

Motion to have Trustee Paul VanOstenbridge serve as Village President Pro Tem by O'Leary/Scarpelli.
Roll: 5 Ayes (VanOstenbridge, Scarpelli, O'Leary, Gorman, Carlini), 0 Nays, Motion carries.

President Pro Tem VanOstenbridge calls the COTW meeting to order at 6:05 pm.

Roll: Paul VanOstenbridge, Frank Scarpelli, Jr., Daniel O'Leary, Robert Gorman, and James Carlini.
Also in attendance are Financial Advisor Sue Behrens, Nikki Giles, Chief Pena and Administrator Paul Nicholson.

Trustee Michael Ruffulo arrives at 6:20 pm. President Jerald Bartels arrives at 7:00 pm.

Preliminary Budget Fiscal Year 2006 – 2007:

It is decided by the board that Sue Behrens will approach the budget document in a general overview format. Ms. Behrens states that the proposed budget is in the same format as previous years except that the historical budgetary data component has been expanded. It is presented in eight sections:

- 1) The Village Manager Administrator budget transmittal letter and brief summary of the budgets highlights.
- 2) Review of the document.
- 3) Proposed general fund budget, general fund summary and each program expenditure.
- 4 -7) The same information as the general fund, but as they relate specific to the remaining funds.
- 8) Long range financial plans and analysis for the water fund and sewer fund and the management's recommendation for fiscal stability of these funds.

This is an overview of the 2006/2007 budget balanced position in each of the major fund groups including the general fund. Ms. Behrens states that the village budget projects revenue of \$12,922,575 compared to \$13,514,597 for expenditure - 80%, or \$467,000 out of the \$600,000, is for CIP.

The proposed budget incorporates numerous financial policy changes to combat the declining base in the general fund. Without significant changes to our revenue base the village will find it difficult to provide the level of services the residents currently enjoy today.

Regarding the healthcare increase, Ms. Giles states that co-pays have increased, out of packet expense have increased, the deductible has doubled, and the village has added a HMO and incentives to join the HMO. Trustee Carlini wonders if staff is shopping for other plans. Ms. Giles mentions that they are looking at IPBC (Intergovernmental Personnel Benefits Co-operative.) Ms. Behrens states that the Employee Council approved a change to 12.4% and just today, an additional 2% decrease has been agreed upon. Ms. Behrens will reflect this in the budget.

Regarding sales tax, automotive accounts for 45% of the sales tax base and the general fund merchandise accounts for 23%. There is no Home Rule on the automotive. Ms. Behrens states that if either of these two funds falter, any economic changes will have an impact upon the village. Although the state projects a moderate growth in sales tax, she budgeted for a 10% decline as our sales tax is affected by these two major businesses.

Mr. Nicholson states that within the general fund there is a personnel impact because of the new fulltime police office, a public works person and a clerical support person. Chief Pena states that the part-time clerk left the village so Trish will become full-time to cover that position as well as her current position.

Mr. Nicholson states that if the village doesn't utilize the Home Rule sales tax transfer, the village will have a \$224,000 hole to fill. Ms. Behrens states that the Home Rule sales tax will remain stable for the next fiscal year. She mentions that the board needs to decide if the \$400,000 for well #5 engineering and design should be funded this year or placed in the next year's budget.

Trustee Carlini would like to transfer money for the electronic sign into the 06/07 budget. Mr. Nicholson will faction a budgetary estimate for the sign and Trustee Carlini will get samples of ordinances.

Ms. Behrens states that nothing has been proposed in the budget for a new police department. Chief Pena states that although the village needs this, the money probably wouldn't be spent, as they still need a location. Trustee O'Leary suggests that the village could purchase the land sooner than later.

Ms. Behrens states that a transfer to the TIF debt service fund from the general fund has been done to meet the debt services obligation.

Ms. Behrens refers to Section 8, specifically the memo dated February 28, 2006 regarding the water fund long-range financial plan. She states that there are several issues that require board action. She feels that the water rates will need to increase from \$3.29 to \$4.49 beginning in the next fiscal year. This is the minimum rate needed to provide for a positive cash flow in the next year. Administrator Nicholson states that it is staff's recommendation to increase this rate.

Also in section 8 there is a memo regarding the sewer fund. Ms. Behrens states that the issues facing this fund are the rate increase, the impact of PAR Development, the operation of the sewer fund as self-supporting and the operation and financial impact of the West Dundee sewerage agreement. She proposes a rate increase from \$2.80 to \$3.20 in order to avoid an operational deficit.

Administrator Nicholson states that the board will need one more budget workshop. The Public Hearing on the budget is to be set for April 17th and the budget has to be filed with the county by the end of the month. The village cannot expend money in the new fiscal year if the budget is not approved. He suggests that the board email their individual questions as soon as possible so they can be addressed before the next COTW meeting on April 10th at 6 pm.

It is stated that if the budget is approved the board is approving an increase in the water and sewer rate.

Motion to close the COTW meeting by O'Leary/Ruffulo at 7:50 pm.

Roll: 7 Ayes (Ruffulo, VanOstenbridge, Scarpelli, O'Leary, Gorman, Carlini, President Bartels), 0 Nays, Motion carries.

Respectfully Submitted,

Susan Norton

By: 
President Jerald Bartels

Attest: 
Village Clerk Pro Susan Norton