

BOARD OF TRUSTEES WORK SESSION
11004 Carpenter Street, Mokena, Illinois 60448
Monday, June 14, 2021

CALL TO ORDER

Mayor Fleischer called the Board of Trustees work session to order at 7:32 p.m.

ROLL CALL

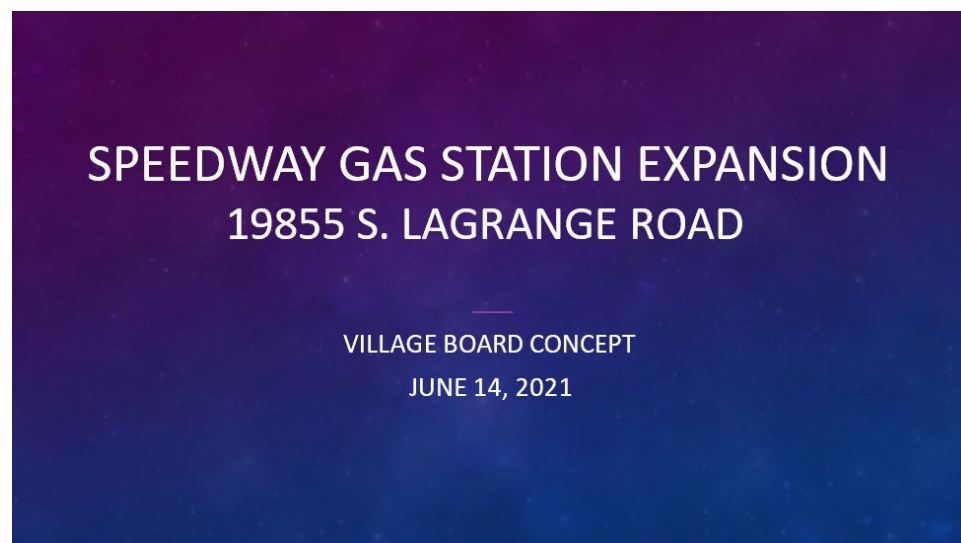
Clerk Martini called the roll and the following Trustees were present:

Joseph Budzyn
Rob Dauphinais
Debbie Engler
Melissa Fedora
George Metanias
Jim Richmond

Also present were: Clerk Melissa Martini; Village Administrator John Tomasoski; Assistant Village Administrator Kirk Zoellner; Village Attorney Carl Buck; Community and Economic Development Director Alan Zordan; Finance Director Barb Damron; Building and Planning Director Matt Ziska; and Chief of Police John Keating

Speedway Gas Station Expansion; 19855 LaGrange Road

Community and Economic Development Director Alan Zordan presented this item.



VILLAGE BOARD CONCEPT REVIEW

- May 24th Board concept Review
- OK with video gaming expansion with limitations
- Restrict future expansion of truck pumps
- Provide commitment for existing station maintenance

FUTURE EXPANSIONS

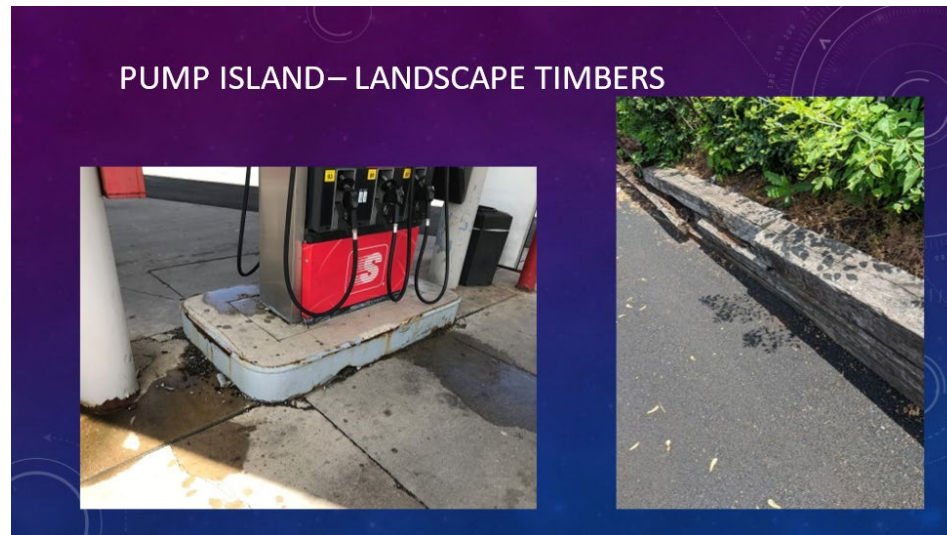
- Speedway correspondence expresses desire to expand in the future to compete in the industry.
- Auto filling Stations are Special Use Permits.
- 2004 Special Use Permit for car wash restricts expansions
- Any future expansion will require amending the existing SUP or granting a new SUP

STATION MAINTENANCE


- Painting and landscape maintenance at all three stations
- Front Street Station – Repair fence, Retaining Wall, Landscape Timbers

RETAINING WALL –FRONT STREET STATION





BOARD INPUT



- Is the proposed station maintenance plan acceptable?
- Should the Village send a letter to the Will County Land Use Department supporting the lot split?
- Should this proposal move forward to the Planning Commission?

Discussion:

Present on behalf of Speedway was Mike Bergman, Tom Hallick and Chris Kalichevsky.

After discussing some of the repairs that were made to Mokena's existing Speedway stations, the consensus of the Board felt that the petitioners' improvement efforts were insufficient based on the extent of disrepair that had been noted at these properties – particularly at the Front Street station.

Tom Hallick of Speedway noted that they have already spent \$100,000 on store maintenance last year, and that the Speedway Corporation is planning to install new submersible pumps at the Front Street station over the next few days. He also stated that Speedway was working to provide a permanent repair for the concrete retaining wall along the north side of the Front Street station, and that the landscape timbers on the west side of the store would also be replaced.

Chris Kalichevsky further noted that the property maintenance programs for Speedway stations are often funded by revenue generated through video gaming; therefore, the petitioners believe the proposed expansion would likely generate more revenue for addressing local property maintenance issues.

The Board unanimously agreed that significantly more work needed to be done to improve the Front Street station before they would be willing to consider expanding the LaGrange Road Speedway property.

Fiscal Year 22 Draft Budget

Village Administrator John Tomasoski presented this item.

FY 22 Preliminary Budget Overview

June 14, 2021
Work Session

June 14, 2021 Work Session

- Review General Fund
 - Current year status
 - Proposed FY 22 Budget
 - Overall Financial Health
 - Review FY 21 Surplus
- Overview of Capital Improvement Fund Balances
- Proposed FY 21 Budget Amendments

- Preliminary Draft
 - Overall Budget
 - Status
 - ✓ Budget Categories
 - ✓ Operating and capital fund balances
 - ✓ Annual transfers
- Questions or Comments

FY 21 (Current Year)

| | Budgeted | Anticipated | Positive Difference |
|--------------------------------------|---------------|---------------|---------------------|
| FY 21 Revenues* | \$ 9,062,101 | \$ 13,857,768 | \$ 4,795,667 |
| FY 21 Expenditures | \$ 10,344,161 | \$ 10,001,402 | \$ 342,759 |
| Ending FY 20 | | | \$ 330,475 |
| FY 21 Net Positive Operating Results | | | \$ 5,468,901 |
| Excess Fund Balance | | | \$ 421,099 |
| TOTAL TRANSFER | | | \$ 5,890,000 |

*Includes \$839,803 For CARES Act

General Fund Revenue Summary

| Revenues | Actual Fiscal '19 | Actual Fiscal '20 | Budgeted Fiscal '21 | Estimated Fiscal '21 | Dept. Req. Fiscal '22 | Amount Change | % of Change |
|-----------------------------------|---------------------|-------------------|---------------------|----------------------|-----------------------|------------------|---------------|
| Taxes | \$10,147,043 | 10,627,555 | 7,375,646 | 10,984,348 | 10,067,351 | 2,691,705 | 36.49% |
| Licenses | 713,753 | 708,194 | 660,575 | 625,246 | 655,300 | (5,275) | -0.80% |
| Permits | 224,312 | 510,282 | 151,500 | 272,950 | 129,650 | (21,850) | -14.42% |
| Intergovernmental Revenue - State | - | - | - | 839,803 | - | - | N/A |
| Intergovernmental Revenue - Local | 280,983 | 280,983 | 280,983 | 280,983 | 205,659 | (75,324) | -26.81% |
| Exaction Fees | - | 10,820 | - | - | 35,192 | 35,192 | N/A |
| Fines | 113,288 | 96,109 | 83,000 | 83,182 | 96,500 | 13,500 | 16.27% |
| Other Revenue | 1,032,366 | 869,112 | 510,397 | 771,256 | 775,870 | 265,473 | 52.01% |
| Total Revenue | \$12,511,745 | 13,103,055 | 9,062,101 | 13,857,768 | 11,965,522 | 2,903,421 | 32.04% |

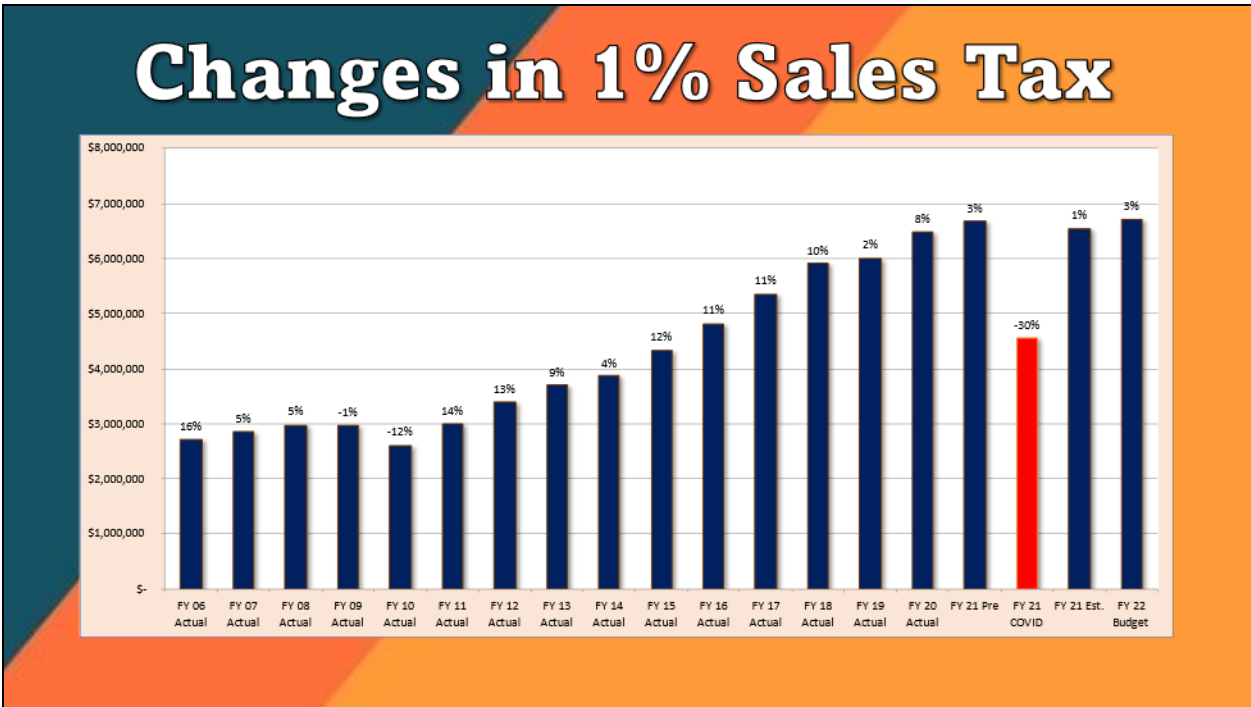
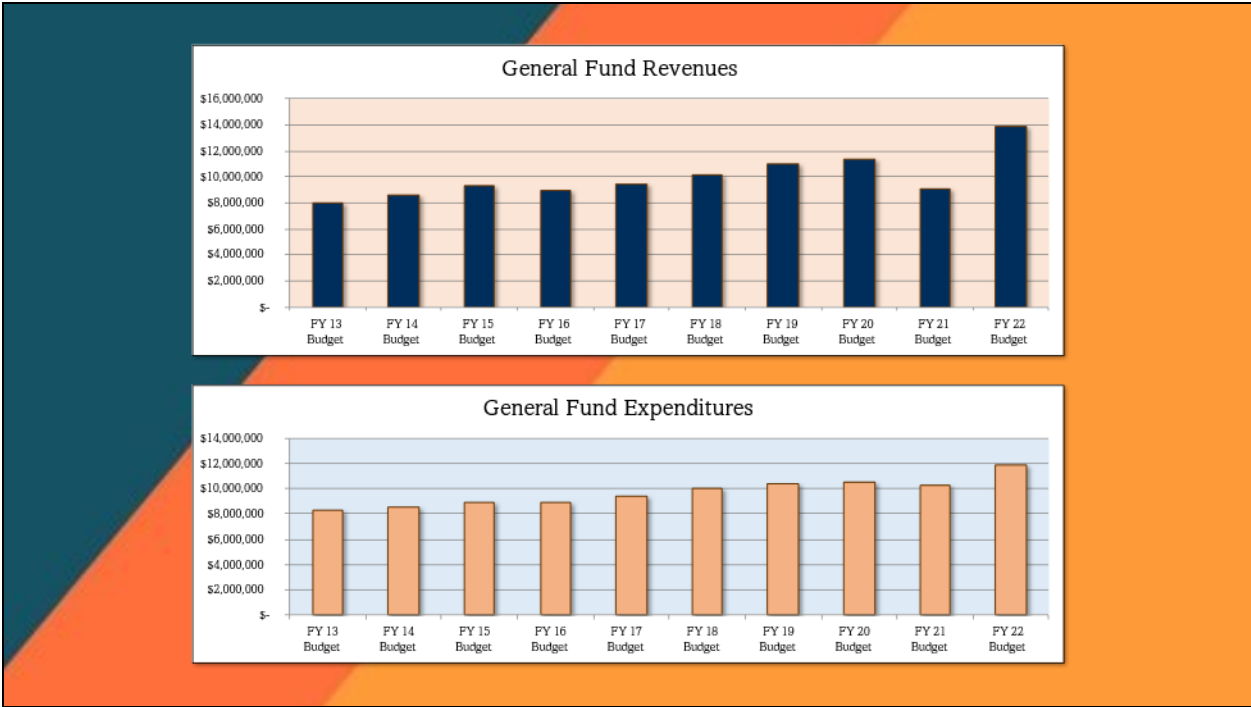
- Tax Revenue up by +\$2.69M or +36.49%
 - Sales tax +\$2.52M or +49.44%
 - Income Tax +\$60K or +5.62% (includes budgeting for only 50% of LGDF)
- Amusement Tax +\$126K or +147.09%
 - Miscellaneous Income +\$265K or +52.01% (includes video gaming & OTB)
 - Total Revenues +\$2.9M or +32.04%

Revenue Projections – Post COVID-19

| Revenue Type | Proposed FY 21 | COVID-19 Revised FY 21 | Estimated Year-End FY 21 | Year End vs Revised Difference |
|--------------------------|---------------------|------------------------|--------------------------|--------------------------------|
| Sales Tax | \$ 6,670,939 | \$ 4,556,455 | \$ 6,543,752 | \$ 1,987,297 |
| Local Use Tax | \$ 720,828 | \$ 540,621 | \$ 862,962 | \$ 322,341 |
| State Income Tax | \$ 1,066,012 | \$ 1,066,012 | \$ 2,417,865 | \$ 1,351,853 |
| Property Tax (Corporate) | \$ 364,590 | \$ 364,590 | \$ 316,717 | \$ (47,873) |
| Building Permits | \$ 63,200 | \$ 96,500 | \$ 190,000 | \$ 93,500 |
| Amusement Tax | \$ 301,000 | \$ 85,900 | \$ 217,262 | \$ 131,362 |
| Video Gaming | \$ 300,000 | \$ 100,000 | \$ 307,810 | \$ 207,810 |
| OTB | \$ 80,000 | \$ 20,000 | \$ 63,000 | \$ 43,000 |
| CARES Act | \$ - | \$ - | \$ 839,803 | \$ 839,803 |
| TOTALS | \$ 9,566,569 | \$ 6,830,078 | \$ 11,759,171 | \$ 4,929,093 |

General Fund Expenditure Summary

| Appropriations | Actual Fiscal '19 | Actual Fiscal '20 | Budgeted Fiscal '21 | Estimated Fiscal '21 | Dept. Req. Fiscal '22 | Amount Change | % of Change |
|--------------------------------|---------------------|-------------------|---------------------|----------------------|-----------------------|------------------|---------------|
| Legislative | \$ 103,787 | 100,320 | 101,625 | 96,223 | 115,769 | 14,144 | 13.92% |
| Administrative | 2,505,227 | 2,380,210 | 2,223,911 | 8,313,285 | 3,007,659 | 783,748 | 35.24% |
| Fire & Police Commission | 16,240 | 4,418 | 31,155 | 56,065 | 44,730 | 13,575 | 43.57% |
| Police Department | 4,535,610 | 4,824,997 | 5,177,262 | 5,093,239 | 5,423,613 | 246,351 | 4.76% |
| Community Development | 664,574 | 697,860 | 731,295 | 718,682 | 959,805 | 228,510 | 31.25% |
| Village Clerk | 7,361 | 8,723 | 10,080 | 7,790 | 11,545 | 1,465 | 14.53% |
| Street Department | 4,516,205 | 1,560,339 | 1,567,674 | 1,203,138 | 1,849,193 | 281,519 | 17.96% |
| Buildings & Grounds Department | 432,354 | 362,788 | 416,665 | 353,947 | 408,778 | (7,887) | -1.89% |
| Cable TV Commission | 14,270 | 13,432 | 15,963 | 9,367 | 15,963 | - | 0.00% |
| E.S.D.A. Department | 57,484 | 47,905 | 68,531 | 39,666 | 76,309 | 7,778 | 11.35% |
| Total Appropriations | \$12,853,112 | 10,000,992 | 10,344,161 | 15,891,402 | 11,913,364 | 1,569,203 | 15.17% |



FY 21 - Current Year Available Funding

| | |
|---------------------------------------------------|---------------------|
| FY '19 Transfer Sitting in General Infrastructure | \$ 3,000,000 |
| Funding Needed for WWTP | <u>1,625,000</u> |
| Available Funding From Transfer | \$ 1,375,000 |
| FY '20 Ending Balance | \$ 330,475 |
| Available Due to CARES Act | 839,803 |
| Additional Revenue - FY 21 | 3,955,864 |
| Expenditures Under Budgeted FY 21 | 342,759 |
| Excess Fund Balance | <u>\$ 421,099</u> |
| Available From General Fund | \$ 5,890,000 |
| Balance in Municipal Facilities | \$ 185,881 |
| Total Available | <u>\$ 7,450,881</u> |

| FUND BALANCES IN ESCROW ACCOUNTS | | | | |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accounts | Begin FY '21 | Begin FY '22 | Ending FY '22 | Purpose |
| Municipal Parking Facilities (Restricted) | 243,750 | 244,510 | 245,120 | Funds escrowed for future repairs/improvements to the municipal parking facilities. Funds escrowed through transferred parking lot fees. |
| Water Improvements (General Restrictions for Water Related Issues) (1) Regional Water System (2) Joint System | (1) Res. 2,162,789 (2) Res. 270,894 2,433,683 | 2,411,885 247,612 2,659,497 | 2,776,872 242,414 3,019,286 | Funds escrowed through connection fees, operating transfers, contributions and interest. The fund is established specifically to be utilized for water related expenditures which include, Oak Lawn debt and lake water joint system maintenance (Mokena and New Lenox). |
| Municipal Facilities (Restricted) | 243,103 | 7,450,881 | 7,506,826 | Facility improvements/major upkeep can be funded through this account. This account has also been utilized to fund land acquisitions and facility expansions. |
| General Infrastructure (Transportation Projects) | 7,185,892 | 4,460,957 | 4,321,119 | This account is available for road and other infrastructure projects and costs based on pending needs of the Village. The ½% sales tax provides revenue for this fund. |
| Total | \$10,106,428 | \$14,815,845 | \$15,092,351 | |

| Summary FISCAL 2021 Budget Amendments | | | |
|------------------------------------------------------|-----------------|------------------------------|------------------------------------------------------|
| Fund Name | Budgeted Amount | Proposed Amendment | Reason/Funding Source |
| General Fund | \$10,344,161 | \$15,900,000 +\$5,555,839 | Additional Costs/Additional Revenue and Fund Balance |
| Audit Fund | \$6,027 | \$7,165 +\$1,138 | Additional Costs/Fund Balance |
| Tourism Fund | \$12,843 | \$20,000 +\$7,157 | Additional Costs/Additional Revenue |
| Refuse Fund | \$1,575,202 | \$1,593,000 +\$17,798 | Additional Costs/Additional Revenue and Fund Balance |
| Water & Sewer Fund | \$6,873,029 | \$7,200,000 +\$326,971 | Additional Costs/Additional Revenue |
| Capital Improvement, Repair & Replacement Fund | \$3,209,085 | \$5,938,441 +\$2,729,356 | Additional Costs/Additional Revenue and Fund Balance |

| | Fund Name | Opening | | Ending | |
|--------|---------------------------------------------|---------------|---------------|--------------|---------------|
| | | Fund Balance | Revenue | Expenses | Fund Balance |
| 01 | General | \$ 4,256,161 | \$ 11,965,522 | \$11,913,364 | \$ 4,308,319 |
| 02 | Audit | 20,145 | 11,789 | 15,000 | 16,934 |
| 04 | Performance Bond | 1,265,261 | 202,750 | 602,750 | 865,261 |
| 05 | Tourism | 224,829 | 94,000 | 37,271 | 281,558 |
| 06 | Special Tax Allocation | 297,423 | 84,543 | 40,531 | 341,435 |
| 07 | School Crossing Guard | 66,569 | 23,870 | 27,849 | 62,590 |
| 08 | IMRF/FICA/MC Contribution | 410,506 | 989,199 | 861,548 | 538,157 |
| 09 | Police Pension | 28,698,255 | 3,331,084 | 1,047,822 | 30,981,517 |
| 11 | Motor Fuel Tax | 2,769,555 | 800,502 | 526,294 | 3,043,763 |
| 15 | Refuse | 188,930 | 1,629,837 | 1,627,678 | 191,089 |
| 16 | Water & Sewer | 2,892,350 | 7,470,044 | 7,507,361 | 2,855,033 |
| 17 | Municipal Parking Lot | 119,751 | 84,890 | 125,144 | 79,497 |
| 19 | Sewer System Capital Improv. | 1,838,995 | 231,031 | 539,200 | 1,530,826 |
| 20 | Water System Capital Improv. | 3,216,536 | 234,031 | 1,061,350 | 2,389,217 |
| 21 | Sewer Plant Replacement | 1,491,141 | 1,900 | 97,000 | 1,396,041 |
| 22 | Plant Expansion | 10,646,804 | 6,200 | 8,313,719 | 2,339,285 |
| 23 | Capital Improvement, Repair and Replacement | 14,815,845 | 3,574,024 | 3,297,518 | 15,092,351 |
| Totals | | \$ 73,219,056 | \$ 30,735,216 | \$37,641,399 | \$ 66,312,873 |

Budget Summary By Category

| | FY 21 Budget | FY 22 Budget | \$ Inc/(Dec). | % Change |
|-----------------|---------------------|---------------------|--------------------|---------------|
| REVENUES | | | | |
| Taxes | \$11,674,210 | \$15,905,089 | \$4,230,879 | 36.24% |
| Fines | \$83,000 | \$96,500 | \$13,500 | 16.27% |
| License/Permits | \$812,075 | \$784,950 | (\$27,125) | (3.34%) |
| Service Charge | \$9,095,740 | \$9,604,034 | \$508,294 | 5.59% |
| Grants/Trans. | \$280,983 | \$205,659 | (\$75,324) | (26.81%) |
| Development | \$695,400 | \$938,276 | \$242,876 | 34.93% |
| Other | \$2,020,810 | \$3,200,708 | \$1,179,898 | 58.39% |
| TOTAL | \$24,662,218 | \$30,735,216 | \$6,072,998 | 24.62% |
| | FY 21 Budget | FY 22 Budget | \$ Inc/(Dec). | % Change |
| EXPENSES | | | | |
| Personal Serv. | \$10,327,385 | \$11,442,559 | \$1,115,174 | 10.80% |
| Commodities | \$1,648,171 | \$1,739,671 | \$91,500 | 5.55% |
| Contract Serv. | \$10,191,908 | \$11,495,047 | \$1,303,139 | 12.79% |
| Capital Outlay | \$10,039,728 | \$11,581,358 | \$1,541,630 | 15.36% |
| Other/Trans | \$1,217,150 | \$1,381,179 | \$164,029 | 13.48% |
| TOTAL | \$33,424,342 | \$37,639,814 | \$4,215,472 | 12.61% |

OPERATING FUND BALANCES

| Fund | Begin FY '21 | Begin FY '22 | Ending FY '22 | Recommended Amount | Variance | Actual % |
|-------------|--------------|--------------|---------------|--------------------|-----------|----------|
| General | \$6,289,795 | \$4,256,161 | \$4,308,319 | \$4,050,544 | \$257,775 | 36% |
| Water | 1,803,647 | 2,247,652 | 2,179,207 | 1,379,967 | 799,240 | 39% |
| Sewer | 601,670 | 644,698 | 677,411 | 496,478 | 180,933 | 34% |
| Parking Lot | 255,131 | 119,751 | 79,497 | 31,286 | 48,211 | 64% |

CAPITAL RESERVE FUND BALANCE

| Fund | Begin FY '21 | Begin FY '22 | Ending FY '22 |
|-----------------------------------|--------------|--------------|---------------|
| Water System Capital | \$3,077,221 | \$3,216,536 | \$2,389,217 |
| Sewer System Capital | 1,466,984 | 1,838,995 | 1,530,826 |
| Sewer Plant Replacement | 1,375,041 | 1,491,141 | 1,396,041 |
| Sewer Plant Expansion | 9,323,077 | 10,646,804 | 2,339,285 |
| Capital Imp., Repair, Replacement | 10,106,428 | 14,815,845 | 15,092,351 |
| Totals | \$25,348,751 | \$32,009,321 | \$22,747,720 |
| | | | -\$9.262M |

FISCAL 2021 TRANSFERS

| Fund From | Fund To | Purpose | Budgeted | Proposed |
|----------------------|-------------------------|-----------------------------------|-------------------|--------------------|
| General | Capital Improvement | Transfer for Municipal Facilities | \$ 0 | \$5,890,000 |
| Performance Bond | General | Transfer Interest Earnings | 1,750 | 3,700 |
| Refuse | General | Interfund Service Charge | 44,989 | 44,989 |
| Water | General | Interfund Service Charge | 80,335 | 80,335 |
| Water | Capital Improvement | Lake Water Joint System Costs | 35,000 | 35,000 |
| Water | Capital Improvement | Regional Water System Debt | 480,400 | 480,400 |
| Sewer | General | Interfund Service Charge | 80,335 | 80,335 |
| Sewer | Sewer System Capital | Transfer for Sewer Capital Imp. | 0 | 150,000 |
| Sewer | Sewer Plant Replacement | Transfer for Plant Replacement | 0 | 150,000 |
| Parking Lot | General | Interfund Service Charge | 75,324 | 75,234 |
| Water System Capital | Capital Improvement | Water Improvements | 150,000 | 150,000 |
| Capital Improvement | Plant Expansion | Transfer for WWTP Upgrades | 0 | 1,625,000 |
| TOTALS | | | \$ 948,133 | \$8,764,993 |

*The difference in proposed transfers compared to budgeted transfers is \$7,816,860.

FISCAL 2022 TRANSFERS

| Fund From | Fund To | Purpose | Amount |
|----------------------|---------------------|-------------------------------|------------------|
| Performance Bond | General | Transfer Interest Earnings | \$ 2,750 |
| Refuse | General | Interfund Service Charge | 44,989 |
| Water | General | Interfund Service Charge | 80,335 |
| Water | Capital Improvement | Lake Water Joint System Costs | 35,000 |
| Water | Capital Improvement | Regional Water System Debt | 593,429 |
| Sewer | General | Interfund Service Charge | 80,335 |
| Water System Capital | Capital Improvement | Water Improvements | 150,000 |
| TOTALS | | | \$986,838 |

Looking Ahead – Next Steps

- \$7.175M transfer for Municipal Facilities
- \$1.625M transfer for Wastewater Treatment Plant
- Approval of FY 21 budget amendments
- Budget adoption – June 28, 2021
- Approval of FY 22 water rate adjustment
 - \$0.16/1,000 gallons
- Approval of electronic recycling amendment
- Approval of non -wage union resolution

Questions, Comments, Clarifications

Discussion:

Trustee Richmond stated that he was pleased the Village could set aside \$7,450,881 for the police station and stated the Village can also borrow funding for the police station utilizing the reimbursement resolution the Board approved before approving the low bid for the Wastewater Treatment Plant upgrades.

Trustee Budzyn expressed his thoughts and opinions on numerous line items in the budget. He suggested the Board consider updating the Village's Welcome signs to incorporate the same design as the sign for the new police station when it is built.

Trustee Metanias thanked Village Administrator John Tomasoski for answering his questions before the work session and asked how much additional general fund surplus did we anticipate at the end of Fiscal Year 22?

Village Administrator Tomasoski indicated that if the Village experienced an average and/or strong year from a revenue standpoint that the best estimate at this time was in the \$2M to \$3M range.

Trustee Engler thanked all of the staff for their hard work and effort in preparing this year's budget.

Trustee Dauphinais and Trustee Fedora had no concerns with the Budget and thanked staff for their hard work.

The Board directed staff to prepare the final budget document for adoption at the June 28 Board meeting.

Food Trucks

Building and Planning Director Matt Ziska stated that some of the stakeholders in Mokena's downtown area had suggested eliminating the permitting and licensing requirements for mobile food vendors in an effort to increase foot traffic and promote economic development.

The Board was unanimously opposed to providing a full exemption, but remained open to relaxing certain food truck restrictions in the downtown area. Staff was asked to review the current ordinance standards and present their findings at a future work session.

There being no further business to bring before the Mayor and Board of Trustees, Mayor Fleischer adjourned the work session at 8:55 p.m.