

**Village of Fox Lake
Finance Committee Meeting
January 10, 2006
5:00 p.m.**

I. Call to Order – 5:02 p.m.

II. Roll Call

Present Chairman Ulasz, Trustee Beskow, Trustee Murrey, Trustee Working Trustee Bender and Trustee Borchers. Treasurer Christensen and Mayor Irwin were also in attendance.

III. Review of Minutes

Chairman Ulasz asked if anyone had any corrections to the minutes of December 13th, 2005. There were no corrections, they will stand as presented.

IV. Bills to be Paid

Chairman Ulasz asked if there were any comments or questions regarding the bill list in the amount of \$665,470.07. There were no questions or comments and will be approved at the Board Meeting this evening.

V. Ratification of Manual Check List

Chairman Ulasz asked if everyone has reviewed the Manual Check List and asked if anyone had any questions. There were no questions and will be approved at the Board Meeting this evening.

VI. Old Business

Update on Public Safety Building Renovation

Trustee Working asked Jim Thillen to update the Committee. Jim Thillen stated the underground sewer is hooked up and we corrected the sanitary that was hooked up running backwards. The floor is poured and Bob Warden will be starting next week putting the block in the basement. Spancrete sent their shop drawing and it didn't look right so I had Clark Dietz and Don Erickson review the drawing and they had 100 pounds of live load and it should have been 200 pounds. We sent it back to them and it has been corrected and the final okay has been given. I would also like to update you on the Lakefront, we are moving forward. The kitchen floor we didn't think we could save turned out really nice and looks really great. They have started putting cabinets in and hopefully the hood will be in by the end of next week.

Chairman Ulasz stated she had gone to the Police Facility last Saturday and I just wanted to see how everything looked in place, wow what a difference. I would like to thank Jim for taking his time out on a Saturday to tour the facility.

Trustee Working stated we had originally gone out for proposal from Spancrete for 200 pound, correct. Jim Thillen stated yes, it was their error in the shop drawing.

Fiscal Year 2006 Auditors

Chairman Ulasz asked Paul Christensen to address the Committee. At the last meeting I had brought the proposal to renew the auditors for an additional 4 years. The Finance Committee stated they would like to stay with the original ordinance and renew it for one year. I

contacted our auditors and they have agreed to extend the agreement for one more year at the same price as this year. He asked if there were any questions. There were no questions or comments. Chairman Ulasz asked if he had panned for follow up for acceptance of proposals for next year. Paul stated we would be looking for proposals following the fiscal year 2006 audit, probably November 2006 for 2007 audit services.

Chairman Ulasz asked if there was any more old business.

VII. New Business

Selection of Bank

Treasurer Christensen stated he was distributing a spreadsheet regarding the proposals he had received for banking services (attached). I tried to square them up so they easily can be analyzed for comparison. As much as you request standard forms or proposals there is always a variable and I had tried to present the spreadsheet so we can compare apples to apples. You will see that sometimes they do not actually foot and there is a valid reason it could be they are bidding it per account or the flat fee divided for 12 months. There are two components that drives this proposal, one is cost of services and two is what interest rate are they going to give us for our money in the account. As a general rule we have 2 million dollars at any given time. When you have that much money the interest rate is driving the decision, which is one of the main reason we switched from the previous bank. Paul Christensen went through the proposals from each of the banks in detail with the Finance Committee. He stated he was recommending we accept the proposal from US Bank. Their online software will convert to ours as well as they have available ACH direct deposit, which is a benefit to the Village. In addition we will be able to use additional services such as positive pay, which is fraud protection etc. What I am asking the Finance Committee to approve switching to US Bank February 1st, in actually we will probably have two banks the month of February due to the transition. Chairman Ulasz stated she worked very closely with Paul on this and I came to the same conclusion as Paul and I would recommend US Bank. One of the things I asked Paul to look for was technology to be sure the Village had everything we needed and that they were progressive for the same reasons. Paul wanted to be sure the Finance Committee was aware that we have a three year agreement but if we are unhappy in any way we have an out clause that will allow us to cancel the agreement with US Bank. Paul stated he would request the Attorney prepare the Resolution for the next scheduled Board Meeting for approval.

Presentation from School District 114

Chairman Ulasz introduced John Donnellen, Superintendent of School District 114. John Donnellen stated he would like to thank the Board for having me again this evening. I would like to introduce a couple of people before I begin; I have two of my Board Members here Jan Mangubat and Jim Harms, Board President. One of the Chairpersons for our Care 114, which is our parent group, is Jane Ferrigan Wilson.

I would also like to mention Mike Behan and the Fox Lake Police Department as well as the Fox Lake Fire Department. I have been associated with Fox Lake for the last 8 years, first as principal of Grant High School and then as Superintendent of District 114. The Village Services are just outstanding, the Police and Fire Departments are true friends of the School Districts and congratulations on a big night.

I did supply the Board with some information regarding the background on the District 114 referendum. We wanted to be certain that we kept the Village in the loop and are willing to

answer any questions you may have regarding this issue. Five years ago when the Board of Education hired me they gave me the marching orders, it was to increase overall student achievement and the second was there was no more additional money to do it. Obviously we as a Board and Administrative Team took that as a challenge. We did an organization scan five years ago and analyzed every system within the organization to the merits of its performance compared to organizational goals. We were able to eliminate some programs and personnel at that time and also bring certain programs to fruition and to add personnel positions at that time to maximize student achievement. We have done a lot with good fiscal management. Unfortunately we are at the point now that to enable us to maintain the fine balance between excellent academic achievement and fiscal responsibility. We are at the point of we have balanced the budgets through a series of budget cuts and now we are cutting into what we consider vital programs in our system or raising additional revenue. That is what brings us to the March 21st referendum. Chairman Ulasz reviewed the proposed increase tax for 6 years and asked how is this being distributed to the residents of the school district. Supt. Donnellan stated that we have a very effective parent group and they will communicate the information to the public. As you are aware the last referendum that we requested was for 55-cent increase to the Educational Fund and the it was voted no 2 to 1. We went back and looked at it and after working with financial consultants came to the one we are now presenting as the best alternative. This is a temporary 6-year bond and once the bond is paid off the tax is eliminated. We hope to eliminate the need once the future development is completed in Fox Lake like Savannah Grand, the Route 12 Corridor and the changes at the Fox Lake Golf Course.

NWR Connection Fee

Chairman Ulasz asked Trustee Murrey to talk about the NWR Connection Fee. Trustee Murrey asked the Chairman to recognize our Engineer, as you remember when we sat down originally we were talking \$2,250.00 for the increased hook up fees. Supt. Hoehne is passing out a memo from our Engineer with revised recommendation from our Engineers for the hook fee to \$2,000.00. Once we reviewed all the information a number of times we were able to bring it down to the recommended amount of \$2,000.00. I would like to be able to go ahead tonight and read the Resolution and have it sent along to Lake County for consideration and blessing. It is very important that we are going after the new homes or developments not the existing customers to pay for this upgrade to the Treatment Plant, it has nothing to do the user rates.

John Boldt stated for those that were at the Treatment Plant when we had our meeting there this is some of the same information. We completed additional analysis and by doing the 3 million and then 3 million at a future date that cuts out a lot of the interest costs, which allows us to drop this down since we would be borrowing the money for this project. We want to be sure that the new users coming on not the existing users now and in the future will pay for the plant expansion. This is very important and imperative. We also want at the time at the end of our planning period which is 2030 we want to have the same amount of money as we currently have in that fund now. This is on the premise that we will get the new users at a certain level, if the housing market should slow down we will have to revisit this and see how this all would shake out. We recommend that this be reviewed annually to make sure the revenue stream is coming in as expected so that we can meet our projections.

Trustee Working asked if we are not going to tie it to the CPI Index as we discussed you plan to review it annually. Trustee Murrey stated yes, it is a volatile figure based on your

calculation that it needs to be reviewed annually. Our Engineer and staff will monitor the numbers annually. John Boldt stated he wanted to be sure everyone is aware this puts us in a very competitive nature as far as connection fees from Municipalities around the area that run waster water plants, we are still below most of the local plants even with the increase. Trustee Working asked if this would be reviewed on a calendar basis or fiscal basis. Trustee Murrey stated that hasn't been plotted out because we are waiting for the process to be completed NIMC and with going out for an expansion to the plant. It would tie into the facility plan. They may want us to stay with a calendar year; the annual review would have to be decided at a later date when we have all the information and requirements. If no criteria were required we would run it on our budgetary time frame. Trustee Working stated in the Ordinance it would only state the annual review not necessarily the schedule of review. Trustee Murrey stated NIMC might make a request to the EPA as to the review process; the Village would do everything to request it be done at budgetary time.

Trustee Murrey stated these rates have not been raised since 1991. In fact Lake County Board was surprised we hadn't done it earlier. Trustee Murrey asked if anyone had any questions, if not I would like to go forward with this at this evenings meeting. John Boldt stated he would like to make one clarification, we will not have to raise the user rates for the next 10 years and we have completed an analysis confirming this requirement. The new users will pay all costs for the plant expansion.

Temporary Replacement for Laura Rudkin – maternity leave

I have placed in everyone's box the information regarding the Laura Rudkin leave and I found a temporary replacement yesterday. Megan Lindsey came in yesterday and I talked with her regarding her willingness to replace Laura while she on leave. Laura will be using her sick time and vacation time while she off since we do not have an actual maternity leave. At this time after talking to Megan, I feel comfortable that she can do the job. We are scheduling training so we can move ahead in this plan. Megan has agreed to put in the 40 hour a week that eliminates the reason for another person. The salary I have anticipated to offer her \$13.00 per hour, which is a \$1.00 increase from the Fire Department. I am looking for approval from the Finance Committee and at the next Board Meeting I would request a formal motion for approval.

Chairman Ulasz also wanted it be known that we will be training Nancy Schuerr to complete the payroll process so we will have three people who can complete the payroll process at any time.

Update on Census

Trustee Beskow asked what was the update on the Census. Paul Christensen stated he had been in contact with them. When I completed the form I did not exactly do it to their specifications, looking at the demographics some items had to be specifically defined. They have contacted us and we have been back and forth to revisit the numbers. They have accepted the revised applications and am now waiting for a cost estimate.

IX. Committee Comments

Trustee Bender stated that on the regular Board Agenda tonight we have several salary increases for the Police Department. Are there any questions regarding these increases. He stated they are basically promotions. There are no comments.

Trustee Beskow stated he also has one in the Street Department. He stated it wasn't a new position but a replacement position.

Chairman Ulasz stated she is requesting that the Department Heads need to make sure Nancy Schuerr is aware of any termination or proposed hiring's. We need to make sure we are posting everything as required and abiding by the entire necessary process when it comes to hiring of personnel for any department.

X. Audience Comments – None

XI. Adjournment

There being no other business to discuss the Committee Meeting was adjourned at 5:38 p.m.

**Carol Ward
Deputy Clerk**