

**COMMITTEE-OF-THE-WHOLE
MINUTES OF THE MEETING OF THE PRESIDENT
AND THE BOARD OF TRUSTEES OF
THE VILLAGE OF ARLINGTON HEIGHTS
BOARD ROOM
MONDAY, NOVEMBER 8, 2021
7:00 P.M.**

BOARD MEMBERS PRESENT: Mayor Thomas Hayes, Trustees Bertucci, Canty, Grasse, LaBedz, Scaletta, Schwingbeck & Tinaglia

STAFF MEMBERS PRESENT: R. Recklaus, D. Mikula, T. Kuehne, M. Rath, J. McCalister, J. Torres, N. Pecora, M. Juarez, K. Baumgartner, M. Mattio, Various Department Support Staff

OTHERS PRESENT: John Supplitt, Mike Driskell & Various Arlington Heights Memorial Library Staff

SUBJECTS:

- A. Arlington Heights Memorial Library Budget Review
 - B. Village Budget Overview for 2022 – Randy Recklaus/Tom Kuehne
 - C. Village Budget – Questions from the Village Board
 - D. Review of Department Budgets
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President Hayes called the meeting to order at 7:02 PM.

Arlington Heights Memorial Library Budget Review

Mr. John Supplitt, Treasurer of the Library stated that the Library's continued strategic plan remains the same today as it did in 2018 when the plan was set forth to: foster and increase connections, refine digital technology services to enhance the ease of use and raise the library profile as a technology leader in the community, increase access to library services and enhance the experience of using the library, and strengthen the internal work environment for all library employees to promote professional growth and job satisfaction.

He mentioned that with the continued national public health emergency the Library has had to adjust their efforts and continue to provide services to the community while also maintaining a safe environment for all patrons. Mr. Supplitt highlighted some of the Library's 2021 milestones which include extended services hours, reopening of the Arlington Heights Senior Center service point, adding a new accessibility support collection, and opening of the Makerspace. He also mentioned the Library's intergovernmental collaboration with the Arlington Heights Park District for book drops and summer reading in the park, and working with School District 25 and 214 and other parochial schools to provide library cards to educators who work at schools the library serves.

In regards to the 2022 budget, for the 12th year in a row Mr. Supplitt recommended a 0% increase in tax levy. The Library uses two funds to account for its revenues and expense. The General Fund which accounts for library operations, and the Capital Fund which accounts for a variety of capital improvements. The 2022 fiscal year budget increases the General Fund balance by 20% in part due to the delayed opening of the Makerspace, and reallocation of salaries due to the national public health emergency. The Capital Fund however, will experience a 34% decrease in fund balance due to replacement a variable air handling unit originally planned for 2021, as well as other infrastructure updates.

President Hayes thanked Mr. Supplitt and the entire Library team on an amazing record of 0% tax levy increase, and said it is an amazing record of fiscal responsibility all while maintaining a high-quality of services. Trustee Bertucci and LaBedz echoed their thanks.

Trustee Scaletta asked about the \$1M budgeted towards facilities - other equipment. Mr. Supplitt said that is for the air handling unit.

Trustee Canty inquired about the outreach programs with District 25 and 214, and wondered if the library will do similar outreach programs with District 21 and 59. Mr. Supplitt said the Library intends to collaborate with more schools who have students from Arlington Heights.

Resident Melissa Cayer suggested the Library begin using NOVUS Agenda for their meetings and said it would have been nice to have a copy of the Library's budget hyperlinked to the evening's agenda. She also suggested the Library's area at the Senior Center be moved to the main Library building.

Trustee Bertucci moved, seconded by Trustee Schwingbeck that the Committee-of-the-Whole recommend to the Board of Trustees that the Board acknowledge with thanks the proposed 2022 Budget for the Arlington Heights Memorial Library. The motion passed unanimously.

Village Budget Overview for 2022 – Randy Recklaus/Tom Kuehne

Village Manager Mr. Recklaus began by thanking everyone present and acknowledged that the budget process is an elaborate one. He thanked Mr. Kuehne, Mr. Baumgartner, Ms. Juarez, Ms. Mikula, and all the Department Directors and their teams for all the work they put into the 2022 budget.

Mr. Recklaus reflected on 2021 and how at the beginning of the year the biggest priority for staff was putting together vaccination clinics, finding ways to support our businesses, and offering affordable loan programs. By the end of the year, the Village was holding large scale events with thousands of people downtown and is happy to report that while somewhat uneven, revenue recovery has been stronger than anticipated.

Going into 2022, Mr. Recklaus said it will be a year of tremendous opportunities and challenges. The Village saw an increase in retirements forcing some restructuring of workloads. Arlington International Racetrack closed and redevelopment of the land will be a project like no other. He predicted that there will be a higher likelihood for mid-year budget adjustments to accommodate

consulting services and contracting expertise not available in-house. The Village will continue to focus on the Capital Improvement Plan, implement the ERP program, continue Diversity, Equity, and Inclusion efforts, and work with all parties involved with the sale and development of the Arlington Park Racetrack site. Some key infrastructure projects for 2022 include the watermain replacement program, street rehabilitation and replacement program, ongoing stormwater control program, and the new ERP software. He noted the recently passed federal infrastructure bill will be a big opportunity for the Village, and that staff will be monitoring all the details.

Mr. Recklaus is happy to report that for the third year in a row, there is a proposed 0% increase in the Village's property tax levy. Mr. Kuehne added that the proposed 0% increase was possible because of increased revenues from sales taxes, income taxes, pension fund interest earnings for 2020, use of prior year surpluses from the General Fund to pay down a portion of the unfunded liability for the Police and Fire Pensions Funds, and a lower cost for health insurance than previously budgeted.

Mr. Kuehne explained there was a 5.3% increase in taxes mostly from sales and income taxes. However, transfers-in saw a decrease as the Village closed the Public Building Fund and transferred remaining monies to other Village funds during 2021. Total capital expenditures decreased by 21% primarily due to the completion of the Greenbrier Stormwater project.

In terms of personnel changes, Mr. Recklaus said the Village is proposing to add two new full-time positions. The first is a Property Maintenance Inspector in the Building & Life Safety Department, whose primary responsibility will be to proactively enforce code violations and assist with building inspections during peak times. The second is an Enterprise Systems Analyst in the IT Division, who will focus on digitizing many processes in accordance with the new ERP system. He also mentioned that 30% of Village employees are eligible for retirement in 2022 and 33% in 2023. Thus far, the Village has filled 40 full-time positions in 2021.

Mr. Kuehne presented an overview on the historical trends of sales tax, local use tax, income tax, and telecommunications tax. In comparison to 2020, sales tax increased dramatically. He added that any cannabis revenues are applied to sales tax. Local use tax saw a decrease because of the new state law that took effect on January 1, 2021 whereby large internet sellers collect and remit sales and home-rule sales tax based on where the goods are being delivered. Income tax has surprisingly continued to increase even during the pandemic, in part because of the Federal Government's unemployment benefits. Currently we are seeing higher wages and lower unemployment. Mr. Recklaus added that we should also see an increase in income tax on a per-capital basis because the 2020 census showed the Village's population went up, and the state population went down slightly. The Village should see those revenues at the end of 2021 or beginning of 2022. As for telecommunications tax, it has continued to decrease because people are cutting their landlines and relying on cell phones. Mr. Kuehne assumed it will eventually level out but that has not happened yet.

Mr. Recklaus said the Village has been investing heavily in capital improvement projects. In 2022, the Water & Sewer Fund budgeted \$4.1 million in watermain replacement made possible by increased water rates. Other proposed projects in 2022 include \$500,000 towards sewer rehabilitation/replacement, \$1.7 million towards repainting a water tank, \$1 million for water

meter replacement, and re-budgeting \$922,000 for the emergency generator upgrade/replacement. In regards to the Capital Projects Fund, there is the continued investment in the street rehabilitation program.

The Criminal Investigations Fund was highlighted in particular because of the new State requirement for all officers to use body-worn cameras by 2023. The Village is looking at entering a 5-year contract at \$300,000 per year for new a new Body Worn Camera/Dash Cam System. In addition, \$100,000 per year goes towards crime lab fees. Mr. Kuehne said the fund is not on a sustainable basis, and some expenditures may have to be budgeted into the Capital Projects Fund or General Fund until revenues from seizures start coming in again.

In regards to the A&E Fund, Mr. Kuehne said the primary revenue source is food & beverage (FBT) tax. As a result of the pandemic, FBT revenues decreased by 16% in 2020. In addition, he mentioned the Village is one of five unit owners in the Metropolis Building. The building requires major repairs such as HVAC, elevators, and new roof, and a 26% building reserve increase was applied to all owners. To help balance the A&E Fund and cover repair expenses, Mr. Kuehne proposed to allocate an additional 1% from food & beverage tax to the A&E Fund. In addition, he proposed that an additional .50% or .75% food & beverage tax apply to Al Fresco restaurants to cover the cost of setup and takedown. The cost is estimated to be about \$90,000. This latter recommendation will be discussed by the Village Board in early December, 2021.

In summary, Mr. Recklaus highlighted some notable changes for 2022 which include the implementation of the new ERP software, development of Arlington Racetrack property, proposal of two new employees, overall improvement of revenue but lower projections for certain resources, and a 0% increase in the 2021 property tax levy.

In regards to the telecommunication tax, Trustee Canty asked at what point we no longer consider it a point of revenue? Mr. Kuehne believed we are inching closer to a leveling off point, but it currently generates \$1.3 million which is still significant. Trustee Canty expressed concern over possibly being understaffed and inquired about the new Property Maintenance Inspector position. She asked for clarification on how the position's responsibilities will maintain its focus and become a position assisting with other inspector duties. Mr. Recklaus reviewed the expected duties of this new position during peak and non-peak building activity months.

Review of Department Budgets – Department Representatives

Board of Trustees/Integrated Services/Legal

Diana Mikula began by thanking her team for their hard work during the challenging yet fulfilling year. She introduced Avis Meade, the new Communications & Outreach Coordinator. In regards to the Board of Trustees budget, she mentioned staff conducted orientation and provided necessary materials for newly elected officials, the goal setting session, and updated the IT/GIS service charge to reflect the ERP software and new IT position. She elaborated that the goal setting session resulted in nine strategic priorities that will be utilized in developing the two-year business plan.

In regards to the Integrated Services Division, Ms. Mikula said the Board awarded the ERP contract to Tyler Technologies. She also mentioned that after some evaluation, the Legal Division has been incorporated with ISD. A few items of note for the 2022 budget are anticipated communication consulting services costs for community outreach pertaining to the redevelopment, and a possible firework show in 2022.

Ms. Mikula highlighted some areas of focus in 2022, which will include the Arlington Racetrack project, ERP implementation, DEI taskforce with community partners, and the improvement of the Village website. She elaborated on the DEI taskforce which will aim towards creating and supporting an inclusive community through outreach. As for the Village's website, they are currently looking at enhancing the existing page, or the possibility of a new page. It is a highly visited page within and outside our community, and there are concerns with search results and compatibility with mobile navigation. Other current projects include redesigning of the e-newsletter and launching of the Village's Instagram page.

President Hayes asked how people sign up for the e-newsletter. Ms. Mikula said sign up can be done on the Village's website and/or through targeted communication pieces regarding a specific project. A copy of the newsletter is also available on the Village's website.

In regards to the Village website, Trustee LaBedz asked Ms. Mikula to elaborate on the challenges. Ms. Mikula said amongst other things, there are search engine issues, the site is not mobile compatible, there are vendor challenges, and the desire to update departmental information.

Trustee Scaletta asked and Ms. Mikula confirmed that the Board will be advised of the plan for the Village's website prior to making any changes or deciding to use a new vendor.

Trustee Bertucci asked how the operation summary 2021 budgeted vs. actual came in under budget. Mr. Kuehne said they originally budgeted \$4.3 million for the ERP program, and through negotiations they were to secure a contract at a much lower price.

IT

Ms. Mikula presented on the IT Division budget. She mentioned IT has been extremely busy this year. They have experienced a 12% increase in help desk requests, worked with Police and Fire to ensure a successful transition to the new Motorola Dispatching System, and replaced the virtual server infrastructure. IT will also be working with Police to configure the new bodycam and video system, and will provide consulting services to Public Works during their smart water reader replacement program. The IT budget will be impacted by the new Enterprise Systems Analyst position, and data processing services which are higher due to new annual subscription costs for the new ERP.

President Hayes asked what the most common request is. Ms. Mikula said it varies depending on if there is new technology, but the most common request is password resetting.

Legal

In regards to the Legal Division, Ms. Mikula said the Village has partnered with Elrod Friedman for legal counsel. She mentioned the Legal Division reviewed a significant number of contracts in 2021 and has experienced an increase in F.O.I.A. requests with a year-to-date tally of 1,416. In 2022 they will focus on implementing a F.O.I.A. software solution to ease the burden, update liquor codes and classifications, and continue to evaluate operations and processes.

President Hayes asked how F.O.I.A. requests will be handled with the impending retirement of Lisa Farrington. Ms. Mikula said she has been in contact with Village Attorney, Hart Passman, to look for assistance. Mr. Recklaus added that a short-term solution would be to have Elrod Friedman handle some requests, but there will be discussions with Department Directors to assign a F.O.I.A. officer for in-house responses.

Human Resources

Ms. Rath began by stating that the workforce is changing and employees expectations are evolving. In 2021, the HR Department has continued to further DEI initiatives, enhanced recruitment practices, and has created an internal DEI workgroup with representatives from the majority of Village Departments. In regards to the HR audit, she said it is an ongoing project, they have continued to evaluate and update Village policies, and are currently auditing targeted positions as part of a classification and compensation review. In 2022, HR will continue their DEI initiative to create a more diverse workforce, extend leadership training to employees, promote wellness and mental health for all employees, and assist with the Human Capital Management integration of the ERP program.

Trustee LaBedz asked if the 12 positions targeted for the classification and compensation update is to make sure it's in line with recommendations from the compensation study done a few years back. Ms. Rath said yes, and they anticipate looking at 10-12 positions every year.

In regards to the 40 vacancies filled this year, Trustee Tinaglia asked how many were created from employees leaving for other opportunities versus retirement. Ms. Rath said the majority of those vacancies were created from employees retiring, and added that very rarely do employees leave for other municipalities.

Resident Melissa Cayer said the Village should consider offering employees cash in lieu of health insurance benefits so they may consider their own healthcare options.

Finance

Mr. Kuehne began by highlighting a couple of the Department's 2021 accomplishments including the development of a spending proposal for the American Rescue Plan, and the plan to collect DEI data for inclusion in the annual Treasurer's Report. In 2022, Finance will be heavily invested in transitioning into the new ERP program, and will review the costs and benefits of the racetrack redevelopment project. He noted the pandemic has affected performance measures of vehicle stickers sales, parking tickets, water billing, payroll direct deposits, and ambulance billing and

collections to name a few. In terms of budget variances, the Worker's Compensation Fund experienced an increase service charge of \$250,000, while the General Liability Fund decreased by an equal amount.

President Hayes made note that the purchase of vehicle stickers went down to 39,000 in 2020. Mr. Recklaus agreed, but said that during 2021 in addition to mailing second notices, the Police Department's automatic license plate readers has been a powerful tool in enforcing vehicle stickers.

In regards to performance measures, Trustee Scaletta asked if a narrative can be added to explain the fluctuation of the ambulance collections numbers. Mr. Kuehne said that staff will work to make that presentation more understandable.

Trustee Schwingbeck suggested the Village remind residents of the vehicle sticker ordinance and enforcement. He also asked how much the Village pays in credit card fees and if we intend to pass that fee onto customers. Mr. Kuehne said the Village will be looking at it in the future, but currently it is viewed as a cost of doing business.

Trustee Bertucci asked if vehicle stickers are worth the revenue in comparison to the cost of administering and enforcing the ordinance. Mr. Recklaus said there have been discussion of the cost and effectiveness of having Village stickers, and while it is not the most efficient revenue to collect, it is a steady revenue. He mentioned that an option would be to eliminate vehicle stickers and add a property tax levy increase to account for the lost revenue. Mr. Kuehne said the idea of a property tax levy increase was presented to the Board a few years ago, however there was not enough support. Trustee Tinaglia said that wouldn't be fair for a resident who has one vehicle versus a family that has multiple vehicles.

Trustee Scaletta mentioned that the Secretary of State and Cook County charge credit card fees and asked if the Village has looked into ACH/EFT which allows the use of a checking account as a method of payment with no added fees. Mr. Kuehne said the Village currently offers the option to pay utility bills with a checking account through automatic bill pay.

Resident Melissa Cayer suggested paperless disability hearings as it is much easier to search through electronic documents.

Health Services

Mr. McCalister said the Health Services' 2022 proposed budget is a standard maintenance budget with a 1.7% increase in total expenditures. He praised his team for their COVID-19 clinics and mitigation measures, and said the Department will remain focused on the pandemic going into 2022. They will also be working on new community outreach events including a disability awareness presentation, and evaluate opportunities for a special Solid Waste collection event. Mr. McCalister also highlighted that the National Council of Aging accredited the Senior Center in February.

In regards to budget expenditures, Mr. McCalister noted a slight increase for “other supplies” to cover annual cost for annual health inspection software.

Trustee Scaletta asked what the difference is between home delivered meals and congregate meals. Mr. McCalister said congregate meals are meals eaten inside the dining room. However, during COVID, meals were picked up and taken home for consumption. The home delivered meals were provided through charities.

In regards to the COVID booster shots, Trustee Schwingbeck inquired if employees were given Pfizer or Moderna. Mr. McCalister said the Village only offered employees the Pfizer vaccine.

Resident Melissa Cayer said the Health Department should not hand out Christmas gifts or gift cards, should eliminate the B12 shot service, and should eliminate magazine subscriptions as the Library has an extensive collection. In regards to the Senior Center, she suggested it close as it isolates and segregates seniors. She went on to say the Library area within the Senior Center be moved to the main Library where it is in walking distance to downtown restaurants, the Makerspace, the Park District’s administrative center, and the ARC Center.

Building & Life Safety

Mr. Torres began his presentation by highlighting departmental changes and new offerings to ease building and inspection processes, including targeted surveying to obtain feedback on departmental customer service, scheduled meetings with stakeholders to maintain open dialogue, reduced time in plan review and permit issuance, and the development of a how-to video on how to obtain building permits. The focus in 2022 will be the new Property Maintenance Inspector position, implementation of remote virtual inspections, online scheduling of inspections and permit payments, and improvement of the department’s web page.

President Hayes asked if there is a record of how many property maintenance complaints the Village receives, and if inspectors are proactively looking for code violations. Mr. Torres said complaints and follow-up communications are tracked on a monthly basis. He added that the new Inspector position’s main focus will be proactive search of code violations.

Trustee Tinaglia asked if the complaints are mainly on residential property or if they include commercial property. Mr. Torres said they receive complaints on both types of property. Trustee Tinaglia asked if there is a position within the Building Department to enforce the Design Commission’s final approval of a property. Mr. Torres said a design is unique and a Building Inspector will not know what was approved. Mr. Recklaus said the Department that has the expertise should be the Department inspecting the property, and can contact Building for code enforcement.

Trustee Scaletta asked why medical insurance increased by \$100,000. Mr. Recklaus said it depends on what type of insurance an employee enrolls for. Mr. Kuehne added that the difference between single coverage and family coverage is a large cost difference. Trustee Scaletta expressed his concern with the new Property Maintenance Inspector position becoming a position of an over-zealous Inspector writing citations for small violations. Mr. Torres said it is

more about setting awareness and educating a property owner of Village codes. Citations will be a last resort.

In regards to the health insurance cost, Trustee Bertucci asked if the number shown is the Village's contribution or is if it's the total amount due including the employee's responsibility. Ms. Juarez said the amount shown is the Village's responsibility.

Resident Melissa Cayer said TIF Districts should be eliminated and property tax dollars collected through these districts should be refunded.

Police

Chief Pecora said the 2022 proposed budget is similar to that of 2021 with the exception of two capital projects. The first, a specialized van for the criminal investigations bureau, and the second, the first payment of a 5-year contract for body-worn camera/dash cam video platform.

Chief Pecora highlighted the Department's continued diverse recruitment efforts to fill civilian and sworn officer positions and mentioned their recognition for high-level achievements. In 2022 they will focus on meeting new state mandate training, explore opportunities for increased diversity recruitment, assess citizen and business satisfaction via surveys, and explore grant funding for the new state unfunded mandates such as the body-worn cameras.

Trustee Bertucci asked if the Department is up to speed with hiring new police officers. Chief Pecora said at the beginning of the year there were seven vacancies, as of today there are three. He added that there are enough candidates in the pre-employment pipeline to fill the remainder vacancies by end of the year. Trustee Bertucci noted there doesn't appear to be consistency with the central dispatch cost numbers. Chief Pecora said there is a funding formula based on calls for services generated and 911 calls that are answered. The charge is then distributed between the 11 communities that use the dispatch center.

Trustee Scaletta inquired if the amount budgeted for patrol vehicle equipment replacement is for multiple vehicles. Chief Pecora said it is for seven vehicles. He added that they are unable to transfer equipment from retired vehicles to new vehicles because of new vehicle design. In regards to the Criminal Investigations Fund, Trustee Scaletta noted that the fund is getting into a deficit and suggested using some reserve money, and hopes grant funds will become available.

Trustee LaBedz asked if the test that will be offered in December is for new officers. Chief Pecora said the test is for new officers or out-of-state officers.

TRUSTEE LABEDZ MOVED, SECONDED BY TRUSTEE SCALETTA TO ADJOURN THE MEETING AT 10:07 P.M.