

**MINUTES**  
**FY 2011-12 BUDGET WORKSHOP**  
**Monday, March 14, 2011**

**CALL TO ORDER**

Mayor Gary Grasso called the meeting to order at 7:30 p.m.

**ROLL CALL**

Present: Mayor Gary Grasso and Trustees Bob Sodikoff, Al Paveza, Maureen Wott, Dave Allen and Bob Grela

Absent: Trustee Dwight DeClouette

Also Present: Village Administrator Steve Stricker, Assistant to the Administrator Lisa Scheiner, Village Clerk Karen Thomas, Finance Director Jerry Sapp, Police Chief John Madden and Public Works Director/Village Engineer Paul May, Candidate Kim Wenkus, Candidate John Manieri and Candidate Len Ruzak

**FY 11-12 BUDGET HIGHLIGHTS**

Village Administrator Steve Stricker indicated that the Budget is broken out into six sections this year, including a new Introduction section that includes an explanation of the budget process, the Vision Statement and other information, along with the Budget Message. He also indicated that there is a new Section 5 that includes statistical information about the Village.

Administrator Stricker walked the Village Board through his Budget Message, which includes highlights of the FY 11-12 Budget. He stated that the FY 11-12 Budget, including transfers, amounts to \$16,188,245, which is \$809,200 or 4.8% less than the FY 10-11 Budget of \$16,998,445. He indicated that the General Fund Budget is balanced, but is extremely tight, with revenues coming in 1.4% lower than budgeted in the previous year. Administrator Stricker outlined Capital Improvement projects in the amount of \$2,384,900, including \$347,800 for the 2011 Road Program, \$125,000 for Village Hall renovation, which will take place over four years at a total cost of \$500,000, \$413,000 for the Village's costs associated with a traffic light at North Frontage Road and Madison Street, and \$300,000 for the design and engineering for the County Line Road bridge over I-55. In addition, he indicated that the Sidewalk/Pathway Fund will include \$159,000 in new projects, the Water Fund will include \$130,000 for Meadowbrook Place and \$35,000 for updating the SCADA system.

Administrator Stricker indicated that the Information Technology Fund includes \$138,000 for Capital expenditures, including \$100,000 for a financial system

upgrade, \$35,000 for cable TV broadcast equipment upgrade and \$3,000 for cable TV broadcast equipment relocation.

Administrator Stricker indicated that there would be \$226,000 budgeted this year for Major Equipment Replacement, including \$56,560 for a F250 4 x 4 pickup truck, \$155,000 for a Navistar 4900 2-ton dump truck, and \$14,500 for a Scag Saber Tooth mower.

Administrator Stricker indicated that salary increases for FY 11-12 includes a 3% Merit pool for non-union employees, which includes a 2% COLA adjustment for those at the top of their range and a 2% COLA adjustment, along with Step Increases for all Police union personnel.

Administrator Stricker indicated that health insurance, which was budgeted with an 11% increase, will actually include between a 6.2% and 8.9% increase, which will save the overall budget over \$20,000.

In terms of new Operating Programs, Administrator Stricker listed several new programs, including an Events Planning Video (\$1,000), establishment of a Friend of Burr Ridge Foundation (\$4,625), broadcasting Plan Commission meetings (\$8,625), holiday décor (\$5,000), frame signs to replace A-frames (\$5,000), and aerial lift truck rental (\$1,025). He also indicated that included in the Water Fund budget is the north water tower cleaning in the amount of \$8,000, the north water tower inspection in the amount of \$6,500, and the north water tower gate repair in the amount of \$5,000.

## **FY 11-12 GENERAL FUND BUDGET**

### **Revenues**

Finance Director Jerry Sapp presented the Board with an overview of General Fund Revenues for FY 11-12. He indicated that revenues are projected at \$7,804,470, which is 1.4% less than budgeted in FY 10-11. He indicated that sales tax did not come in as projected in FY 10-11 and the FY 11-12 Budget for sales tax in the amount of \$1,954,460 was 2.9% less than budgeted the previous year. He also indicated that state income tax is projected lower than what was collected in FY 10-11, due to the reduction in the census. Mr. Sapp indicated that building permit revenue has come in better than expected, although not budgeted as much as the estimated actual for FY 10-11, the FY 11-12 Budget will include a 24% increase over what was budgeted in FY 10-11. He indicated that interest income has not generated as much as anticipated and will be reduced to the amount of \$275,400.

Administrator Stricker stated that the sales tax revenues continue to be a concern and that we again did not meet our sales tax projections in FY 10-11. Mayor Grasso asked whether or not the new law passed by the General Assembly regarding Internet sales would help the Village. In response, Administrator Stricker indicated that he was aware of at least one Internet-based business in Burr Ridge, for which more sales tax may be forthcoming. Trustee Grela was surprised to see the building permit revenue up as high as it was and asked if that could be sustained. In response, Administrator Stricker indicated that the amount of revenue received in FY 10-11 was a surprise and that, although the FY 10-11 Budget is shown to be more than what was budgeted the previous year, we did not budget as high as the estimated actual.

Trustee Grela asked if the firm we hired a few years ago to audit utility companies had offered any results. In response, Administrator Stricker stated that this company has been mired in lawsuits with the utility companies and, as yet, has not borne any real fruit.

### **Expenditures**

Administrator Stricker reviewed the Expenditure Budgets for each department. In reviewing the Finance Department Budget, Administrator Stricker indicated to the Board that the current contract with the auditor had expired and asked if they would like to ask for a proposal from the existing auditor or seek proposals from other auditors. After some discussion, it was agreed to seek a proposal from the existing auditor.

In discussing the Public Works Budget, Trustee Grela asked if the Village is in need of an Assistant Village Engineer. In response, Village Engineer Paul May indicated that the Village is holding its own and could continue to live without an Assistant Village Engineer. He stated that projects that require General Fund revenues were done in-house, but that other projects, such as sidewalks, needed the assistance of a contractual engineer.

### **Special Revenue Funds**

Administrator Stricker discussed the highlights of the E-9-1-1 Fund, Motor Fuel Tax Fund and Hotel/Motel Tax Fund with the Village Board. He indicated that, in the E-9-1-1 Fund, \$170,100 is budgeted for the purchase of interoperable radios and that money had been set aside in this fund for this purpose. He also indicated that, due to an increase in the Hotel/Motel Tax from 3% to 4% last year, the Hotel Marketing Budget will increase to \$261,205 in FY 11-12, with the understanding that, in FY 12-13, some of this money will be used for the repayment of debt for the County Line Road at I-55 bridge improvements.

## **Capital Project Funds**

Administrator Stricker provided highlights concerning the Capital Improvements Fund, Sidewalk/Pathway Fund, Equipment Replacement Fund and Stormwater Maintenance Fund. Mayor Grasso indicated to the Board when discussing the Road Program that he had sent a letter to Cook County requesting that they resurface the Northeast Frontage Road. He also indicated that he would be contacting the County to consider the possibility of constructing a major renovation of the Frontage Road in exchange for taking over maintenance responsibility for the road. Administrator Stricker indicated that the FY 11-12 Capital Improvement Budget includes \$347,800 for the FY 11-12 Road Program, \$413,000 for the Village's share of the cost of the Madison Street traffic signal, and \$300,000 for design and engineering for the County Line Road at I-55 bridge improvements. He also indicated that the Village would be using \$132,500 in escrow funds that was provided many years ago by the Walsh Higgins group for a traffic signal at the Madison and North Frontage Road intersection.

## **Debt Service Fund**

Administrator Stricker indicated that the Debt Service Fund includes payment of principle and interest on the water bond issue, the Police facility bond and the installment contract for the County Line Road landscaping project. Trustee Candidate John Manieri asked about the possibility of refinancing the debt on the Police facility, due to low interest rates. In response, Administrator Stricker indicated that the Village already has a very low interest rate of 1.57% and that we would have to wait until the three-year bond issue is mature before we could refinance it. However, he indicated that it may be in the Village's best interest to reissue debt for the Police facility, rather than pay it off all at once, considering that the Village may be making more in interest than it is paying. Mayor Grasso agreed that the Village should look into that at the appropriate time.

## **Enterprise Funds**

Administrator Stricker presented highlights concerning the Water and Sewer Funds. He indicated that the Water Committee had recommended that there be no rate increase for FY 11-12.

## **Information Technology Fund**

Administrator Stricker presented the Board with a review of the highlights of the Information Technology Fund. He indicated that this fund was created a few years ago to account for all technology related expenses. He stated that revenues in this fund come from the General Fund, Water Fund and Sewer Fund.

## **Police Pension Fund**

Administrator Stricker indicated that the Village will spend \$599,350 this year in the Police Pension Fund, which is used to pay benefits for six retirees, one survivor spouse and four disabilities.

## **BUDGET QUESTIONS**

Trustee Dave Allen asked if it is time to look at finding additional revenue sources to help balance the General Fund Budget in future years. In response, Administrator Stricker indicated that there were three new sources of revenue available to the Village, including a Place of Eating Tax (\$150,000), implementing the additional ¼% non-home-rule sales tax (\$275,000-\$300,000) and the reinstatement of vehicle stickers (\$200,000-\$300,000). Mayor Grasso stated that he did not agree that it is time to look at increasing revenues.

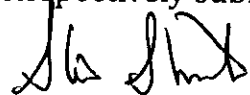
Trustee Sodikoff asked for an accounting of all escrow funds that the Village has on hand that are not shown in the Budget as equity.

There being no further questions, Administrator Stricker indicated that he would finalize the Budget and prepare a public hearing notice for the April 11 Board meeting.

## **ADIJOURNMENT**

There being no further business, a **motion** was made by Trustee Maureen Wott to adjourn the meeting. The motion was **seconded** by Trustee Al Paveza and **approved** by a vote of 5-0. The meeting was adjourned at 9:25 p.m.

Respectively submitted,



Steve Stricker  
Village Administrator

SS:bp