

I. Call To Order:

President Keller called the Regular Board Meeting to order at 7:33 pm.

II. Roll Call:

Present were President Keller, Trustees Voss, Gillam, Osth, Hanley and Yuscka. Trustee Price was teleconferenced in to the meeting. Also present were Village Manager Cavallaro, Village Attorney Brechin, Finance Director Danielson, Community Development Tymoszenko, Fire Chief Burhmann, Fire Chief Sawyer, Public Works Director Babica and eight (8) people in the audience.

III. Pledge of Allegiance:

President Keller led the Board and the audience in the Pledge of Allegiance.

IV. Approval of Agenda:

MOTION: Moved by Trustee Osth and seconded by Trustee Voss to approve the agenda as presented. Upon roll call, motion was approved.

V. Village President's Report:

President Keller informed the Board that Trustee Price would be teleconferenced in to the meeting.

A. Tax Levy – Public Hearing

MOTION: Moved by Trustee Gillam and seconded by Trustee Osth to open the Public Hearing. Upon roll call, the motion was approved.

The Public Hearing opened at 7:36 p.m.

Manager Cavallaro informed The Board that the Truth in Taxation notification has been met and was published November 28, 2009 in the Daily Herald.

President Keller informed the Board and the audience that the petitioners would present their case for the tax levy.

Manager Cavallaro said that at the November 16, 2009 Board Meeting, direction was given to staff to include the sum of \$3,000,000 for the public hearing notice. He said this represents a 14% increase over last year's levy, which will result in a tax rate for West Dundee of \$1.00 per \$100 of Equalized Assessed Valuation.

He emphasized that the Village has been conservative and hoped for additional sales tax revenue, but it didn't come to fruition in the last 18 months. He said the Village has always utilized sales tax revenues for funding municipal services. He said this is the first time there has been a decrease in the State of Illinois Income Tax Receipts. This will result in a loss of \$131,000.

Manager Cavallaro said it has always been the objective of the Village to have cash/investment balances within the General Corporate Fund maintained in an amount equaling 90 days of operational expenses (approximately \$2,000,000). He presented a 5 year history of the year end General Fund cash/investment balances. He said based on the information presented in the 2nd Quarter Financial Report, if no modifications were made between now and the end of the current fiscal year, the projected balance as of April 30, 2010 would be approximately \$200,000. He concluded by saying that with \$227,467 in additional expenditures reductions from the 2009/10 budget, the projected year end balance is \$425,000 and that in either case, these balances are unacceptably low and additional expenditure reductions must be made, additional revenues identified, or additional transfers from other available funds (or a combination of the three) must occur.

Manager Cavallaro said the Village is a lean organization with 56 full time employees (37 are in the Police and Fire Departments) and 48-49 total part time employees. He said there are no assistants within the Departments. He said that our largest single cost pertains to maintaining the Village's work force and that despite a full 50% increase in the number of residents within the past 10 years, the number of full time employees has in fact been reduced by over 15% in the past 5 years.

He addressed the 2009 expenditure projections explaining that the Village has a bare bones budget, but that expenditures have been going up 2½% annually.

He then spoke to expenditure reductions reiterating that any further reductions will be in core municipal services.

Manager Cavallaro said that in the Administration/Finance Department, there have been no salary increases for non-union employees (36 of the 56 full-time Village employees); in 2008 there was an increased employee Health Insurance contribution and reduced benefits, including higher deductibles, and a HSA program was instituted; in 2005, an increased deductible for operating insurance from \$2,000 to \$50,000 for a cost savings of \$100,000 was instituted; and the Village joined an electrical energy co-op, resulting in savings to facilities, including water and sewer production facilities.

He pointed out that since 2005, there has been a reduction of 3 sworn Officer positions due to resignation or retirement from the Police Department; a reduction of one part-time CSO position; a significant reduction in overtime; no replacement of squad cars for 2009/10; and no replacement or upgrades in operating equipment for 2009-10.

Reductions in the Fire Department have included 3 Firefighter/Paramedic positions due to resignation or retirement and reduced total Firefighter/Paramedic positions from 6 to 5 at the two stations

In the Community Development Department, since 2007, 2 full time positions have been eliminated along with one inspection vehicle and associated maintenance; have reduced office hours; eliminated evening inspections, Radon Test and Alarm Inspection programs; and have imposed a fee for loan processing.

In the Public Works Department, the following programs have been eliminated: contractual Sidewalk Replacement, Mosquito Abatement, Tree Replacement, Pavement Maintenance and contractual Window Washing and Pesticide services. The Tree Trimming Program has been reduced to an emergency basis only.

Village-wide reductions included eliminated or reduced memberships, subscriptions, conferences and travel and reduction in village-wide computer replacement program and upgrades.

Manager Cavallaro addressed the Tax Rate and the Municipal Cost Comparisons emphasizing that West Dundee has one of the lowest tax rates including fire protection among the surrounding communities and that West Dundee still has the lowest projected municipal costs even with the addition of a utility tax. He concluded by saying that this is not only a West Dundee issue, but that many other municipalities are considering increases.

Director Danielson said there is no opportunity for any unforeseen expenses or equipment failure in the budget and without new revenue sources the Village will continue to erode the money in the bank. He said the property tax increase will increase the General Fund balance to the appropriate level of \$2,000,000 and that it will take about 4 years to reach that level.

John Seaton, 611 Liberty Street addressed the Board regarding the proposed Tax Levy asking about personnel expenses other than salaries, expense reductions and increased revenue sources.

Trustee Osth explained what has happened with the Wal-Mart development, explaining that the Village can no longer afford to wait and told Mr. Seaton that the Village has an Industrial Park near Dundee Middle School, which although it is not sales tax oriented, it does pay property taxes.

Manager Cavallaro said Wal-Mart is a piece of the puzzle, but that Spring Hill Mall continues to be a strong asset.

President Keller said Spring Hill Gateway is slated to take off, but just like other commercial centers is slowed because of the current economic problems.

Director Danielson said there is a tremendous opportunity in another 2-5 years for additional revenue sources on properties within the Village of West Dundee on Randall Road.

It was also noted that the tax levy can be addressed yearly by law and the rate can be dropped again if situations change.

MOTION: Moved by Trustee Hanley and seconded by Trustee Voss to close the Public Hearing. Upon roll call, the motion was approved.

The Public Hearing closed at 8:22 p.m.

VI. Reports and Questions from Trustees:

Trustee Yuscka informed the Board that the Local Liquor Commission met and has made a recommendation to approve a liquor license for Speedway and to increase the number of liquor licenses.

VII. Village Staff Reports:

Manager Cavallaro thanked the Board members and volunteers who helped with Dickens in Dundee, which he said was well received and attended.

Director Babica said the leaf collection program was completed November 30th and that 250 loads of leaves were picked up.

Director Tymoszenko told the Board she met with representatives from Best Buy to discuss their Community Outreach Programs. She said Best Buy wants to be more involved in the community including helping fund raising for schools and business to business. She presented the Board with handouts from Best Buy explaining their various programs.

VIII. Questions from the Audience:

John Seaton, 611 Liberty St., briefed the Board on an incident with his daughters by Dundee Highlands School on the Tuesday before Thanksgiving in which they were approached outside of school by a woman in a car asking them to get in the car and help her look for a lost puppy. He said the girls ran home. He commended the Police Department for immediately taking action which he said brought him a comfort level and assigning a detective to work on the incident. He said his family appreciated the help.

Chief Sawyer said the detectives from eight or nine communities meet once a week and share all information. He said the incident was also put on the LEADS system.

IX. Consent Agenda:

- A. Residential Façade Loan: Hunt (1222 Chadwick)
- B. Itinerant Merchant License for Public Property: Dog N Go
- C. Bill List: 12/07/09
- D. Debit Card Purchase: November 2009
- E. Manual Checks: 12/04/09
- F. Approval of Minutes: Committee of the Whole 11/9/09
- G. Approval of Minutes: Regular Board Meeting 11/16/09

MOTION: Moved by Trustee Hanley and seconded by Trustee Yuscka to approve the Consent Agenda as presented. Upon roll call, motion was approved.

X. Resolutions and Ordinances:

- A. **An Ordinance Proposing an SSA and Setting Date/Time for Public Hearing for Spring Hill Gateway**

Director Tymoszenko said the Village will move forward with the establishment of a Special Service Area (SSA) to allow for the completion of improvements at Spring Hill Gateway and to begin the process, it is necessary to pass an ordinance to propose the establishment of the SSA and to set a date and time for a public hearing.

MOTION: Moved by Trustee Hanley and seconded by Trustee Osth to approve “An Ordinance Proposing the Establishment of Special Service Area Number Six (Springhill Gateway), The Issuance of Special Service Area Bonds in an Amount Sufficient to Pay Costs of Certain Special Services, and Setting a Date and Providing Notice for a Related Public Hearing”. Upon roll call, the motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price and Osth

NAYS:

B. An Ordinance Establishing the 2009 Tax Levy for the Village of West Dundee

Director Danielson explained that this ordinance needs to be filed with the Kane County Clerk's Office by the end of this month and is the legal document which directs the County Clerk's office to extend property taxes for the Village for the 2009 tax levy year, to be collected in 2010. Director Danielson said it is his best estimate that this extension request of \$3,000,000 will equate to a tax rate for the Village of West Dundee of \$1.00 per \$100 of Equalized Assessed Valuation.

Trustee Price said he was in agreement with the tax levy, but was uncomfortable with increasing the levy to rebuild the bank account at this time. Both Trustees Voss and Gillam agreed with him.

Discussion took place with Manager Cavallaro saying that the Village is trying to balance the budget and based on municipal comparisons West Dundee is still the lowest of the communities.

President Keller said that the Village has been dipping into our rainy day funds and we have to rebuild the fund.

Trustee Hanley said once the funds have been increased, the levy can be still be reduced.

Trustee Osth noted that only one person came forth to speak at the meeting and he spoke in the affirmative.

Trustee Price agreed that it is critical to rebuild the balance, but expressed reservations as people are losing jobs, their problems with the economy and would like to see it at \$2.7 million not \$3 million. Trustee Gillam also strongly agrees with Trustee Price.

MOTION: Moved by Trustee Osth and seconded by Trustee Hanley to adopt the Tax Levy Ordinance, an Ordinance for the Levy and Assessment of Taxes for the Fiscal Year Commencing May 01, 2009 and ending on April 30, 2010 for the Village of West Dundee, Kane County, Illinois in the amount of \$3 million. Upon roll call, motion was approved.

AYES: Trustees Osth, Hanley, Yuscka, Voss and President Keller

NAYS: Trustees Gillam, Price

C. A Resolution Abating the Debt Service Levies for the 2002 and 2007 General Obligation Bonds

Trustee Hanley presented this proposed resolution to the Board which would abate the property tax levy for the \$10,000,000 General Obligation Bond Issue that was approved by the Board in July, 2002 as well as the refunding Ordinance that was adopted by the Board in March, 2007.

MOTION: Moved by Trustee Hanley and seconded by Trustee Yuscka to abate the 2009 tax levy requirements for the 2002 and 2007 General Obligation Bonds. Upon roll call, motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price, Osth

NAYS:

D. 2009 Tax Levy Ordinance-SSA#3

Trustee Hanley presented this item for discussion explaining that this Ordinance pertains to existing Special Service Areas within the Village. This Ordinance is a levy of a tax for Special Service Area #3 to reimburse the Village for underground electrical service upgrades.

MOTION: Moved by Trustee Hanley and seconded by Trustee Osth to adopt Ordinance 09-29, An Ordinance Adopting the Tax Levy of the Special Service Area #3 Within the Village of West Dundee, Illinois. Upon roll call motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price and Osth

NAYS:

E. 2009 Tax Levy Ordinance-SSA#4

Trustee Hanley presented this Ordinance for adoption which is a levy for a tax for Special Service #4 to provide for maintenance of wetlands in the Pulte-Carrington Reserve Subdivision.

MOTION: Moved by Trustee Hanley and seconded by Trustee Yuscka to adopt Ordinance 09-30, An Ordinance Adopting the Tax Levy of the Special Service Area #4 within the Village of West Dundee, Illinois. Upon roll call, motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price and Osth

NAYS:

F. An Ordinance Establishing a Gas Use Tax for the Village of West Dundee

Director Danielson told the Board that the proposed gas use tax is available to home rule municipalities and taxes the therms used, not the revenue generated. He said all accounts would be subject to the tax, regardless as to what company actually supplies the gas. He said he has had discussions with NICOR and a charge of 0.0400 per therm would equate to a tax of approximately 5%.

MOTION: Moved by Trustee Hanley and seconded by Trustee Price to adopt Ordinance 09-31, An Ordinance Establishing a Municipal Gas Use Tax for Properties Located Within the Village of West Dundee, Illinois at a rate of four cents per therm. Upon roll call, motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price and Osth

NAYS:

G. An Ordinance Establishing a Municipal Electricity Tax for the Village of West Dundee

Director Danielson told the Board that the proposed municipal electricity tax ordinance, like the Gas Use Tax, will be a charge on usage rather than on revenue. He said the rates proposed in the Ordinance have been approved by the Illinois Commerce Commission and are estimated to generate a tax of approximately 5%. He also pointed out that the rates in the Ordinance are on a sliding scale and as more electricity is consumed, a lower per kilowatt hour charge is accessed.

Director Danielson, in answer to questions from Trustees on both the Gas Use Tax and the Municipal Electricity Tax,, said it can be adjusted at anytime. NICOR requires a 30 day notification and can be revisited and if applicable reduced possibly during the budget discussions.

MOTION: Moved by Trustee Hanley and seconded by Trustee Yuscka to adopt Ordinance 09-32, An Ordinance Establishing a Municipal Electricity Tax for Properties Located Within the Village of West Dundee, Illinois. Upon roll call, motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price and Osth

NAY:

H. An Ordinance Establishing a Telecommunications Tax for the Village of West Dundee

Director Danielson said the proposed Ordinance follows the State of Illinois' legislation allowing for a Simplified Municipal Telecommunications Act. He informed the Board that the maximum rate allowed by the State is 6% of gross sales and the proposed Ordinance establishes a rate of 5%.

In answer to Trustee questions, he explained that the tax is collected by the providers and remitted to the Illinois Department of Revenue which forwards the taxes due to each municipality on a monthly basis; changes can be made to a municipality's telecommunication tax structure two times per year; if the proposed Ordinance is adopted, it would go into effect on July 01, 2010; and if it is not passed, there would be a six month delay.

MOTION: Moved by Trustee Hanley and seconded by Trustee Osth to adopt Ordinance 09-33, An Ordinance Amending the Municipal Code of the Village of West Dundee Establishing A Simplified Municipal Telecommunications Tax. Upon roll call, motion was approved.

AYES: Trustees Hanley, Yuscka, Voss, Gillam, Price and Osth

NAYS:

I. An Ordinance Amending the Number of Liquor Licenses

Trustee Yuscka told the Board that the Local Liquor Commission met and agreed to increase the number of liquor licenses. He said Speedway was granted a CCC liquor license at the meeting.

MOTION: Moved by Trustee Yuscka and seconded by Trustee Osth to adopt Ordinance 09-34, An Ordinance Amending Title 3, Chapter 2, Alcoholic Liquor Regulations Section 3-2-9 Number of Licenses of the Municipal Code of the Village of West Dundee, Illinois 2004, as Amended. Upon roll call, motion was approved.

AYES: Trustees Yuscka, Voss, Gillam, Price, Osth and Hanley

NAYS:

XI. Miscellaneous:

President Keller commented raising taxes is difficult and he thanked the Board and Staff for their participation.

XII. Adjournment:

MOTION: Moved by Trustee Yuscka and seconded by Trustee Voss to adjourn the Regular Board Meeting. The motion was unanimous.

The Regular Board Meeting adjourned at 9:45 p.m.

ATTEST:

Barbara Traver
Village Clerk

Larry Keller
Village President