a priority. Several other capital expenditures including improvements to the Village Hall and furniture replacements have been delayed. The security fence at Public Works on Vollmer Road is still budgeted for this year.

The Village budgeted FY 21 General Fund operating revenues at \$10,316,625 and yet, we are projecting them to be \$10,646,531 at fiscal year-end. The total revenue position accounts for grants and one-time revenues. We have received CARES Act funding and Assistance to Firefighters Grant for COVID expenses. We saw about \$270,000 more than budget in sales tax and non-home rule sales tax. The local use tax is approximately \$16,000 additional. State income tax is also projected to be higher than budget. Taking a look at the FY22 budget, operating expenses are less than in FY21 and the total drawdown of fund balance is less than in FY21. Sales tax is budgeted to be higher than FY21. As far as expenses, we are expecting continued PPE expenses for COVID. Our IT expenses are greater than FY 21 but this is a shift in where we are seeing these numbers; previous hardware costs are now subscription based. Engineering expenses are also higher than budget to reflect actual expenses. One of the most significant expenses in the General Fund has been the contribution to the street resurfacing program in conjunction

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with MFT funds. In FY21, we budgeted an additional \$150,000 to supplement the MFT resurfacing for this spring, but we have not rebudgeted General Fund contributions for streets because we have bond proceeds to use and we want to allow MFT funds to accumulate for future years.

Mayor Braun commented that he wanted to see the budget include an allocation from the General Fund for streets going forward. Bridget responded that it is assumed to be spent in FY21 and not re-budgeted in FY22 because the Village will have the benefit of the referendum proceeds. If the budget for FY22 included it, the \$63,000 would grow by an additional \$150,000. Mayor Braun commented that it may not need to be budgeted at the same amount in FY22 but staff should look at what we have budgeted in previous years. There was agreement to revisit this discussion during the Finance and Facilities Plan presentation.

The capital equipment fund contribution is less in FY22 than in FY21. The IRMA contribution for workers compensation and general liability is \$80,000 less than in FY21 but that is a one-time savings due to an IRMA decision to use the rate stabilization fund to keep rates steady. We will see that number return to a more normal number in FY23. Health insurance is also being budgeted less than in FY21. Our Fire Department professional services will also be lower due to fewer testing processes.

Revenues greater than FY21 include property tax revenue, sales tax and non-home rule sales tax. State income tax is also budgeted higher based on IML estimates. We are also trying to get a better estimate on our vacant building registration fees as this is a relatively new revenue. Ambulance fees are also budgeted to be higher in FY22. Revenues less than the FY22 budget include PPRT, building permits, vehicle stickers as well as interest income, which is a direct reflection of the market. The General Fund Total Fund budget continues to include the Brookwood Bridge Project, the water supply improvements, stormsewer construction on Douglas and Hagen and other one-time non-operating expenses. The budget does not include the water meter replacement, which is being deferred.

For the last several years staff has discussed the impact of a declining EAV on the tax levy and subsequently the budget. The Village has a great deal of EAV growth to regain. State politics that impacted the homestead exemptions and senior tax freeze have only compounded the issue. The 2020 reassessment has the potential of shifting the tax burden to commercial properties so far that it discourages the economic development the Village is trying so hard to achieve. This total EAV of \$221 M is near the level it was in 2012, and that same amount is expected to support a 2021/2022 budget.

The Board's decision during strategic planning several years ago to move forward with the non-home rule sales tax referendum was one key financial decision that has had a significant economic impact for the past three years. Another key decision was the passage of the G.O bond referendum this past fall which provides a meaningful funding source for streets and sidewalks and storm water management. The Board has been very clear that all measures will be taken to preserve our services as they are today.

One of the Village's strengths has been acting on financial planning to address issues such as these, and staff looks forward to working with the Board on the FY 22 budget.

Trustee Hoag asked whether we have adequate fund balance to close any revenue and expenditure gap in the short term. Bridget answered that we have fund balance to not only have reserves to meet our fund balance, but to allocate for a budget gap. We have been fortunate that it has not actually been needed every year. We budget conservatively. Trustee Hoag stated that by state law we must have a balanced

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budget. Bridget said that there is concern in the five-year analysis but that is a different topic. Trustee Williams said we take a very conservative approach and we could probably add more in revenues. That is probably why we come out better than budget most years. Mayor Braun said that we have traditionally answered the call when things look to be out of balance, and we plan for what is necessary down the road.

Mayor Braun said that a core mission of the budget is to continue to provide the services we provide today.

Trustee Bradley-Scott asked about the water and sewer fund trending away from the healthier status. We knew the improvements in the fund were going to level off at some point, and she asked for confirmation that we projected this. Ms. Wachtel confirmed that we anticipated this. The water meter replacement program will go forward but just not this year. The water meter replacement will likely happen in 2023.

Trustee Driscoll thanked everyone for managing this so well. He also noted that we should take another look at the capital improvements to the Village Hall to determine what we truly need.

Trustee Lofton thanked Ms. Wachtel for managing this so well. He would like to see more focus to site development which could present an advantage for the Village.

Trustee Mitros commented that we are fortunate to have the staff and the Board that we do.

Trustee Williams said she appreciates the work that goes into this each and every year. There is sound reasoning on everything that we enter in the budget and this is what allows us to continue over time to be as healthy as we are.

Mayor Braun referred to Agenda Item #2– 2021-2022 IDOT Resolution for Construction on State Highway

Public Works Director John Brunke addressed the Board. This is a housekeeping agenda item that must be passed bi-annually by the Village Board. When work is permitted in the IDOT State right-of-way, a surety bond is typically required for the permit. For municipalities, this resolution is acceptable in lieu of a surety bond. This resolution is good for the calendar years of 2021 and 2022. When the Public Works Department performs a utility repair in the State right-of-way, we obtain a permit for the work from IDOT. This resolution allows us to streamline the permit process. The Village Attorney has reviewed this resolution.

Mayor Braun asked the Board if they had any further questions or comments. As there were none he called for a motion to approve the 2021-2022 IDOT Resolution for Construction on State Highway as presented. Trustee Mitros so moved, seconded by Trustee Bradley-Scott and passed by a roll call vote.

AYES: Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

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Mayor Braun referred to Agenda Item #3– Consideration of an Ordinance Granting Emergency Powers to the Mayor of the Village of Flossmoor, Cook County, Illinois

This is the regular renewal of the granting of emergency powers to the Mayor of the Village of Flossmoor, Cook County, Illinois, during the COVID-19 pandemic.

Mayor Braun asked the Board if they had any further questions or comments. As there were none, he called for a motion to approve the Ordinance Granting Emergency Powers to the Mayor of the Village of Flossmoor, Cook County, Illinois as presented. Trustee Mitros so moved, seconded by Trustee Driscoll and passed by a roll call vote.

AYES: Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

Mayor Braun referred to the Finance Committee – Ratification of Bills for Approval and Payment (February 15, 2021)

Trustee Williams made a motion to ratify hand checks in the amount of \$3,611.93 and invoices in the amount of \$602,363.23 for a total of \$605,975.16. The motion was seconded by Trustee Mitros and passed by a roll call vote.

AYES: Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

Mayor Braun referred to the Finance Committee – Presentation of Bills for Approval and Payment (March 1, 2021)

Trustee Lofton made a motion to approve hand checks in the amount of \$351.70 and invoices in the amount of \$404,195.22 for a total of \$404,546.92. The motion was seconded by Trustee Williams and passed by a roll call vote.

AYES: Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

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Other Business:

Mayor Braun announced that Standard and Poors indicated that we are retaining our AA+ Stable Bond Rating. We have experienced management and substantial reserves. They acknowledge challenges such as revenues and pensions but they affirmed our excellent Bond Rating. He extended a big thank you and congratulations to the ratings team, Ms. Wachtel, Finance Director Scott Bordui, and our consultants.

Ms. Wachtel noted that the work done to obtain this rating is done all year and supported by the Board.

Mayor Braun referred to Agenda Item #4 on the Agenda: A Motion to go into Executive Session to Discuss the Employment of Specific Individuals, Property Acquisition, and Litigation.

As there was a need to discuss the Employment of Specific Individuals and Litigation Mayor Braun called for a motion to go into Executive Session. Trustee Mitros so moved, seconded by Trustee Bradley-Scott and passed by a roll call vote.

AYES: Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

The Board entered Executive Session at 8:50pm

The Board returned to Open Session at 10:00pm.

As there were no other items to discuss, Mayor Braun called for a motion to adjourn the meeting. Trustee Mitros so moved, seconded by Trustee Bradley-Scott and passed by a roll call vote.

AYES: Trustees Bradley-Scott, Driscoll, Hoag, Lofton, Mitros, and Williams
ABSENT: None
ABSTAIN: None
NAYS: None

The Regular Meeting ended at 10:00pm.

Respectfully Submitted,

Ananda Billings

Ananda Billings
Village Clerk