

Winnetka Village Council
STUDY SESSION
Village Hall
510 Green Bay Road
Tuesday, January 8, 2013
7:30 p.m.

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AGENDA

- 1) Call to Order
- 2) Stormwater Utility Feasibility Study Workshop #1.....2
- 3) 2013 Budget Schedule – Strategic Items and Input
 - a) Business Community Development Commission Update6
 - b) Proposed Budget Schedule and Major Budget Initiatives15
- 4) Public Comment
- 5) Executive Session
- 6) Adjournment

NOTICE

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Agenda Report

Subject: Stormwater Utility Feasibility Study – Workshop #1

Prepared By: Steven M. Saunders, Director of Public Works/Village Engineer

Date: January 3, 2013

In the aftermath of the floods of 2008 and 2011, the Village has undertaken drainage studies to evaluate possible flood risk reduction improvements in 14 different drainage areas. The identified improvements would provide increased flood protection to the most susceptible areas of the Village against rain events up to a 100-year, 1% chance storm.

The Village Council has moved forward with engineering on some of the identified improvements, and has moved forward with planning on the most significant improvement, the Willow Road Stormwater Tunnel. Other improvements may also be considered in the future. The Stormwater improvement program can broadly be considered as follows:

**VILLAGE OF WINNETKA STORMWATER IMPROVEMENTS
SUMMARY OF ALL ONGOING, PLANNED, AND POSSIBLE FUTURE IMPROVEMENTS**

Estimate of Probable Cost by Project/Study Area

Project Description	Project Awarded or In Progress (Years 1-2)	Planned Improvements (Years 2-5)	Future Improvements (Years 5-10+)	
<u>Spruce Street Outlet Area Improvements</u>				
Tower Road/Foxdale Area	\$ 1,162,853			
Lloyd Park Outlet	\$ 398,786			
<u>Northwest Winnetka Improvements</u>				
Tower Road/Greenwood Area	\$ 3,581,924			
Forest Glen Extension	\$ 685,000			
<u>Winnetka Avenue Pump Station</u>	\$ 750,000			
<u>Master Plan and Rate Study</u>				
Stormwater Master Plan	\$ 101,220			
Utility Feasibility Study	\$ 72,100			
<u>Willow Road Stormwater Tunnel Improvements</u>				
North Willow, South Willow, & Provident		\$ 27,969,048		
Cherry Street Outlet Area		\$ 2,000,000		
Winnetka Underpass Area		\$ 4,400,000		
Area F (west of Hibbard Road)			*** (Currently under study by CBBEL)	
<u>B&W Additional Drainage Areas</u> (Reviewed by Council but not yet approved)				
Area A (Pine Tree/Asbury Area)			\$ 500,000	
Area C (Hubbard Woods Area)			\$ 1,700,000	
Area E (Boal/Heather/Hickory/Sumac Area)			\$ 900,000	
Area G (Tower to Pine Area)			\$ 2,000,000	
Area N (Appletree/Broadmeadow Area)			\$ 130,000	
Area O (West Elm/Green Bay Area)			\$ 1,800,000	
TOTALS	\$ 6,751,883	\$ 34,369,048	\$ 7,030,000	\$ 48,150,931

As part of determining how to implement necessary flood risk reduction improvements, the Village has engaged the services of Municipal Financial Services Group (MFSG) to evaluate financing options and methods for the improvements, including evaluating the feasibility of funding improvements via a Stormwater Utility. MFSG's scope of work includes four workshops with the Village Council and public to evaluate and discuss various aspects of stormwater financing, including the proposed topics: 1) Stormwater Funding Mechanisms, 2) Level of Service, 3) Rate/Fee Analysis, and 4) Implementation.

At the November 2012 Study Session, the Council held a primer on various aspects of financing stormwater improvements, including technical and legal aspects of bond financing, stormwater utility details, use of reserves, and various rate and fee structures. MFSG's second meeting (Workshop #1) will address the following topics:

"Levels of Service", or elements of a stormwater program. There are several elements of a complete stormwater management program, including:

1. Ongoing operating and maintenance expenses, such as cleaning, inspection, management, and repairs;
2. Capital Improvements. In the case of the Village, capital improvements can be thought of as those improvements that are either underway or planned, and those improvements that may be considered in the future;
3. Long-term planning and funding for replacement of the Village's existing stormwater infrastructure, and;
4. Possibly replenishing, over a period of time, the approximately \$6.8 million in General Fund Reserves that are being committed to the initial set of planned capital improvements. Potential replenishment of these reserves is one way to address the issue of intergenerational equity, in which prior taxpayer have over the years contributed funding for improvements that benefit current and future taxpayers.

Level of Service Scenarios. MFSG has developed several scenarios based on differing combinations of stormwater program elements. These scenarios are not intended to represent final recommendations, but rather are illustrative of the level of funding required to include certain plan elements. These scenarios are as follows:

1. Full Program. The full program of activities includes all of the possible identified components of a stormwater management program:
 - a. Operation and maintenance activities;
 - b. Planned Capital Improvements (northeast and northwest Winnetka, Tunnel project);
 - c. Possible Future Capital Improvements (6 additional drainage areas);
 - d. Asset Replacement (long-term planned replacement of existing storm sewers); and
 - e. General Fund Reserve replenishment.
2. Phased Program. The phased program includes the following activities:

- a. Operation and maintenance activities;
 - b. Planned Capital Improvements (northeast and northwest Winnetka, Tunnel project);
 - c. Possible Future Capital Improvements (6 additional drainage areas);
3. Base Program. The base program only includes operating and maintenance activities, and planned capital improvements.

The three scenarios capture key program elements the Village has identified and discussed. While some improvements are already underway, MFSG's modeling still allows the Council to continue to study the identified improvements, their priority level, and the level of protection to be provided. Scenario-based analysis, however, is critical to understanding short and long-term cost implications, as also related to the funding methods.

Funding Options. MFSG has constructed a financial model that identifies and reflects costs associated with each of the elements of a stormwater management program. They have also developed a preliminary simplified rate method, based on the level of impervious surface on a property, to begin to evaluate the magnitude of possible stormwater fees. This information was used for a preliminary comparison of the impact of stormwater fees with incremental property tax increases.

Using this approach, MFSG has developed several funding alternatives.

1. Alternative #1 – Stormwater Fee. This approach assumes that all of the stormwater related expenses will be funded via a stormwater fee.
2. Alternative #2 – General Fund. This approach assumes that all of the stormwater related expenses will be funded via General Fund property tax revenues.
3. Alternative #3 – Combination. This approach assumes that the capital projects would be paid for via a stormwater fee, and the operating and maintenance would be funded via the General Fund.

MFSG will be presenting this information at the January 8, 2013 Study Session. In order to continue to advance their financing study, MFSG will be seeking policy guidance from the Village Council on the following questions:

1. Does the Council wish to consider re-funding the General Fund reserve in the near term?
2. Does the Council wish to continue funding stormwater operations and maintenance from the General Fund, or should some or all of the operations and maintenance be funded through a stormwater utility?
3. Is full funding from property taxes (Alternative #2) something the Council wishes to continue to consider?

A working draft of MFSG's PowerPoint presentation is included in the Village Council's packet, to help prepare for the discussion. It is important to note that though Staff has

worked closely with MFSG to provide budget numbers and improvement costs for utility modeling, the dollar figures presented are still estimates. MFSG has also made assumptions in the models that can be revised moving forward to understand potential cost implications of various policy decisions.

Following the January 8 meeting, MFSG will begin to assess property tax and rate methodologies to determine the likely rate and property tax impacts on individual properties. The fee and tax implications for individual properties vary not only with the program elements, but also with the rate structure selected for the utility. Workshop #2, scheduled for February 12, 2013, will explore rate methodologies and individual property impacts using the scenarios discussed during Workshop #1.

Recommendation:

Provide policy direction.

AGENDA REPORT

TO: Village Council

FROM: Robert M. Bahan, Village Manager

DATE: January 4, 2013

SUBJECT: **Business Community Development Commission Update**

Business Community Development Commission (BCDC) Chair, Jason Harris, will be updating the Village Council on the Commission's recent strategic planning and business engagement activities. A working draft of the Strategic Framework, as well as the BCDC's Statement of Purpose, is included here for reference.

Recommendation: For information purposes.

BCDC Strategic Framework

Respectfully submitted to the Village Council
Village of Winnetka, IL

Work in Process

January 4, 2013

A few notes

- Thank you for the opportunity to present our findings
- The BCDC has studied various opportunities for Business Development throughout 2012, most notably “Listen and Learn” sessions in our four major business districts: Hubbard Woods, East Elm, West Elm, and Indian Hill
- This Strategic Framework is a “*Work in Process*,” one that is open for dialogue and aligned with the forthcoming ULI Study

Sincerely,

The Members of the BCDC

BCDC Membership

- Jason Harris, Chair
- Terry Dason
- Paul Dunn
- Tom Eilers
- Richard Kates, Village Council Liaison
- Mike Leonard
- Patrick O'Neil
- Mike D'Onofrio, Village Staff Representative
- Peggy Swartchild
- LoriAnne Weaver, Village Staff Administrative Support

Ideas that we have considered, based on input from the Winnetka Community. On the North/South Axis, easy to accomplish to hard to accomplish. On the East/West Axis, from today to 18 months from now. (Note: Full report available upon request)

F. Hanging Baskets

Short-Term Implementation

E. Hubbard Woods Park

W. Winnetka restaurant association

X. Public relations or communications plan

Y. Marketing Packet-calendar

Z. Community-wide business development

G. BCDC Website

H. Stakeholder Inputs & engagement

I. Exit Interviews for Businesses

A. Welcome to Winnetka

B. How to get Permit

J. Public Relations
N. Store awareness

O. Farmer's Market

C. Kiosk (ice rink)

K. Bike racks

P. Updated Business to Business Shop Talk

S. Storefronts
M. Events

Hard to Implement

AA. Strategic Planning
AB. Looking @ Post Office
AC. Looking @ policies

R. Post Office

AD. Parking

D. Way finding

V. Village Incentives

L. Infrastructure

U. Policy

Q. Branding Winnetka

T. Parking

Long-Term Implementation

Easy to Implement

Strategic Themes

- Business Support
- Communications
- Associations / Events
- Branding / Physical Appearance
- Village Regulations / Policies
- Innovations

Strategic Framework

Theme	Focus Areas	Tactics
Business Support	Starting / Attract business Business Retention	<ul style="list-style-type: none"> •“How to permit “ document •Welcome Wagon package •BCDC Coffees •Exit Interviews •Study Business Development Department / Need for Business Development Headcount
Communications	Business to Business Community Relations	<ul style="list-style-type: none"> •B2B Newsletter •BCDC Website •PR Plan •Sister City Program
Associations / Events	Seasonal Programming	<ul style="list-style-type: none"> •Annual Calendar •Coordination with other Village Boards / Chamber •HW, EE, WE, IH Associations •Restaurant Association
Branding / Physical Appearance	Beautification Signage Village Strategic Planning	<ul style="list-style-type: none"> •Floral Program •Participation in ULI Study •Graphic review of Logo •Develop Wayfinding System •Business District Improvement / Revitalization, Community Repair
Village Regulations / Policies	Village Council engagement	<ul style="list-style-type: none"> •Study / Advocate BCDC POV as appropriate, such as: Business Overlay, Infrastructure, Parking, Outdoor seating
Innovations	Large Impact Opportunities Community Differentiation	<ul style="list-style-type: none"> •Special programming •Post Office Planning •Community Investment Fund •Wifi across entire community

First Half 2013	Second Half 2013	2014 - Beyond
<p>Theme: Building a Foundation</p> <ul style="list-style-type: none"> •Business Support •Communications •Associations / Events 	<p>Theme: Taking Action</p> <ul style="list-style-type: none"> •Branding / Physical Appearance •Village Regulations / Policies 	<p>Theme: Transformation</p> <ul style="list-style-type: none"> •Innovation
<p>Quick Wins:</p> <ul style="list-style-type: none"> •Study Business Development Dept. / •Need for Business Development Headcount •Author “How to permit “ document •Welcome Wagon package •BCDC Coffees •Conduct / Study Exit Interviews •HW, EE, WE, IH Associations •Annual Calendar •Special programming •Participation in ULI Study/ BCDC Comment 	<p>Quick Wins:</p> <ul style="list-style-type: none"> •B2B Newsletter •Special programming •Public Space Utilization in the Village, ie Hubbard Woods Train Station Renovation •Study / Advocate BCDC POV as appropriate, such as: Business Overlay, Infrastructure, Parking, Outdoor seating, Fire Requirements •Participate in the Caucus Process for 2014 	<p>Quick Wins:</p> <ul style="list-style-type: none"> •Sister City Program •Business District Improvement / Revitalization, Community Repair •Special programming Execution TBD
<p>Longer Term Vision:</p> <ul style="list-style-type: none"> •BCDC Website •Floral Program •Restaurant Association 	<p>Longer Term Vision:</p> <ul style="list-style-type: none"> •PR Plan •Review of Winnetka Logo •Develop Wayfinding System 	<p>Longer Term Vision:</p> <ul style="list-style-type: none"> •Post Office Planning (5-7 Year, with specific “sunset” plan design) •Community Investment Fund •Potential TIF Program / District •Wifi across entire community •Physical “connection” between East / West Elm, over train tracks
<p>Dependencies:</p> <ul style="list-style-type: none"> •Village Council Review, Support, budget •Merchant, Landlord participation •Community Involvement 	<p>Dependencies:</p> <ul style="list-style-type: none"> •Collaboration with other Village Boards, Staff •Process 	<p>Dependencies:</p> <ul style="list-style-type: none"> •Trust, Credibility of BCDC
<p>Budget Request:</p> <ul style="list-style-type: none"> •\$50,000 •To begin work in the following areas: <ul style="list-style-type: none"> •Floral Program 2013 •Website •Special Programming 	<p>Budget Request:</p> <ul style="list-style-type: none"> •\$75,000 •To begin work in the following areas: <ul style="list-style-type: none"> •PR Plan for Winnetka •Branding, Wayfinding 	<p>Budget Request:</p> <ul style="list-style-type: none"> •TBD

Business Community Development Commission - Statement of Purpose - Village of Winnetka

Mission: *Promote a strong community identity by actively maintaining a healthy, vibrant, and attractive business climate to enhance village life, amenities, and revenue base so that it attracts both residents and non-residents, thereby serving the greater market area.*

Community: The Village of Winnetka is an exceptional place to live, work, and raise a family. Its small-town spirit, charm and traditions make it one of the most delightful, congenial, and dynamic Villages along Chicago's North Shore on Lake Michigan.

With tree-lined streets, sandy beaches, renowned schools, outstanding parks, quality recreational facilities, a centralized Community House, local non-profit organizations, houses of worship, and four business districts – Hubbard Woods, West Elm, East Elm, Indian Hill – Winnetka is truly a “beautiful land” – as its name suggests.

Objectives: (from 2020 Comprehensive Plan)

- Maintain the essential quality, viability and attractiveness of Winnetka's business districts while encouraging new economic development consistent with the character of the Village and the individual business districts.
- Encourage Village residents to patronize Village businesses.
- Encourage cooperation and effective organization between private and public resources to keep Winnetka's business districts vital.
- Enhance communication and cooperation between the Village and the business community.

Values and Goals:

1. Promote centralized “gathering places” to be the “hearts” of Winnetka.
2. Create ambiance with streetscape elements, art, landscaping, architecture.
3. Advocate for adequate parking.
4. Advocate infrastructure upgrades.
5. Identify specific sites for redevelopment potential.
6. Support an appropriate market mix.
7. Foster working relationships with the community, i.e.
 - a. Village government
 - b. Commercial property owners
 - c. Chamber of Commerce
 - d. Business owners
 - e. Private associations (not-for-profits)
 - f. Residents

Strategies:

1. Develop and maintain a comprehensive database listing of Winnetka businesses (retail, professional, not-for-profit, home-based)
2. Establish strong communication and market efforts to support ongoing business activities
 - a. Open forums focusing on such topics as: revenue, services, parking, zoning
 - b. Media such as website, kiosk panel, Winnetka Report
3. Conduct business surveys to collect data on retention, needs, potential for community events, activities, promotions
4. Attract and retain a diverse business population
 - a. Facilitate intergovernmental relationships to support new businesses
 - i. Provide guidelines booklet, “How to Establish A Business in Winnetka” including an explanation of the permit process
 - ii. Dialogue with landlords/property owners
 - b. Research
 - i. Funding sources, such as self funding; public/private co-operative projects; foundation; TIF; Special taxing districts; Sales Tax Incentives; Illinois Historical Preservation Association (“Main Street” and tax incentives); Urban Land Institute; and Home Rule
 - ii. Competition from nearby communities (leakage)
 - iii. Train/public transportation support for potential partnerships
 - iv. Potential tax incentives to attract new businesses
 - c. Develop marketing materials (brochures, DVD, website) to provide
 - i. Full demographics
 - ii. Street and aerial map identifying transportation, parking, major retailers
 - iii. Village information focusing on community life (schools, churches, park districts, community house, library, not-for-profits)
 - iv. Available commercial properties

To: Robert Bahan, Village Manager
From: Ed McKee, Finance Director
Date: January 2, 2013
Re: Budget Schedule and Major Budget Initiatives

Budget Schedule

The current budget schedule is similar to that used in previous years. For the budget that starts April 1, 2013, the Council meeting schedule is as follows:

- 1st Meeting – Wednesday, February 6, 2013
- 2nd Meeting – Tuesday, February 12, 2013 (following the Study Session)
- 3rd Meeting – Wednesday, February 13, 2013
- 4th Meeting – Wednesday, February 20, 2013

As required by State Statute, after the budget review meetings, the Village will need to hold a public hearing on the budget. Then follows the introduction of the resolutions and ordinances needed to implement the budget, tentatively scheduled for the March 5th Council Meeting. The final step is to adopt the budget and approve the resolutions and ordinances to implement the budget, which is scheduled for the March 19th Council Meeting.

With the adoption of a calendar fiscal year effective January 1, 2014, the schedule of budget activities will need to move up three to four months. Therefore, while the Village Staff started devoting a fair amount of effort to the budget in October 2012 (6 months prior to the start of the April 1 fiscal year), the staff will begin working on the 2014 budget in June 2013.

The most notable benefit of the change to a calendar fiscal year is that the Council and Staff will be working on both the budget and property tax levy at the same time—allowing for a more direct linkage between the budget and the property tax levy.

On the following page is a chart summarizing the significant budget activities and the changes in schedule that we will experience in moving from an April 1 to January 1 fiscal year.

Current 4/1 Fiscal Year	Tasks Performed	Proposed Calendar Fiscal Year
April 1st	New fiscal year starts New utility rates and other budget changes are effective	January 1st
May June July August		February March April May
September	The budget schedule is issued by the Finance Department	June
October	Six month financial results reviewed by the Village Council Budget survey issued to the Council to identify budget requests Staff preparation of the proposed budget commences	July
November*	Budget meeting dates are confirmed with the Council	August
December	Draft budget amounts firmed up	September
January	Draft budget document generated and budget meetings start	October
February	The budget is reviewed by the Council and changes are incorporated Public Hearing on the budget Introduction of rate and fee resolutions	November*
March	Approval of the budget Approval of rate and fee resolutions	December

* The property tax levy is introduced in November and adopted at the first meeting in December.

Major Budget Initiatives

The draft April 1, 2013 budget that will be distributed in late January contains several major initiatives that will be the focus of much of the Village’s effort for the next year. These major initiatives are summarized as follows:

- 1) Stormwater Management – The development and implementation of the Village’s Stormwater Master Plan continues, as do the simultaneous, interrelated tasks of evaluating capital improvements, obtaining community input, determining project prioritization, and analyzing how to finance improvements. The internal stormwater team is a cooperative effort between Public Works, Village Management, and Finance and there is a long-term investment of staff resources to date, but also in the future for implementation. The Monthly Stormwater Reports will carry forward communication of key project updates and budget considerations for identified stormwater improvements. Current stormwater management project components include:

- Spruce Outlet- Tower and Lloyd
 - Winnetka Avenue Pump Station
 - Northwest Winnetka- Greenwood and Forest Glen
 - Willow Road Tunnel
 - Stormwater Master Plan
 - Stormwater Utility Feasibility Study
 - Possible Additional Drainage Areas
 - Sanitary Sewer Evaluation
 - Public Outreach
- 2) New Financial Software – On December 4, 2012 the Village Council authorized the Village Manager to enter into a contract with New World Systems for the purchase of new financial software and associated hardware. Since the current software was installed in 1986, changing software products will require additional efforts from all departments as the Village seeks to implement modern software and redesign our operations to take advantage of best practices in the municipal field. We anticipate this will be a two-year implementation process, with the first milestone completion scheduled for January, 2013. The most significant workload impacts will be on Finance and Utility Billing, but it will also involve many changes for our payroll and human resource functions. The New World Software purchase also involved a new permit and inspection tracking software module for Community Development.
- 3) Urban Land Institute – At its August 7, 2012 meeting, the Village Council authorized an agreement with the Urban Land Institute (ULI), to conduct two Technical Assistance Panels (TAP). The TAP process is intended to be the first step in a two-step planning process to assist the Village in articulating a long-term vision for Winnetka’s three business districts. ULI will be gathering data and hosting very inclusive community-based stakeholder feedback sessions. The first TAP will take place in late February, 2013, followed by a second one in early April, 2013. Throughout, staff will be aiding ULI teams and anticipate a final report in June, 2013. This will be well-timed to follow through on selected recommendations by budgeting for them to commence January 1, 2014.
- 4) Change in Fiscal Year – the change to a calendar fiscal year will compress work schedules throughout the organization, especially in the Finance Department. The finance department will be involved in three major finance specific projects (audit, budget, and financial software change) while simultaneously evaluating a stormwater utility charge and financing options.

While a number of these major budget initiatives have been funded in previous fiscal year cycles, they will have funding and operational impact in future years as well. Under Council direction, these items also take priority in terms of staff time and resources. This is by no means an inclusive list of projects underway, as the Council has approved and implementation has commenced on a number of other items, including: ongoing sanitary sewer lining, the Northfield Substation project, developing a new Village website, implementing an administrative hearing process, implementing new SCADA software, and completing the Tower Road Tank Farm removal, to name a few. Also, before beginning departmental budget presentations, Staff wants to insure the budget continues to represent the Village Council’s priorities for the coming fiscal year. Such priorities will not only be a focal point for the April 1 budget, but will be discussed again in August, 2013.

Recommendation:

This is an informational report for Council's consideration, especially as related to any items with potential budgetary impact for the April 1 fiscal year.