

Village of Hoffman Estates

**SPECIAL FINANCE COMMITTEE MEETING
MINUTES**

November 7, 2024

I. Roll call

Members in Attendance:

**Gary Pilafas, Chair
Anna Newell, Vice Chairperson
Karen Mills, Trustee
Gary Stanton, Trustee
Karen Arnet, Trustee
Patrick Kinnane, Trustee
William McLeod, Mayor**

**Management Team Members
in Attendance:**

**Eric Palm, Village Manager
Dan O'Malley, Deputy Village Manager
Jon Pape, Asst. Village Mgr.
Rachel Musiala, Director of Finance
Susana Arroyo, Asst. Director of Finance
Peter Gugliotta, Director of Dev. Services
Darek Raszka, Director of IT
Justin Roach, Sr. IT Specialist
Patrick Seger, Director of HRM
Monica Saavedra, Director of HHS
Kasia Cawley, Police Chief
Alan Wax, Fire Chief
Patrick Clarke, Deputy Fire Chief
Brian Raymond, Deputy Fire Chief
John Bending, Deputy Police Chief
Joe Nebel, Director of Public Works
Bryan Ackerlund, Asst. Dir. of Public Works
Kevin McGraw, Streets Supt.
Aaron Howe, Asst. to PW Director
Paul Petrenko, Director of Facilities
Ben Gibbs, NOW Arena**

The Special Finance Committee meeting was called to order at 6:00 p.m.

2. PUBLIC COMMENT – None

3. NEW BUSINESS

A. Review and discussion of the Proposed FY2025 Operating & Capital Budget.

The total proposed budget for FY 2025 for all funds equals \$226,425,780. The proposed budget for FY 2025 for the Village's General Fund is \$81,992,800 which reflects a 3.6% increase from FY 2024.

Village Manager Eric Palm gave an overview of the Proposed FY2025 Operating and Capital Budget. Mr. Palm reported that the Village had originally planned to use \$6.250 million of the General Fund reserves to pay for capital needs in the FY2024 Operating Budget. However, preliminary projections forecast that only \$2.380 million in fund reserves is necessary. Interest income is projected to finish up 140%, building permits up 23% and engineering fees is up 650% due to large developments happening in the Village. For 2025, the General Fund will contribute over \$9.9 million towards the \$41.1 million of total capital needs in FY 2025. Fire apparatus replacement, stormwater projects, street revitalization, sidewalk improvements and police vehicle replacements are being discussed and moving forward.

Expenses for 2025 total approximately \$8.2 million, an increase of 3.6%. A total property tax levy increase of 2.1% is included in this year's budget. Employee cost of living increases include 2.25% for police sergeants, 3.5% for the fire union, 3% for Public Works and a merit increase between 0-6% for non-union employees. Personnel changes for 2025 are a FT Community Service Officer (replacing PT administrative service officers) and a FT fleet services mechanic in Public Works.

Eric reviewed capital and infrastructure for 2025 and includes \$7.145 million street program, \$2.5 million for Village Hall site improvements, \$4.175 million for county projects, \$2.750 million for water main replacements, and \$3.950 million in Village Green site improvements.

General Government - Jon Pape provided an overview for the General Government Department. He reviewed 2024 accomplishments, including plans for Fire Station 21 and 22, Village Green, negotiations for a new residential and commercial refuse and recycling contract, agenda management software and new applicant tracking and onboarding system.

For 2025, General Government will manage construction of Fire Station 21 and design of Fire Station 22, overseeing the final planning and construction of new Village Green facility, implementation of the Village's new ERP, and complete the Village website redesign project. The General Government budget has a 6.6% increase overall.

Police Department - Chief Kasia Cawley provided an overview for the Police Department's 2024 accomplishments, including configuration and utilization of the RTIC, peer support, drone program, an incident management assistance team (IMAT), second full time social worker, hired additional CSOs to respond to non-emergency incidents and reconfigured front desk to staff with CSOs, grant for Meridian Barriers to be used for large events and a grant for cameras and license plate readers for the NOW Arena. A community resource center was opened to assist with the immediate needs of the community, trained a new K9 officer and K9 Ajax, amended hiring guidelines to allow CSOs to apply for sworn police officer positions, a new SRO for D15 schools, speed trailer, accident reconstruction officer, and a new financial crimes detective.

Chief Cawley reviewed 2025 highlights and priorities, including amending certain Village ordinances to align with state statutes and utilizing Lexipol to update the Department's policies and procedures. The Police Department budget shows an increase of 4.9% overall.

Fire Department – Chief Alan Wax provided an overview of the Fire Department’s 2024 accomplishments, including new Fire Station 21, placed two new fire engines into service. The Department completed entry-level testing process, and created a firefighter hiring eligibility list and completed the promotional processes for the ranks of Lieutenant and Captain, hired 7 new firefighters and transitioned to a new EMS billing service.

Chief Wax reviewed 2025 highlights and priorities, includes new Station 21 and 22, receiving 2 new ambulances that were ordered in 202, new shift commander vehicle, implementing an injury management program, ISO rating, new candidate eligibility list and contributing to developing the Harper College Fire/Rescue/EMS Training facility. The Fire Department budget has an increase of 3.3% overall.

Public Works – Joe Nebel reviewed 2024 accomplishments including replacement of a new Water & Sewer Superintendent, Street Superintendent, and 8 maintenance positions, revised the safety policies, expanded the sidewalk replacement program, rehabilitation of the Village Hall elevator and new in-house up-fitting of 16 police vehicles, and prepared 10 Public Works vehicles, 2 Department of Development Services vehicles, 3 Fire admin vehicles and 2 fire engines. There were a total of 575 silver maple removals and 300 replacement plantings, storm/tornado response and cleanup and a 50% increase in tree trimming. Snowfall was below average in 2024 and 3400 tons of salt was used. Trustee Pilafas requested a map of the remoter weather stations that monitor pavement/weather conditions.

Joe Nebel provided 2025 highlights and priorities which include implementation and optimization of Categraph-OpenGov, work with the newly hired GIS Manager and collaborating in cross-departmental infrastructure teams. The Public Works budget has an increase of 7.1% overall. A total of \$50,000 will be added for an electrician.

Motion by Trustee Arnet, seconded by Trustee Kinnane, to take a 10-minute break at 7:05 pm. Voice vote taken. All ayes. Motion carried.

The Special Finance Committee was called back to order at 7:15 p.m. A quorum was present.

Development Services - Pete Gugliotta provided an overview for the Development Services Department. They include recruitment and onboarding of 10+ staff positions, cross-functional infrastructure teams between Engineering and Public Works, managed bids for 7 separate contracts, including the data center, Bell works and performance bond issues, as well as the Hoffman In Motion Plan, and the zoning code. The Department expanded the business retention and Expansion to include more contacts than any prior year.

The Department’s 2025 highlights and priorities include completing the Hoffman in Motion Mobility Plan, a new visithoffman.com website and expanding Economic Development efforts. The Department of Development Services budget has an increase of 11.4% overall.

Health & Human Services - Monica Saavedra provided an overview for the Health & Human Services Department, which include a dementia friendly community initiative, expansion of older adult services, therapy dog program, employee wellness and mental health benefits acceptance.

The Department's 2025 highlights and priorities include expanding the dementia friendly community initiative, grant for Building Healthy Communities, expanding the therapy dog program, accepting mental health benefits and expanding emergency assistance services through the grant and self-help fund. The Department's budget has an increase of 10.4% overall.

Information Technology - Darek Raszka provided an overview of the Information Technology Department. The Department's 2024 accomplishments include network switches and infrastructure implementation, new EDR deployment, zoom telephone system migration, police real time information center, and Axon camera system at the Police Department. They also include village-wide training, backup and disaster recovery redesign and security posture enhancements.

The Department's 2025 highlights and priorities include security enhancements, village wide training, continuation of CCTV project, Police Department real time information center, firewall replacements at Village Hall and NOW Arena and the ERP system implementation. The Department's budget has an increase of 20.5% mainly due to the ERP.

NOW Arena - Ben Gibbs provided an overview for the NOW Arena. There was a forecasted \$3.679 million in event income, which was a new arena record, sellouts for multiple events, Levy Restaurants achieved record sales of \$4.292 million, the Hideaway Brew Garn generated nearly \$1.2 million, Windy City Bulls season experienced record attendance, the Cirque returned this year, and the Arena is on pace to sell the 2nd highest number of tickets, surpassing the 2023 record.

The highlights for the NOW Arena for 2025 include securing USA gymnastics core hydration classic for 2025 and 2027, return of AEW all out pay-per-view, return of Cirque for 2026, USA Volleyball and supporting the marketing efforts of the Windy City Bulls.

Boards & Commissions - Eric Palm provided an overview of the Boards and Commissions Department. There is a 1% increase in total Boards & Commissions for 2025.

Groot Update - Eric provided an update on the Groot contract. Residential contract terms include an annual 3.5% increase, providing unlimited landscape pickup, with organic composting. Cost will increase due to annual increase, landscape changes and insufficient reserves in the municipal waste system account. Proposal includes General Fund subsidy and an annual 5% increase to residential rates to achieve a "break-even" status after six years. Commercial contract terms include 6% increase in year 1 and 3.5% thereafter. The Committee reviewed 3 scenarios and agreed upon scenario #3.

Budget Additions – Add a Groot subsidy of \$420,000, \$10,000 for summer concert, \$60,000 for leadership training cohort and \$10,000 for senior lunches due having to move the lunches in 2025 to offsite locations due to parking lot repairs.

Changes to the budget include approval of the water and sewer service rate, the stormwater service rate, Groot contract effective May 1, 2025, grocery state tax elimination effective January 1, 2026.

B. Request approval of the FY2025-FY2029 Capital Improvements Program as recommended by the Capital Improvements Board.

Motion by Trustee Stanton, seconded by Trustee Kinnane to approve the FY 2025-2029 Capital Improvements Program as recommended by the Capital Improvements Board. Voice vote taken. All ayes. Motion carried.

C. Direct staff to publish the Notice of Availability of Budget and Public Hearing on the FY2025 Proposed Budget. With Committee's concurrence, the Public Hearing will be scheduled for Monday, December 2, 2024, at 6:55 p.m. in the Council Chambers prior to the Village Board Meeting. Notice of this public hearing will be given at least one week prior to the hearing.

Motion by Trustee Arnet, seconded by Trustee Stanton, to direct staff to publish the Notice of Availability of Budget and Public Hearing on the FY2025 Proposed Budget and schedule the Public Hearing for Monday, December 2, 2024 at 6:55 p.m. in the Council Chambers prior to Village Board meeting. Voice vote taken. All ayes. Motion carried.

D. Direct staff to draft the Tax Levy and Tax Abatement Ordinances, which will appear on the December 2, 2024 Village Board Agenda.

Motion by Trustee Mills, seconded by Trustee Kinnane, to direct staff to draft the Tax Levy and Tax Abatement Ordinances, which will appear on the December 2, 2024 Village Board Agenda. Voice vote taken. All ayes. Motion carried.

4. ADJOURNMENT

Motion by Trustee Arnet, seconded by Trustee Kinnane, to adjourn the meeting at 8:30 p.m. Voice vote taken. All ayes. Motion carried.

Minutes submitted by:

Debbie Schoop, Executive Assistant

Date