

Questions received regarding the 2020 Budget

- What are road Materials as part of Salt and Road Materials - are they separate from the annual maintenance program? **The materials line item has no relation to the roadway maintenance programs in the capital funds. The resurfacing program is budgeted in capital and is a contracted service. If you are referencing the graph for commodities for the general fund – that segment refers to salt and deicers purchased for our trucks to spread and the materials includes various items used by public works such as stone, fill (dirt), asphalt, glass beads for reflective markings, paint, and sign materials.**
- I'm trying to understand how wages are \$765,000 higher than 2018, when we didn't hire that many positions and they didn't start at the beginning of the year. **The 2019 budget had a partial year for the new police officer – also vacancies throughout the year due to retirements lowered the actual cost in 2019 and the budget for 2020 provides for all positions to be filled for the entire year and the ED Manager to be filled mid-year. Other positions that were a partial year in 2019 but will be a full year in 2020 are IT Technician, PPS Crew leader, PPS Maintenance Worker, the division of Streets and PPS added \$50,000 When positions are filled only partially in a year – there will be a *larger increase* the following year. Salaries were budgeted with a 2.5% increase except for union contracts that had higher increases. Police and Fire both were not fully staffed in 2019 so the proposed budget shows a higher increase for those departments with them fully staffed (hopefully) in 2020. Note that 2019 projected spending is \$150,000 under budget due to vacancies and some due to delayed hiring. The increase over the 2019 budget is \$568,000. Each department will vary in the amount of increase depending on if there are employees still eligible for range increases (non-union reach max at 7 years). Each departments wages are calculated by employee.**

General Fund Wages -	Full Time, Part Time, Overtime, Double Time and Standby			2020 dif to 2019 Budget	2020 dif to 2019 Projected
	2019	2019	2020		
	Budget	Projected	Budget		
Administration & Legislative	\$543,400	\$550,750	\$563,500	\$20,100	\$12,750
Human Resources	\$261,600	\$262,084	\$269,250	\$7,650	\$7,166
Community & Economic Dev	\$819,736	\$813,192	\$886,567	\$66,831	\$73,375
Public Works Administration	\$172,438	\$172,358	\$176,517	\$4,079	\$4,159
Engineering	\$479,813	\$479,099	\$485,764	\$5,951	\$6,665
Public Properties & Services	\$717,000	\$686,000	\$783,500	\$66,500	\$97,500
Finance and Accounting	\$438,100	\$438,611	\$452,715	\$14,615	\$14,104
Information Systems	\$386,603	\$351,500	\$414,514	\$27,911	\$63,014
Utility Billing	\$190,000	\$189,573	\$195,000	\$5,000	\$5,427
Police	\$5,435,277	\$5,375,694	\$5,654,797	\$219,520	\$279,103
Fire	\$3,402,408	\$3,344,973	\$3,508,694	\$106,286	\$163,721
ESDA	\$19,991	\$19,991	\$20,353	\$362	\$362
Streets	\$1,342,748	\$1,328,000	\$1,365,500	\$22,752	\$37,500
	\$14,209,114	\$14,011,825	\$14,776,671	\$567,557	\$764,846

- How much is the bike sharing station? With only one company bidding on the project I wonder what the feasibility is.

This program is being sponsored by Kane County. The County is planning to solicit bids for the project in 2020. It is anticipated that contracts could be finalized by early summer to allow for installations by late summer. Current cost estimate for each station is approx. \$13,000. This cost includes the station and installation. We are not sure what, if any, impact one bidder has on the feasibility of the program, but we are not obligated to participate, so the budget is not any sort of commitment. We will wait and see what the terms are of any agreement that the County negotiates with the provider and decide then. The budget is a placeholder. The City Council could decide to fund more and amend the budget next year or they could decide not to fund anything.

- Can we pay for the monument signs out of the Gateway funds so that we don't impact the budget?

The gateway funds, I am assuming is the amount of money designated from the funds released by the state for economic development. That money is in our reserves and any spending of money (whether it is on signs or the gateway grants) requires that the money be budgeted. By using prior designated cash balances, it is simply agreeing to use reserves on hand. It does not impact the operating budget. The signs are budgeted in capital and are not considered as part of the ongoing operating costs of the City so removing them just delays spending the funds to put them in place.

- How much is the sub fund for Suncast? What is the effect on 2021 when we are not passing it through, I couldn't find this.

See page 47 and 48 of the budget documents (Section 2 General Fund). The Suncast grant is reported separately and in total with the General Fund. We plan to pay out the balance due on the grant in 2020. That amount is \$1,393,731. That amount will come from reserves set aside in the budget sub-fund to provide for the grant. The cash will reduce general fund balances that are reported in our audit because they are not separated out until paid or obligated – based on certain criteria. So, the 2020 audit report will show a paydown of funds that will reduce the fund balance reported in the audit. It was set aside for budgetary purposes so not to give the illusion that more funds were available than truly were. The entire grant was complicated and the accounting for it more so, but please be assured that the auditors review the obligation and reporting and accounting for the grant to ensure we are reporting it correctly. If the question is what the effect is on 2020, the answer would be – it was already considered for cash reserves and reporting in the budget, so the only affect is to reduce the balance in the sub-fund to zero by the end of 2020. There should be no effect on the 2021 budget if engineering is able to complete all the projects that are participating in the grant. If not, then a portion will be re-budgeted in 2021.

- What does 3% water rate increase look like to an average customer?
 An average customer can be difficult to define. For discussion purposes, we will use 950 cubic feet per month for both water and sewer. For water the increase would be \$1.15 per month for a total of \$13.80 per year. The impact could be higher or lower depending on each customer's own use.
- What does the 4% rate increase for sewer look like to an average customer?
 The same usage for sewer (800 cubic feet) would result in an increase of \$2.00 per month. That would equate to \$24.00 per year. If a customer has both water and sewer that would equate to \$3.15 more per month and an annual increase of \$37.80 per year.
- Where are we at with getting some of our money back on the delays for the wastewater treatment plant? Is it actually money in hand or is it a reduction in payment somewhere?
 The wastewater treatment contract was awarded for a total value. Liquidated damages will be subtracted from that value via a final balancing change order. No actual money will be exchanged. The City will pay less for the work in an amount equal to the liquidated damages. The final numbers have not been settled as of this date.
- The interest rates are incorrect for Storm and City Hall (314.3%)
 This was a formatting error and was corrected in the online version to 3.14%
- Can we buy a different vehicle for fire, maybe switch what we are buying this year vs. next?
 The vehicle we are replacing in 2020 is a 24-year old engine. Twenty years of age are typically the maximum in the Midwest because of rust and corrosion to all parts of the chassis, brakes, pump, exhaust and suspension. Plus, most trucks on the road are not nearly that old leading to more difficulty in finding parts. The capital replacement item for 2021 was Air packs (SCBAs) but it was moved to 2020 because we received a FEMA grant to pay for the majority of it. We try to spread out the purchase of engines and trucks so that the fleet as a whole has a portion of newer more reliable vehicles and a portion of older more maintenance heavy vehicles. The newer ones run daily as frontline to extend the life of the older ones. The replacement item for 2022 is another engine that will be 22 years old, so moving the engine proposed for next year to 2021 would mean we would be buying 2 engines in back to back years. The new engine proposed for 2020 will be put frontline allowing us to put an 11-year old engine as the second line vehicle, which will hopefully keep the mileage down so it can last another 10 years. The pumping capacity of this engine, which is harder to maintain as the engine ages, is needed to maintain our ISO rating. The City started supplementing the capital fund in 2006 as part of long-term planning to ensure that the City was setting enough funds aside to replace the fleet. Fire apparatus are quite costly and also very specific to the needs to the fire department. During the recession all vehicles on the replacement lists were pushed back in order to lower funding some and assist with the operating budget. There are sufficient funds being set aside to allow not only for three large purchases in the next five years but also vehicles planned over the next 15 years with the funding staying at \$200,000 per year until 2024 when it will increase to \$225,000. The same funding policy is in

place for PW with funding of \$275,000 per year and increasing to \$300,000 per year. Of course, the needs could change in the out years and then we adjust the funding schedule accordingly. We look at the funding schedules and the vehicles on them every year.

- What can we do to spread the cost of the city hall improvements over more years? Safety for employees is the most important thing to me.
Spreading the cost over more years would reduce the amount of money needed to be transferred from reserves. It would keep our reserve level higher for a time. However, spreading it out would likely increase the cost of the project overall due to the bidding of the project and the increased cost risk for materials and labor and the time factor of remobilizing etc. The City has sufficient reserves to fund the project so the recommendation would be to fund the project and complete it at the least cost impact or to not fund it at all.
- What is the proposal for the business registration fee? What type of revenue are we looking at?
The City has around 2,500 business of various sizes and types. If we had a minimal fee of around \$25.00, that could net around \$62,500 if we collect from all. If we need more to cover staff and ED costs, we could consider raising to say \$35.00 (\$87,500) or \$50.00 (\$125,000) annually. However, we would want to have a discussion with the Council about their level of funding they would like via this program.
- Why are resource materials for Community and ED so much higher than the last several years? (Because of combining I am assuming but if you have further info please provide) Community Development and Economic Development were combined in 2019. Economic Development paid for Costar listing service under professional services, but CD decided that the service should be under resource materials.
- Why is postage and shipping for Engineering so much higher than previous years?
Several large-scale capital projects are proposed for 2020. These include Ward 1, Area 3, Prairie Street, Main Street, Mahoney Creek watershed plan, Carriage Crest dewatering, etc. Additional public outreach is needed for these projects. The budget is projected at \$1,200 and is budgeted at \$3,000 for 2020.
- Why is training and seminars 3x higher for Finance and Accounting?
The training budget went from \$500 to \$1,500. The additional \$1,000 is for more participation in Illinois Government Finance Officers Association (IGFOA) training and Illinois Municipal Treasurer's Training. \$1,500 (total budget) covers training for 5 people – the budget should be higher, but we are ramping up slowly.
- Training and seminars is also higher in Information Systems?
Training is higher because there was a new hire in 2019. Training sometimes requires out of state travel. The budget of \$9,800 covers training for 4 people.

- How much better off are we going to be with the extra 300K in MFT?
Staff is unsure if this is a question or a statement. We are receiving \$300,000 that we were not receiving before. It is about 45% of what we were receiving in MFT before, so yes, it is a good thing to receive any amount of additional funding. The current resurfacing program with all other programs (Crackfill, sidewalk, pavement preservation and patching) is \$2M in 2020 (aside from the reconstructions for Main & Prairie, which going forward reconstructions must be included). MFT is estimated to provide \$1M per year and the gas tax and transfer from the general fund is \$1.2M for a total of \$2.2M annual funding for streets. The goal is to get to \$2.5M by ramping up the transfer from the general fund each year. The additional \$300K from MFT eases that burden.
- Is 50K enough for traffic analysis? How much area is this going to cover? 2020 budget proposal includes \$50K for road diet traffic study and \$75K for Phase I study. IDOT has already informed us that they will not consider the project without us first performing a Phase I study. The scope of the road diet has not yet been determined. Initially it is thought that we will study from Millview to Fabyan. That doesn't necessarily mean that a road diet will be in place throughout that entire length. It simply means that the entire length will be studied and that a determination will be made at a late date as to the proposed limits of the road diet.
- What do we have with TIF to help the city hall renovations?
The TIF Funds could contribute about \$300,000 towards the building as long as it went into actual infrastructure. It would depend on the need of other projects and the desire to save the availability of TIF funds for other projects. It would not be out of line to use a portion of TIF funds for the building if the City Council chose to do so.
- Upgrade to the network cabling seems high? What is the current cable rating that we have?
The entire City Hall/Police department is scheduled to be cabled. The budget cost is based on an RFP for the PW building a few years ago. Additional dollars had to be budgeted for containment of the lead paint in the building. Every time a ceiling tile is moved, precautions need to be applied. The building is currently 100 Mbps (Category 5) and we will go to 1000 Mbps (Category 6a).