



**THE VILLAGE OF HAWTHORN WOODS
SPECIAL JOINT MEETING OF THE COMMITTEE OF THE WHOLE
AND FINANCE COMMITTEE
2 LAGOON DRIVE, HAWTHORN WOODS, ILLINOIS
MONDAY, OCTOBER 5, 2015
5:30 P.M.**

MINUTES

I. CALL TO ORDER AND ROLL CALL

Trustee Ponzio called the Finance Committee meeting to order at 5:47 p.m. Roll call indicated the following members were present: Mr. Schulte, Ms. Kosik, Trustee Ponzio and Trustee Corrigan. Absent were: Mr. Singh Kalra and Trustee Riess.

Also present were Chief Operating Officer Pamela Newton, Chief Administrative Officer and Village Clerk Donna Lobaito, Chief Financial Officer Kristin Kazenas, Chief of Police Jennifer Paulus, Public Works Director and Village Engineer Erika Frable, PE, Director of Parks and Recreation Brian Sullivan and Director of Community Development Michael Cassata, AICP.

II. PLEDGE OF ALLEGIANCE

III. OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE COMMITTEE/BOARD

Mr. Chandler Bathrick, 34 Greystone Lane, North Barrington – Mr. Bathrick addressed the Board about the Bacardi's dog and stated he was now the owner of the dog. He asked that the Board reconsider their position and allow for Heidi to live.

IV. PRESENTATION AND OVERVIEW OF THE 2016 OPERATING BUDGET

Ms. Newton provided an overview of the 2016 Operating Budget, and highlighted many of the Village's accomplishments in 2015.

Trustee Riess arrived at 5:54 p.m.

She noted one challenge for next year was going to be the funding of the road program. She stated that staff was presenting a balanced budget.

Mayor Mancino called the Committee of the Whole to order. Roll call vote indicated the following members were present: Mayor Mancino, Trustees Riess, Ponzio and Corrigan. Absent were Trustees Morgan, DiMaggio and David.

V. REVIEW AND DISCUSSION OF 2016 OPERATING BUDGET

Ms. Kazenas reviewed the budget process. The budget will be placed on display for one month at the October 19, 2015 Village Board meeting. Copies will be available at the front desk and online. The public hearing for the budget will be held on November 16, 2015.

Overall, the 2016 budget reflects a 1.5% decrease in revenues. Significant changes included property taxes – CPI 0.8% Park Maintenance, sales tax decrease of \$25,000, telecommunications tax decrease of \$47,000, use tax & income tax – LDGF increase of \$21,000, and an increase of \$8,695 in licensing fees.

Elected Officials

Ms. Lobaito reviewed the elected officials' budget. Significant changes included funding towards the Lake County Municipal League.

Administration

Ms. Lobaito reviewed the administration budget. A 5.2% decrease in expenditures is budgeted. The significant changes consist of reclassification of one position, the Executive Administrative Assistant's position will remain vacant, a decrease of \$3,875 in printing and copying and a \$6,800 decrease in rental and leases due to the new copiers being budgeted in the CIP.

Legal

Ms. Lobaito noted there were no significant changes in the legal department.

Village Clerk

Ms. Lobaito reviewed the village clerk budget. She noted that there has been a salary reallocation to the village clerk department with the creation of the Director of Community Development Department position. Furthermore, the biennial codification will occur in 2016.

Sister Cities

Ms. Lobaito reviewed the sister cities budget. The significant change in this department relates to donations, which is based upon the 2015 actuals.

There were no questions for Ms. Lobaito.

Risk Management

Ms. Kazenas reviewed the risk management budget. The significant changes relate to medical, general liability and workers compensation coverage. \$14,750 increase in medical coverage, \$1,150 increase in dental coverage, \$9,000 decrease in unemployment insurance and \$10,000 increase in liability insurance are included in the 2016 budget.

Human Resources

Ms. Kazenas reviewed the human resource budget. The significant changes consist of a \$2,500 decrease for pre-employment drug screening and a \$5,000 increase in tuition reimbursement. Furthermore, all non-union employees will realize an average merit based increase of 2% in 2016.

Technology

Ms. Kazenas reviewed the technology budget. There were no significant changes.

Finance

Ms. Kazenas reviewed the finance budget. The significant changes include a one-time audit fee of \$2,500 for the implementation of GASB 68 and a \$1,250 increase for the triennial OPEB actuarial valuation.

Mayor Mancino asked if staff had looked at the Affordable Care Act for 2017. Ms. Kazenas responded we have no programs that would be subject to the Cadillac tax.

Trustee DiMaggio arrived at 6:35 p.m.

Ms. Kazenas noted that the co-pays and deductibles have been adjusted from year to year to keep health insurance affordable for the employees.

Police

Chief Paulus reviewed the police budget. The significant changes relate to the deferred purchase of a replacement squad car, the full funding for two new police officers hired in 2015, the MAP collective bargaining agreement providing for a 3% increase in 2016, and the police pension contribution, calculated by an independent actuary, recommendation of a \$328 decrease. This decrease is a result of funding at the full actuarial recommendation since 2010.

Engineering

Ms. Frable reviewed the engineering budget. The significant changes relate to a \$7,500 decrease for the storm sewer mapping program, which is budgeted in the CIP.

Public Works

Ms. Frable reviewed the public works budget. The significant changes relate to the promotion of a crew leader, a sewer specialist's salary being moved from buildings and grounds to the sewer fund, a \$2,344 decrease in snowplow drivers due to a reclassification to full time status, and a \$5,000 increase in building maintenance supplies for new lighting and new floor mats.

Motor Fuel Tax

Ms. Frable reviewed the motor fuel tax budget. The significant changes relate to the planned use of the accumulated fund balance.

Sewer

Ms. Frable reviewed the sewer budget. The significant changes relate to the ownership and operation of two lift stations, connection fees and the new Village sewer fee of \$6.00 per 1,000 gallons of water usage, and 100% allocation of a sewer maintenance specialist.

Mayor Mancino noted that he expects a reduction in the LGDF, not an increase as projected by the IML. Ms. Kazenas informed the Board that each department head was required to prepare a 10% reduction contingency budget for 2016 if the state cuts funding.

Community Development

Mr. Cassata reviewed the community development budget. The significant changes relate to the funding of the Community Development Director's position and the hiring of a Code Enforcement Officer/Building Inspector in 2015.

Community Development – General Fund – Building & Zoning Division

Mr. Cassata reviewed the building and zoning division budget. The significant change relates to a decrease of 34.8% in expenditures due to the reclassification of personnel.

Community Development – General Fund – Planning Division

Mr. Cassata reviewed the planning division budget. The significant changes related to increased revenues due to new development.

Community Development – Community Development Fund – Economic Development Division

Mr. Cassata reviewed the economic development division budget. The significant changes relate to a decrease in annexation fees to be collected and an increase in personnel and contractual services.

There were no questions for Mr. Cassata.

Community Events

Mr. Sullivan reviewed the community events budget. The significant changes relate to an anticipated decrease of \$5,000 in donation revenue.

Parks and Recreation

Mr. Sullivan reviewed the parks and recreation budget. The significant changes relate to the special recreation ADA project funding of \$117,100, the promotion of the Recreation/Public Information manager to Assistant Director of Parks & Recreation, and the property tax levy growth to fund parks maintenance functions.

Parks Donation

Mr. Sullivan reviewed the park donation budget. The significant changes relate to the anticipated 66 new homes forecasted in 2016. Furthermore, \$256,760 is budgeted to fund the 2016 aquatic center revenue bonds principal and interest payment.

Aquatic Center

Mr. Sullivan reviewed the aquatic center budget. The significant changes relate to increased demand for swim lessons, anticipated decrease in season passes due to the cold and rainy 2015 season, \$11,500 increase in daily admissions and concessions forecasted net profit of \$20,150.

Trustee Riess asked as to when the ash trees would be removed from the parks. Mr. Sullivan responded within the next two years.

Capital Improvement Plan

Ms. Kazenas reviewed the Capital Improvement Plan budget. She noted that \$500,000 will be transferred from the Community Development Fund. The anticipated fund balance as of December 31, 2016 is \$406,501. More than \$1 million in cuts were made to the CIP for 2016. Ms. Kazenas noted that within the next five years, approximately \$10 million is needed to fund the CIP and this does not include the street program.

The significant changes relate to the Community Development market analysis, GIS software, infrastructure mapping, update of engineering standards, remodel the Barn kitchen, Starcom radios, 1.5-ton truck, Community Park parking lot replacement and culvert replacements.

Reserve Fund

Ms. Kazenas reviewed the Reserve Fund. In 2009, there were only 5% of expenditures in the Reserve Fund. In 2014, 2015 and 2016 the Reserve Fund has increased to 48%. This exceeds the Village policy target of 33%.

Ms. Kosik asked if the software purchase was going to be deferred to 2017. Ms. Kazenas responded yes.

Ms. Newton reported to the Board on the ICMA award presented to the Village in Seattle, WA in September.

VI. APPROVAL OF A MOTION TO RECOMMEND THE 2016 OPERATING BUDGET TO THE VILLAGE BOARD

Motion by Kosik, second by Corrigan to recommend the 2016 Operating Budget to the Village Board.

Roll call vote.

Ayes: Schulte, Kosik, Ponzio, Riess, Corrigan

Nays: None

Abstain: None

Absent: Singh Kalra

Motion carried.

VII. ADJOURNMENT OF COMMITTEE OF THE WHOLE AND FINANCE COMMITTEE MEETING

Motion by Riess, second by Schulte to adjourn the Finance Committee meeting.

Roll call vote.

Ayes: Schulte, Kosik, Ponzio, Riess, Corrigan

Nays: None

Abstain: None

Absent: Singh Kalra

Motion carried.

Motion by Corrigan, second by Ponzio to adjourn the Committee of the Whole.

Roll call vote.

Ayes: Ponzio, Riess, Corrigan, DiMaggio

Nays: None
Abstain: None
Absent: Morgan, David
Motion carried.

There being no further business, the Committee of the Whole and the Finance Committee meeting adjourned at 7:25 p.m.

Respectfully submitted,

Donna Lobaito
Village Clerk

 11/18/15