

MINUTES
CONTINUED FY 2012-13 BUDGET WORKSHOP
GOALS & OBJECTIVES
February 13, 2012

CALL TO ORDER

A **motion** was made by Trustee Bob Sodikoff to reopen the Continued Budget Workshop. The motion was **seconded** by Trustee Al Paveza and **approved** by a vote 5-0. The Workshop was reopened at 9:15 p.m.

ROLL CALL

Present: Mayor Gary Grasso and Trustees Bob Sodikoff, Al Paveza, Bob Grela, Len Ruzak and John Manieri

Absent: Trustee Maureen Wott

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

REVIEW OF JANUARY 2012 FINANCIAL REPORTS

Village Administrator Steve Stricker presented the Board with a preliminary overview of the FY 11-12 General Fund through January 2012, which indicated that, although the original budget for FY 11-12 called for a surplus of \$31,765, the projected estimated actual at this time showed a surplus of \$406,745. He stated that revenue estimates are currently exceeding the budget by only a modest 1% (approximately \$80,000). He stated, however, that expenditure estimates are significantly under-budget by approximately \$295,000. He stated that revenue trends for next fiscal year show a relatively flat to modest growth. He stated that the reason for the slight increase in revenues was due to improvement in sales tax to offset decreases in utility taxes, building permits, Village fines and court fees. He stated that the reason for the lower-than-anticipated expenditure budget included approximately \$20,000 less than anticipated in legal fees, \$63,000 less in lower building and zoning costs, a reduction due to the resignation of a part-time employee who was not replaced, approximately \$29,000 due to lower-than-expected liability insurance costs, \$87,000 savings due to the postponement of hiring a new Police Officer and \$81,000 in the Public Works Department due to the conversion of one full-time General Utility Worker to two part-time employees, as well as lower salt and overtime costs. Finally, he stated that the Building and Grounds budget had saved \$13,000 due to a reduction in certain contractual services. He stated that these numbers are preliminary, but stated that he was confident that the FY 11-12 Budget would be balanced at the end of the fiscal year, with a substantial surplus.

PLACE-OF-EATING TAX

Administrator Stricker stated that top priorities for strategic goals in Fiscal Years 2011-2013 are the implementation of a 1% place-of-eating tax and the creation of a restaurant association. He stated that the place-of-eating tax could generate approximately \$200,000 in additional revenues and suggested that \$50,000, or 25%, of the total revenues be provided back to the restaurants. He stated that it is his recommendation that the Ordinance imposing the place-of-eating tax be placed on the February 27 Board meeting agenda, to become effective on May 1, 2012.

Mayor Gary Grasso stated that he was in agreement with the plan, but would like to see the Village give back 33% to the restaurants. In response, Trustee John Manieri stated that he was also in favor of the proposed plan, but would like to see the Village give 25% back. Trustee Len Ruzak questioned whether or not the Village is in a current slight advantage over other surrounding communities and if we would give up that advantage if we impose the tax.

After some discussion, a **motion** was made by Trustee John Manieri to direct Staff to place the Place-of-Eating Tax Ordinance on an upcoming Board meeting agenda. The motion was **seconded** by Trustee Bob Sodikoff and **approved** by a vote of 5-0.

REFINANCING OF POLICE FACILITY BONDS

Finance Director Jerry Sapp presented the Board with a brief overview regarding refinancing the Police facility bonds. He stated that the principle for the Police Station in the amount of \$5,885,000 becomes due in December 2012. He stated that our three-year bond issue was originally established with a rate of 1.57% in order to finance the facility. \$2.8 million was transferred from the General Fund (\$800,000) and the Water Fund (\$2,000,000) to pay for the interest on the Police Station debt. It is anticipated that the \$2.8 million, plus the sale of land, will retire the principle on this issue. He stated that interest rates are still at an all-time historic low and it is his recommendation that the Village refinance the issue for another five years, using the \$2.8 million dollars to continue to pay for the interest on the debt. He stated that it is advantageous to carry the interest cost because the interest rate on a five-year debt is estimated at 1.4% and our interest rate earnings range between 3%-4%. He stated that, at 1.4% interest, our annual interest costs would be reduced from \$86,068 to \$84,490. He stated that, with the refinancing, all the remaining interest and refinancing costs could be rolled up into the new principle as follows:

ORIGINAL PRINCIPLE	REMAINING INTEREST COST	REFINANCING COSTS	ESTIMATED NEW PRINCIPLE
\$5,885,000	\$45,000	\$105,000	\$6,035,000

Mr. Sapp stated that this recommendation is based on the advice of our financial advisor, Dan Forbes, at Speer Financial. He stated that Mr. Forbes is recommending that we begin the refinancing in the spring, in order to take advantage of the low interest rates.

Trustee Manieri concurred with the Finance Director's recommendation to refinance the project sooner rather than later, but suggested that we also look at the cost for a 10-year bond.

STATUS OF GOALS AND OBJECTIVES FOR FY 11-12

Administrator Stricker presented the Board with a brief overview of the accomplishments in the FY 11-12 Budget. He stated that the Meadowbrook Place water main extension in the amount of \$150,000 has been deferred once again, due to the fact that the development did not occur. He also stated that the \$8,625 that was budgeted for the broadcasting of the Plan Commission meetings was not spent, but would be re-budgeted in the next fiscal year, with a Board decision to occur before any dollars are spent on this matter.

PROPOSED GOALS AND OBJECTIVES FOR FY 12-13

Administrator Stricker presented the Board with a brief overview of the Goals and Objectives that will be found in the FY 12-13 Budget. He stated that the original plan to replace the roof in FY 12-13 in the amount of \$100,000 has been deferred for a year. He stated that this year the Village will be replacing three vehicles, which will increase the Police Department budget.

Administrator Stricker recommended that the Village purchase three emergency generators to be stored at the Public Works Department and to be provided during power outages to residents who have physical impairments and who may need electricity to run medical equipment. After some discussion, the consensus of the Board was to not budget for this expenditure.

Administrator Stricker stated that the cost for EAB treatment will increase significantly in FY 12-13, due to the fact that we have found other areas of infestation in the southern part of the Village. He stated that a report will be presented by the Public Works Department regarding this matter.

Administrator Stricker asked the Board if it wished to add an additional \$10,000 for emergency brush chipping. In response, the Village Board agreed to increase the emergency brush chipping program by \$10,000.

Administrator Stricker stated that the Events Planning Committee is requesting several improvements needed for the Concert Series, including a new tent, concert sound enhancements, as well as lighting enhancements. Assistant to the Administrator Lisa Scheiner updated the Board regarding these improvements. Administrator Stricker suggested that the Village may want to rent the sound equipment for a year before deciding whether or not to purchase it. In response, Mayor Grasso stated that it would be cheaper in the long run to simply purchase it now.

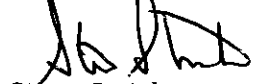
Administrator Stricker also mentioned that he planned to place an additional \$6,150 in the budget for the cost to print and mail the March, September and January newsletters.

In terms of personnel costs, Administrator Stricker stated that the Water Committee recommended the hiring of two part-time meter readers, in lieu of utilizing DuPage County to read water meters. He stated that Staff is planning to meeting with DuPage County officials again regarding this matter later that week to attempt to resolve the issue. He stated that the part-time receptionist position that was not refilled when the person in that position was laid off in January 2010 should be filled. Finally, he suggested that, if funds are available, he would like to reinstate conference attendance for Department Heads, with the understanding that Department Heads would be allowed to go to a national conference every two years.

ADJOURNMENT

There being no further business, a **motion** was made by Trustee Al Paveza to adjourn the meeting. The motion was **seconded** by Trustee Bob Grela and **approved** by a vote of 5-0. The meeting was adjourned at 9:50 p.m.

Respectively submitted,



Steve Stricker
Village Administrator

SS:bp