Mayor Wayne Jett called the April 11, 2018 meeting of the Committee of the Whole to order at 6:30 pm in the Municipal Center Classroom, 333 S. Green Street, McHenry, IL. In attendance were the following Councilmembers: Mihevc, Glab, Schaefer, Condon, Devine, Curry, and Santi. Also in attendance: Director of Parks and Recreation Hobson, Director of Economic Development Martin, Deputy Chief of Walsh, Director of Public Works Schmitt, Director of Community Development Polerecky, Director of Finance Lynch, IT Manager Larson, HR Manager Campanella, City Attorney McArdle, and Deputy Clerk Geraghty.

PUBLIC COMMENT

None.

EXECUTIVE SESSION

Motion by Alderwoman Condon, second by Alderman Santi to enter into Executive Session for the purchase or lease of real property for the use of the public body, 5 ILCS 120/2(c)(5) and Probable Litigation (5 ILCS 120/2(c)(11)).

Voting Aye: Condon, Santi, Glab, Schaefer, Devine, Curry, Mihevc
Voting Nay: None.
Absent: None.
Motion Carried.

The Council entered Executive Session at 6:35 PM and reconvened Open Session at 7:20 PM.

DISCUSSION ONLY ITEMS

A. Review of Proposed Fiscal Year 2018/19 Annual Operating Budget.

Mayor Jett asked City Administrator Morefield to present this item to the Council.

City Administrator Morefield presented information pertaining to the FY 2018/19 Annual Operating Budget. Total Revenues Proposed was $22,309,740 less total proposed expenditures($21,724,519), left a balance of $39,065.

Alderman Glab inquired about the video gaming revenue received in 2017. Director Lynch reported $375,000 was budget and today, $429,570 is anticipated. For FY 18/19, staff estimated $430,000 in revenue from gaming.
Personnel Expenditures for FY 18/19 were reviewed. City Administrator Morefield noted personnel costs are 78% of expenditures, proposed at $16,890,965 in FY 18/19 and will increase from last year by 4307,428 or 1.85%.

Since the March 26 Finance and Personnel Meeting, additional personnel savings due to retirements and job consolidations is approximately $128,000. The Council was advised that the Code Enforcement position will be assumed by the Plans Examiner for a savings of $128,000. During peak month, Plans Examiner duties will be shared with other department personnel.

Alderman Mihcvc asked why the Contractual account decreased and City Administrator Morefield stated this was due to reduced legal expenses for traffic.

**Overview of General Fund Operating Budgets**

**Special Revenue Funds**

Since the March 26, 2018 Finance and Personnel Committee meeting, additional Personnel Savings due to retirements and job consolidations totals $267,065, less Local 150 Insurance Adjustment: ($19,000) equals $248,065 in Revenues/Expenditures.

Alderman Condon suggested the addition of part-time communication specialists to manage social media, city website, economic development matters, and all public relations communications for the city outside the Police Department. This position was proposed as a contractual commitment paid fully or partially through the Tourism Fund. Approximately $175,000 per year is generated in the Tourism Fund. This position was identified as part of the staffing needs analysis conducted last year.

Alderman Curry asked about the noted transfer to the General Fund from the Tourism Fund. Director Lynch said the transfers pay for special events.

Alderman Glab suggested the proposed position be added to a future agenda as a discussion item.

**Capital Projects & Debt Service Fund Budgets**

Responding to a question from Alderman Curry, City Administrator stated Special Service Area #4 expires in 2024.

**Enterprise Funds**

City Administrator Morefield informed the Council that preliminarily, staff does not anticipate recommending a change to the water/sewer rate in FY 18/19.

**Internal Service Funds**
No questions or comments were made regarding the presentation of these funds.

**Fiduciary Funds**

No questions or comments were made regarding the presentation of these funds.

**Outstanding Items of Budgetary Impact**

**Compensation Study**

1. Implementation of revised wage ranges based on study results.
2. Adjustment of wages for positions that fall below revised new ranges.

City Administrator Morefield stated to date, what has been discussed is bringing salaries up to the minimum range. There are currently 13 positions that would be affected by the proposed salary ranges. The overall financial impact to do this is estimated at $91,000 - $75,000 from General Fund - $15,629 from Recreation Center Fund, which includes IMRF and FICA.

Alderman Curry noted the amounts were different then what was previously presented to the Finance and Personnel Committee and, he asked if that was due to the inclusion of IMRF and FICA. City Administrator answered yes this was added at Director Lynch’s suggestion.

Aldermanwoman Condon asked if these positions were included in the proposed budget and City Administrator Morefield answered no.

Alderman Curry stated his support for the new salary ranges.

Alderman Santi asked that the changes in the 13 positions be brought before the full Council. He also asked if the increases for the 13 positions were included in the proposed budget and City Administrator Morefield answered no.

Alderman Curry stated a budget amendment would be required if the Council chooses to approve the new salary ranges.

Regarding the Finance Committee’s position on the compensation study, Alderman Curry informed the Council that the Finance and Personnel Committee agreed that the salary ranges should be adjusted however there were some questions on the details of the study. Alderman Curry suggested another meeting of the committee might need to be scheduled to review the study.
Alderman Santi noted as previously stated, a budget amendment could be authorized should the Council accept the plan.

City Administrator Morefield stated as part of last year’s staffing needs analysis positions were identified as needed.

**New Position Requests**
1. City Planner - $100,166
2. Parks Maintenance Worker - $78,623
3. Human Resources Assistant - $74,694

The City Planner was a full time position at one time that was eliminated when development slowed due to economic challenges. This position would report to Director Polerecky.

Director Hobson was asked to explain the request for an additional Park Maintenance Worker. The department is down two fulltime positions. In 2005, there were eight employees, six maintenance workers and two supervisors; currently there are six employees, two supervisors, and four maintenance workers with the added responsibility of downtown and Riverwalk maintenance.

City Administrator Morefield reported that with the addition of Recreation Center part time staff, nearly 300 employees require human resources services with the exception of payroll, which is handled in the Finance Department.

Mayor Jett announced that he and staff are always cognizant of saving money and he would not be in favor of adding positions that were not needed. Operations are being streamlined as in Community Development and moving locations to streamline operations in the city. The City Planner position is needed. The Economic Development Director needs to focus on new business and development.

A discussion ensued on the adoption of an ordinance that would regulate vacant buildings.

Alderman Glab asked what percent of the city budget was for salaries and benefits and City Administrator Morefield answered 78%. Alderman Glab suggested the city bring in more revenue before adding additional employees. Alderman Condon noted that the addition of a City Planner in combination with the Economic Development Director would bring in more revenue.

Alderman Santi asked how the Mayor’s workload would be affected by the addition of the city planner and Mayor Jett answered it would most likely not change.
Alderman Schaefer asked if the city planner would handle all Planning and Zoning matters and City Administrator Martin answered yes. Alderman Schaefer asked if currently Director Martin handles planning and zoning matters alone and City Administrator Morefield answered with assistance from Economic Development Coordinator Wolf and Economic Development Administrative Assistant Conaway.

Alderman Curry asked whom this position report to and City Administrator answered Director Polerecky. Alderman Curry noted the budget was revised by approximately $128,000, so if we added the city planner we would be back to where the budget was originally proposed.

City Administrator announced the budget would be readjusted based on the information provided at the meeting and presented to the Council for adoption at the April 30th annual meeting.

Mayor Jett thanked staff for their work in preparing the budget.

STAFF REPORTS

None.

MAYOR AND CITY COUNCIL COMMENTS

Mayor Jett announced an Honorary Street Ceremony was held earlier today dedicating the corner of Park and Pearl as Honorary Susan E. Low Way.

Mayor Jett asked the Council to send him an email on their thoughts and/or concerns about the addition of the three proposed position discussed this evening.

ADJOURNMENT

Motion by Alderman Schaefer, second by Alderman Santi to adjourn the meeting.

Voting Aye: Schaefer, Santi, Mihevc, Glab, Devine, Curry, Condon
Voting Nay: None
Absent: None.
Motion Carried.

The meeting adjourned at 7:20 PM.

[Signatures]

Mayor

Deputy City Clerk