

Village of Fox Lake
Finance Committee Meeting
July 10, 2007
6:00 p.m.

I. Call to Order

The Meeting was called to order at 6:00 p.m.

II. Roll Call

Present were Chairman Ulasz, Trustee Koske, Trustee Bender, Trustee Murrey, Trustee Kiesgen and Trustee Working. Also in attendance was Mayor Irwin.

III. Approval of Prior Meeting Minutes

Chairman Ulasz asked if there were any questions or clarifications to the minutes of June 26, 2007. With there being no comments they will stand as presented.

IV. Bills to be paid

Chairman Ulasz asked if there were any questions regarding the bills to be paid. There being no questions or comments the bill list will stand at \$214,448.37.

V. Ratification of Manual Check List

Chairman Ulasz asked if there were any questions. There were no questions or comments, the manual checklist will stand as presented.

VI. Old Business

None

VII. New Business

2007-2008 Village of Fox Lake Annual Operating Budget

Trustee Koske stated she had a question regarding the budget, we had talked about a contingency fund for each of the Departments for emergencies etc. and I do not see it in the proposed budget. I want to know why, shouldn't there be contingencies in each fund for the unexpected purchases.

Paul Christensen stated I wasn't aware there was a request for a contingency fund, but you can consider the fund balance as the contingency. So in some ways we do have a contingency built in there. I don't know if that is the way you would like to see it, but it is an acceptable way to do as well. When we do the appropriation ordinance we do 120% so the overages is for emergencies. Trustee Koske stated I seem to remember there was a line items by department such as Street Department, Administration etc. Paul Christensen stated one of the years we did have the line item included in the budget but it really wasn't for emergencies, it was for pending lawsuits and we did not know exact legal costs so we estimated in the contingency line item.

Chairman Ulasz stated we have such a tight budget this year and anything that can be squeezed out for next years contingency will be done.

Trustee Bender stated personally I am not comfortable with passing a deficit budget. I would like to offer it up to the Board or at least suggest a consideration that we remove it from the agenda or table it for tonight. In the interim what I suggest that we do is to continue the negotiation with the three Villages that we have been working with recently. I would also like to look at Cencom coming to the Village of Fox Lake. We have the new building, we have the new hardware and all of our people are trained, I don't see that on the other side. There are a couple ideas I would like to suggest regarding Cencom. Maybe they come here and they pay us as much as Grayslake does. Or Cencom has to build a building, we know they have to do an expansion and we know they need hardware, so what I am suggesting the maybe Cencom comes to FoxComm for a three year contract similar in nature to Grayslake. The benefit of that is that would allow them to build their building, we would get enough revenue, or we should if it is negotiated correctly, to greatly reduce the deficit or eliminate it altogether. In the meantime they are building their building, our budget is under control for at least three years. When the three years are up they go back to their new building; hopefully in that three-year period we have built up the relationship with other towns. So I would like to see Chief Behan and Annette Wolf continue the negotiation, I would like to see Trustee Ulasz and Treasurer Christensen continue working with Cencom from the two positions I just outlined.

Chairman Ulasz stated I have no problem that is why I am very anxious to listen to your presentation this evening. One of the thing in this budget and one of the reasons it was delayed this long is to see if there was any other income we could include. Last year we did put some income in for 911 because we anticipated some areas and they obviously did not come with us, and this has no reflection on Annette whatsoever. I hesitated this year of even going in that direction, Paul and I have gone back and forth of passing a negative budget but it is a true budget as it looks right now. We can amend it if necessary, if we would bring people in then we would amend the budget accordingly, or if we go to Cencom or whatever direction this Board decides to go we could amend this budget. At this point this is where we stand and what we are looking at. If you want to hold it off one more meeting if there is something that would be finalized by that meeting, we can do that. Chairman Ulasz asked Paul to address the timing of the budget approval.

Paul Christensen stated we are just about out of time, by July 31st we have to have the appropriation approved by the Board or otherwise we basically shut down. I would have to go to the Attorney to find out how we proceed but we would have no spending authority. The idea was to pass the budget tonight; the appropriation ordinance is next week. We have already published the notice in the newspaper for the public hearing; we could bring the budget in next week and the appropriation ordinance at the same time. But the appropriation ordinance has to include the numbers for the public to review; so in a sense you have to settle on what we are going to put forward. That is why we were holding off, but he have held off as long as possible, but we have to move forward with something.

Trustee Koske asked what happens if we pass the budget and then pass the appropriation, would we have to amend the budget and the appropriations too? Paul Christensen stated the budget is actually just a working document, and what we have done in the past isn amended the appropriation ordinance should it be

needed. There is certainly no reason why we couldn't step back and amend the budget also.

Mayor Irwin stated we obviously can't shut the Village down because we haven't passed a budget. Paul Christensen stated the budget is not the issue it is a working document, the appropriation ordinance next week is the legal document and it has to be passed in the 1st quarter of our fiscal year which is by July 31st.

Trustee Bender is there at least some agreement that Annette should continue to talk to the other three towns. Chairman Ulasz stated I haven't seen the presentation. Trustee Bender stated that is fair. Chairman Ulasz stated once we have seen both presentations we will have a lot of questions for Cencom and for FoxComm. I think it just opens the door for additional questions. When the Mayor stated she wanted a direction of which way we are going to go, in my mind she wants us to continue going in one direction or another direction. Chairman Ulasz stated we are just starting and on the tip of the iceberg we are not done by any means.

Trustee Bender stated what concerns me is on the supplemental budget the September deadline or September 1 date. That looked like it was trying to be pushed through here, and I think we need to look at all the options.

Chairman Ulasz stated actually what that was doing to you was to provide you with all the information that Paul and I have at our fingertips at this point. We are going to hear numbers that you are going to present to us tonight. We have met so many times in the budget process I wish we would of done this much much earlier. On this one piece of information this is potentially how we could look. We are also looking ahead. Due to the time restraints, I am going to make a motion to approve the budget this evening. Trustee Bender stated as long as we are going to look at all the options.

Trustee Koske stated I know how much work it is to put together a budget and get all the numbers together. Everyone works on it, but you and Paul are in charge of the budget and I would like to thank you and all the Department Heads for all their work especially in a very tight year. It is very difficult to cut things out of a budget.

Chairman Ulasz stated she met with each Department a couple times and I cannot tell you the cooperation from everyone was terrific. And again I have what we call a wish list of items they had to delete this year. Even though we are passing a negative budget we do have areas that has potential revenue sources. My requirements have been from the beginning do not cut services, which means we do not lay people off, please do not hire anyone. It also means no increased taxes, including a utility tax, an increase of the telephone tax, and I have asked over and over again what are we missing. We need additional revenue sources. I have been given the job repeatedly by the Trustee's to go find additional money to come up with best budget possible. I don't know what I would do without the Department Heads and the Trustees. It was terrible when I had to say no to tables for the Parks and Recreation or lockers for the Police, it goes on and on.

Trustee Murrey stated I wrestled with this on the weekend. I have been working on the enterprise funds for the last year with staff and I see some shortcomings and I go back to the basics when I was elected to this office. The Village is here

to provide the essential services for the people and then we, as elected people need to create the criteria list. I think we are not cutting ourselves off to short, yea it is a tight year this year and things will happen. I don't think we need to discard things in haste; we have a lot of potential down the pike. The big plus was to get the Community Development Coordinator, and I have provided the laundry list where he needs to start. I am going to be requiring a weekly or monthly list on those three or four things alone to see where he is. Because of the time restraints we need to get this budget and appropriation through, we don't need to take up the airways or newspaper as the State is doing with their budget. We have a lot of golden jewels out there; I spent almost three hours on Friday up north working on infrastructure. That is within our lifetime, it will be a big bonus but right now we are feeling the growing pains of it. It is a lot of hard numbers but we need to get things rolling. We can do the adjusting if we need to because we are growing, it is not that we don't know what we are doing, it is that we are growing right now.

Chairman Ulasz stated again this is not my budget or Paul's budget it is all of ours.

Resident Refuse Rates

Paul Christensen stated basically what you have proposed is an increase in the garbage rates. There are very few municipalities; we were one of three in Lake County that is still subsidizing the garbage rates. The proposal is we would still bill out the residential garbage so our residents would see the most efficiency possible, in addition, we would still contract it out. But basically the plan would be we would no longer levy for garbage any more, we would just use the user charges to supply the amount to Waste Management. We do have some money left in the garbage fund so the plan would be over two years we would phase this in and in year three the residents would incur the full cost of garbage. The current rates is about 12.50 cents, other municipalities is 14-15 dollars so it is still a savings. The current rate for the residents is 6.00 so it is an increase from that, but it is still not a huge increase that our residents would be affected by the increase.

Chairman Ulasz asked if there were any questions on this? There were no questions; again this will be a cost savings next year of \$376,000.00 that is what we levied. Paul Christensen stated we would take the garbage levy and funnel that into the general fund. The taxes would be the same, we would take the money that was levied and it would go into the general fund and we could use it for services like the street dept. or police dept. etc. Chairman Ulasz stated if everyone is okay with this then I will make the motion this evening.

NWRWRF Personnel

Chairman Ulasz asked Trustee Murrey to speak on this issue. We had a mechanic and we thought he may be leaving due to some family issues and the gentlemen rendered his resignation. I had given permission for the Department Head to internally post the position. I would like to make the motion to go out and advertise for the open position, and any final applicant would be brought forward to the Village Board for approval.

VIII. Committee Comments

None

IX. Audience Comments

None

X. Adjournment

There being no other business to discuss the Committee Meeting was adjourned at 6:23 p.m.

Carol Ward
Deputy Clerk