

MINUTES
SPECIAL COMMITTEE OF THE WHOLE BUDGET MEETING
Tuesday, November 2, 2010

Present:

Trustee Brandt	Trustee Feldman
Trustee McDonough	Trustee Saltiel
Trustee Servi	Trustee Walder, Jr.
Mayor Blomberg	Village Clerk Mastandrea
Village Manager Irvin	Dep. Village Clerk Marshall
Director of Public Works Hughes	Director of Community Development McNellis
Chief of Police Melvin	Director of Financial Systems Roelker
Village Attorney Simon	Planner Robles
Village Treasurer Curtis	

Location: Village Hall, Community Meeting Room, One Olde Half Day Road, Lincolnshire, Illinois 60069

ROLL CALL

Mayor Blomberg called the meeting to order at 7:02 p.m. and Village Clerk Mastandrea called the Roll.

ITEMS OF GENERAL BUSINESS

Finance & Administration

2.11 Workshop concerning the Fiscal Year 2011 Budget (Village of Lincolnshire)

Staff put together a spreadsheet showing the Professional Service Agreements with the estimated costs, etc. The Village Manager advised that the Village is working with other municipalities to do some joint purchasing together, such as street resurfacing bids, to take advantage of some better pricing. Budget requests from organizations were reviewed. He said we have about an 8% decrease in operating expenses in the General Fund. Capital Improvements is a little bit higher. Staff is recommending an increase in water and sewer rates of about 3% in each.

Trustee Saltiel has concerns about three things: 1) If the Emerald Ash Borer is now in the Village, could the Village put together a program whereby residents who have the Emerald Ash Borer contact a particular company which would give them a reduced rate. We could provide a service to the residents and it would not cost us anything. 2) He received an email from a resident who asked someone to come out and look at a drainage issue. A staff member wrote back to the requester and said we were really not in a position to assess individual residents any more because of staff cutbacks. This message was a bad message to send. He should have said, "We have had a number of cut backs and we may not be able to get to this as quickly as we would like; however, we will schedule this but it might take two or three weeks." 3) He is fully on board with getting rid of our Recreation Program, and SRACLC. However, it really bothers him. He is wondering if there is some other way to do this so the residents pay but get the benefit of our discounted rate by virtue of a Village membership. He asked if once we terminate, is there an initiation fee to get back in? Village Manager Irvin said when we joined he did not think there was an additional fee. Trustee Saltiel asked staff to see if there is another way to make this more palatable. Staff will look into this.

General Fund

- A. Village Manager Irvin said we are being conservative with our revenues. He reviewed them.
- B. General Fund Revenues - Village Manager Irvin reviewed the General Fund taxes and fees as well as grants and other income.
- C. Executive Services - The Employee Incentive Program and the condolence flowers were eliminated. Trustee Servi felt that condolences should not be eliminated. The Board concurred.
- D. Finance - The Budget Award Programs were eliminated.
- E. Legal - The \$14,000 decrease is due to a lesser need for services.
- F. Police - A Police Officer position was vacated and will not be filled. A Telecommunicator position was eliminated in 2010. Equipment Maintenance is increased due to an assessment from the Lake County Radio Network.
- G. Community Development - The vacated Permits Clerk position will not be filled. A \$2,500 membership with the Lake County Convention and Visitors Bureau is included. The Shop and Dine Guide will not be printed in 2011.
- H. Insurance/Common Expenses - An allocation study was performed of all telephone costs,

and due to the circuit costs for telemetry at our water pumping station lift stations, the allocation decreased from 90% to 55% to the General Fund.

The pay phones at the Village Hall, North Park and Spring Lake Park were investigated. Staff was directed to find out the usage of these three phones.

Staff was also directed to look into lower maintenance fees on its black Canon printer and its color Canon printer.

The High Excess Liability Pool (HELP) increase is due to the need to replenish reserves based upon claims activity. Other insurance is estimated at a 3% increase.

- I. Public Works Administration - Some memberships have been relocated to Environmental Services. Some of these agreements may be shared with other municipalities. There was a discussion regarding where the wireless alarm at the Village Hall goes. Staff will look into this. #17 on the list of Professional Service Agreements should be scaled back to \$60,000.00. Director of Public Works Hughes said 50% of the homes are participating. Plowing of the bike paths was discussed. Director of Public Works Hughes said Public Works will plow the bike path along Riverwoods Road.
- J. Public Works - Streets - The Curb Replacement Program and Satellite Weather Center have been eliminated. Snow and Ice Removal - The increase is based on higher salt prices. Director of Public Works Hughes explained how snow plowing is scheduled on snow days and how the paths are plowed.
- K. Public Works - Parks & Grounds - The following expenses have been moved from Recreation: Equipment Maintenance - Spring Lake Beach, \$500; Special Events - LCA 4th of July, \$20,000.00; Taste of Lincolnshire, \$8,000.00; Fireworks, \$18,000.; Maintenance Materials - \$500.00 was split from other costs to reflect items during 4th of July; Professional Development - Lifeguard Training, \$200.00; Uniforms for Lifeguards, \$1,200.00; Minor Equipment - Spring Lake Beach, \$800.00.
- M. Landscape Corridor Maintenance - Natural Area Management has been reduced to \$25,000 and Wildlife Management has been eliminated for 2011. Gypsy Moth Spraying will not be performed and Right-of-Way Tree Pruning will be cut to \$10,000. Trustee Saltiel said we should stay with the \$79,853.00 figure.
- N. Public Works - Buildings - The Facilities Manager's allocation was increased by 25%. Outside Service - The Fire Protection Services exceeds the 2010 cost by \$1,700.00 due to price increases by vendors. Holiday decorations have been eliminated.

- O. Finance - Capital Debt - \$250,000.00 will be transferred to the Water and Sewer Improvement Fund for debt service and capital improvements, and \$125,000.00 for E-911 Fund for operations. There was a discussion regarding reducing the interest penalty. Village Manager Irvin said there are two ways of looking at it, and in either case you save the interest. 1) One way is you pay it off and you save that money, and the \$400.00 that you would have paid for debt services, you don't spend. You say for the next five years I am going to put that money back. 2) The other way is you say I am going to pay it off and save the money and I will use the \$400 to spend, then you don't build the reserves back.

Water and Sewer

- P. Water and Sewer Operating Fund - Overall administrative and operational costs excluding water purchase and sanitary sewer services are \$22,700 higher than the FY 2010 Budget, which is less than one percent. We are estimating a water rate increase of 3% from Highland Park, and a sewer rate increase of 3% from Lake County. Village Manager Irvin recommended reducing the reserve policy to a maximum of 20%.
- Q. Water and Sewer Operating - Administration - Operating Expenses - Telephone - The allocation increased to 45% due to the study of all telephone costs. The circuit to our pumping and lift stations carries a higher percentage of the overall costs.
- R. Water and Sewer Operating - Operations - Operating Expenses - Water Purchase - Sanitary Sewer Charge - Estimate a 3% increase on January 1st.
- S. Water and Sewer Improvement Fund - Connection Fees - Only two single family homes are anticipated for 2011. We will transfer from General Fund \$250,000 to assist with debt service and capital improvements.

Other Funds

- T. MFT Fund - Revenues are based on populations and estimates supplied by the Illinois Municipal League. Expenses - Capital Projects only.
- U. Police Pension Fund - Revenues - Village Manager Irvin said the increase is \$14,000 rather than \$24,000 and the increase in tax levy is equal to 1.37%. Expenses - Business Expense - This number is used to balance the fund for tax levy purposes. Coupled with the decrease in the IMRF, the tax levy projected for 2011 is about 3.6% under. We have had a Senior Citizen Tax Relief Program for over twenty years. If you meet certain income qualifications you can apply for reimbursement on your property tax. For most of the years that reimbursement has been funded out of the General Fund. In the 2010

Budget we made the decision to fund it out of the Fund it came from. We found out that while we have control over the IMRF, we have no control over the Police Pension Fund. Once the fund gets levied it goes to the Police Pension Board and it did not accept that the money be reimbursed to property tax payers. We have twelve applications totaling over \$3,000 for 2010. If we are going to continue the program, we have to fund it all out of the IMRF or out of the General Fund or a combination of the two funds. For 2010, since we had no other choice, we are processing them out of the IMRF Fund. Director of Financial Systems Roelker said this reimbursement is on the Police Pension Board's agenda.

- V. IMRF - Real Estate Tax - Revenues - There's a \$71,500 decrease from 2010, equal to 12.7%. Expenses - The decrease is due to lower payroll from position reductions.
- W. Vehicle Maintenance Fund - Revenues - These are based upon the allocation of costs to the General Fund and Water and Sewer Operating Fund. Expenses - There is no significant change.
- X. TIF Fund - Revenues increase from 2010 actual due to the new condos in Lincolnshire Place, but overall, the assessed value is below from what was predicted for 2011. Expenses - Professional Services - Funds will be used for maintaining the triangle property and assistance with negotiations in redevelopment agreements. Loan Payment - The Land Acquisition loan is the only remaining loan in the TIF District.
- Y. E-911 Fund - Revenues - Land Line Surcharge and Wireless Surcharge - We continue to see some erosion to these revenues. A transfer to the General Fund was increased by \$75,000 to balance the Budget and provide a small reserve. Personal Services - A Telecommunicator position was eliminated in 2010. Operating Expenses - There are no significant changes.
- Z. Park Development Fund - No revenues or expenses are expected for this fund. The fund balance is expected to be less than \$2,000. An estimate of the final payment on a bike path was \$28,000 and it wound up being \$20,000, so \$8,000 will go back into the account. Until we get some serious development, we won't get money back into this account.

It was determined that there will be another budget meeting on November 15, 2010.

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ADJOURNMENT

Trustee Saltiel moved and Trustee Servi second the motion to adjourn. The voice vote was unanimous and the Mayor declared the meeting adjourned at 8:50 p.m.

Respectfully submitted,

VILLAGE OF LINCOLNSHIRE

Carol S. Marshall
Deputy Village Clerk

csm