

Village of Fox Lake
Finance Committee Meeting
March 28, 2006
5:00 p.m.

I. Call to Order

The Meeting was called to order at 5:02 p.m.

II. Roll Call

Present were Chairman Ulasz, Trustee Murrey, Trustee Beskow, Trustee Bender and Trustee Borchers. Also in attendance was Mayor Irwin. Absent was Trustee Working.

III. Approval of Prior Meeting Minutes

Chairman Ulasz asked if there were any questions or clarifications to the minutes of March 14, 2006. 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 was a correction to page 2 – College of Lake County. That was taken off and put on the manual checklist. New total would be \$483,584.82.

V. Ratification of Manual Check List

Chairman Ulasz asked if any questions. Manual checklist stands as presented.

VI. Grainger Bills to be Paid

Chairman Ulasz asked if any questions. Grainger bills stand as presented.

VII. Old Business

Update on the Public Safety Building

Mayor Irwin stated that Mr. Thillen and Trustee Working were not here for the report. Trustee Bender stated that he was at the Public Safety Building this morning and that the walls were starting to go up and that the building would be ready for the Span Crete

VIII. New Business

Discussion on Increasing Life Insurance Amount – Chairman Ulasz stated that was going to be taken off for discussion at this time.

Discussion on Health Insurance Renewal

Nancy Schuerr mentioned that the renewal comes up annually and the insurance company quoted a 22% increase initially, but they reduced it down to 15.16% with other factors, such as plan changes and deductibles. That is still very high, 13% is kind of where the market is. When you change options, you have to meet with the Unions. Nancy stated that she had met with the Unions and reviewed different plans and options with them. They looked at United Health Care, but they were not excited about UHC, they wanted Blue Cross/Blue Shield. UHC would have given us a 3.9% increase. The Unions have had time to review the plans, and the option that we have offered them, was a change in deductible, and at this point they do not agree with that change as an option. We need to go

back and review some more. The plan will extend for another month, but at the higher rates.

Trustee Bender asked when the Union contract ends. Nancy Schuerr stated that the one contract with ASCME ends at the end of April this year, and the FOP does not end until next year. Trustee Bender stated that at some time along the line the Village has to say we can't afford this. He then asked how much percentage the insurance has gone up in the last four years? Paul Christensen stated that it has gone up 12-13% every year. Trustee Bender stated that is businesses they draw the line and state we are going to reduce your payouts and increase your deductibles and that's it.

Chairman Ulasz then stated that if you read your memo Nancy has done a good job of educating the Village. She formed a committee with every department and drew this out. Chairman Ulasz stated that the Water and Sewer and the North West Regional Union seems to be extremely cooperative, but the other Union was not, and was drawing the line since their contract comes up next year. Yes, it is \$132,000.00 increase this year, but what we want to do, remember what we are trying to position ourselves into is going into a SHA program, that not only presents a savings to the Village but the employee. Having this resistance, even to have an individual deductible, it is still an 8% increase. That is over \$40,000.00 difference by having a \$250.00 deductible per year and \$750.00 per family. So, Nancy is back at the drawing board, and will look at United Health Care, maybe some other plans to see where we could come up with the answer. Currently 84 employees currently are over a million dollars in premiums, for 84 employees. Due to the Union we are unable to push them up to help us out a little bit. We are giving them a Cadillac program, not an Edsel program. We are just asking them to take some options off this Cadillac program. So Nancy is working and communicating with myself (Chairman Ulasz) and every one else. So what you said (Trustee Bender) is what we have all said.

Trustee Bender stated that flat out, the Village couldn't continue this trend. Chairman Ulasz stated then what would happen is when someone needs a new person there is your option. The answer is "No". Trustee Bender stated that is what is happening in businesses, if you read the business section. Businesses are just saying you are on your own. We do not want to do that, but at some point we may just have to. Chairman Ulasz stated that at some point there has to be a little give here.

Nancy Schuerr mentioned that in 2005- 65% of the population had health insurance, people are getting away from offering health insurance, because they are so costly. The cost that comes up with aging population and new prescriptions and the new devices and so on. There is not an end in sight. Trustee Bender stated that the best example may be General Motors, every time you buy a car, it is \$1500.00 just on benefits. They stated we are not going to do it, we are going to cut jobs, we do not have that ability, but we cannot come up with those dollars.

Chairman Ulasz, stated that each Trustee is a Department Head and that they need to talk to their departments. It was great that Nancy was able to have these committee's, but we need to say, "Hey, we need to work on this together". When Nancy gave me the call today, she was rather surprised and disheartened a little bit. Chairman Ulasz stated that towns such as Antioch, offers different packages, and that if you worked at Antioch, you would not get a Cadillac package. Nancy

Schuerr stated that Antioch has higher co-pays, higher deductibles, and higher prescriptions. Trustee Bender stated that is normal, we don't like to do it, but we have to be realistic. Chairman Ulasz stated to the other Trustee's that each of them need to go back to their areas and speak with them. She stated to Trustee Bender that it was his area that is the biggest problem. Trustee Bender stated that he understood. Chairman Ulasz stated you are talking \$250 individual and \$750 family deductible. We are trying to give them a Cadillac with a few less options. Nancy Schuerr stated that when she receives quotes there are no insurance companies that give you the exact same plans, but the closest was United Health Care. It made it difficult to try to find something. Trustee Bender asked Nancy Schuerr if she was still looking into it. Nancy Schuerr stated that she was and will try to come up with another solution.

Chairman Ulasz stated that on the agenda tonight at the Board level, there was a motion, but she will strike that motion.

Lake Front Park Renovations

Nancy Rogers mentioned that Jim Thillen was sick and that she would like to go to the Board for a motion tonight to finish the Lake Front Park renovations. Nancy Rogers stated that she would like a bid process for the plumbing and bathroom sinks. She stated that the Board should have the proposal.

Trustee Beskow stated that he did not have any questions for Nancy, but for Trustee Borchers. Trustee Beskow mentioned that when the special meeting of Trustee Borchers committee was held at the Lakefront Park, was this not the same list that he (Trustee Beskow) left with? Trustee Beskow proceeded to read some items on the list. Trustee Beskow asked how this escalated up to \$400,000.00 from a list that a committee could pass? He understands that it has started, but still has not been approved by the Village Board. Trustee Borchers mentioned that they spoke about it 2 weeks ago in the Finance Committee about what the cost would be. Trustee Beskow stated that nothing was approved. Trustee Borchers stated that he was correct, nothing was approved, but we did discuss it. Jim Thillen was here at that time to discuss it. He has those issues in for those bathrooms to be done, the elevator and rooms to be completed. Trustee Beskow stated that this list comes to \$334,000.00 and that does not include any wages, water or electric service. You are still talking over \$400,000.00 when we still owe \$1.1 million dollars on that property. It is being paid by impact fees, which could stop tomorrow. There is no guarantee on impact fees, we do not have that money in the general fund should that happen. If we have \$400,000.00 lying around, I think we should pay down the mortgage before putting it into that park. You have some many things here, the floor covering at \$21,000.00. Our parking lots are all mud and gravel and we will be tracking all of that in on new floors, they need to be blacktopped. Trustee Beskow stated that he is having a hard time with this. Especially the money, the Village does not have it in the general fund to make those payments. Trustee Borchers stated it is out of the impact fees. Trustee Beskow again stated that they are not guaranteed. Trustee Borchers stated that there is a balance in there of \$700,000.00. Trustee Beskow stated that there was a resolution made to keep 2 payments on hand at all times, so you cannot touch that amount. Trustee Borchers then stated he was not aware of that. Treasurer Christensen stated that after the project is approved, we would still have enough money left. Nancy Rogers then stated that the labor is included in the figure at the very top of the sheet.

Trustee Bender inquired of Treasurer Christensen of how much has been spent already over there. Treasurer Christensen stated he was not aware of the exact amount; maybe around \$45,000.00 due to time delays on bills. Trustee Bender asked about the cost of the wall behind the kitchen. Nancy Rogers stated that this amount included that. Trustee Beskow stated that the wall was over \$10,000.00 without being approved.

Nancy Rogers stated that when this started, there was talk about selling the Lions Club.

Trustee Beskow stated that we have to realize that we still do not own the Lions Club, we owe on it. If we sell it for top dollar, we would be lucky to get \$200,000.00. This is a lot of money to spend on a tin building, we won't get any more for it than what's on the outside. Trustee Borchers disagreed and stated that we don't know that, and then asked the rest of the Board if they would like this tabled and go back and take a look at the costs. Trustee Beskow stated that he would rather pay the place off before putting in \$400,000.00.

Trustee Murrey was not in full concurrence with Trustee Beskow. He does not want to rain on anyone's parade, but what is the big picture. Trustee Murrey stated that when he was on that Board before, he left instructions because they wanted to do this and that. They replaced the roof when Trustee Murrey was on the Board. He stated that he had given all the information to Terry Zawada and all that was done was fences, gazebos, etc. Trustee Murrey stated that he has no problems but would like to know the big picture. He likes the concept and would like to give a product to the people, but would like to know the grand scheme. What's tomorrow, what's is it going to cost once this thing is done and what is it going to impact the general fund, as far as more people, more maintenance once the impact fees are done, we are then diving into the general fund. It started about 2 months ago, the big picture, I know this is not a plan that you can come up with overnight, I know we had a discussion of the Lions Club to move people over. That's when this thing started, and back 2 months ago I asked the same question, what is the big picture.

Trustee Borchers stated basically where does it end.

Trustee Murrey stated he does not like to say no if there is a plan in place. He is glad that something is being done. He thinks that we are pouring more money into it than it is worth, but government is suppose to be here for the people. This is the product we have to work with.

Trustee Borchers stated that if this is the sole source, main unit for everyone to use for a variety of services. The Lions Club cannot be there for that, and he does not know how we could allow anyone in that building. Trustee Beskow stated that he agrees with the comment about the Lions Club, but that we do not have to have space available to everyone in the Village. If we are full, that's it. Businesses have meeting rooms. We cannot compete with our own merchants. We do not have to provide those services. Nancy Rogers then stated that she is not trying to provide just meeting rooms, but activities and classes. Trustee Beskow stated he understood that, but that it was beyond the scope of her management, and that Nancy does a good job with activities, but the building and the grounds need to be taken care of up here. That is not your responsibility. Nancy Rogers then asked Trustee Beskow what the purpose to purchasing this building. Trustee Beskow stated that the Village just wanted the property, that no

one was happy with the building, it just happen to be there. The heat was no good, doors leaked. You have sprinklers on your list for \$76,000.00. Sprinklers are not required if we do not make these improvements. Trustee Murrey stated that Nancy Rogers had a good point. There was some movement of doing something with 23 South Street, and it never went forward. Then this came along and there were lots of ideas of what could be done. It has not been made up yet, Trustee Murrey stated that he is not pointing the finger at Trustee Borchers, but what he is getting at is we need the big plan.

Nancy Rogers stated that she needs to call people who are going to be rented South Street that they have to switch because of the census taking up space there for 2 months. She has gotten such a response from the community that we are doing a beautiful job, and we are trying to get programs increased at no expense to the Village. She has people waiting to come in to do yoga programs. She has education classes, AARP, Homeowners Association, they do not like to use the big room, because it is so spread out and you cannot hear when the heaters are on. They are all glad that we are making smaller spaces available. She is just going by what the community is asking for. Trustee Beskow stated that we have 5 other parks that need fences, we have a subdivision asking to put in a park, and we cannot make everyone happy. Trustee Beskow stated that he would go back to Trustee Murrey's point, that this is not concise enough of exactly what the cost is and what is going to be done so that the Board could vote on it comfortably. Trustee Murrey stated yes. Trustee Beskow stated that what scares him, is that if the impact fees go away we still owe over a million dollars on that property, we should be paying that building off and just not adding to it if we have \$400,000.00.

Trustee Borchers asked for a clarification on how the Sally Port is being built, and questioned if that was impact fees. Trustee Bender stated that is was a separate telephone tax. Mayor Irwin wanted to make a statement that she would like to thank Nancy Rogers for the awesome job that she is doing with that building and the programs. Trustee Beskow stated too good of a job. Trustee Bender stated that essentially with what Trustee Murrey has stated, could phase priority be put on the sections of the building. This all cannot be done at once, phase it in slowly over a period of time, a phase approach. Trustee Beskow stated that it makes more sense. Get the lots cleared up first. Trustee Borchers suggested that the motions be tabled this evening, and they will go back and look at a phase approach. Nancy Rogers asked if she could just get the back room completed so that she could have a smaller room. Trustee Beskow stated that it made more sense and go as the impact fees come in. We had hit a high spot with 3 residential areas at one time. Fox Lake has very little left for development. Nancy Rogers then stated that the two rooms upstairs the walls were taken down and could a wall be put up to repartition it. Trustee Beskow stated that one thing leads to another. Trustee Borchers stated that it would be tabled for now and will come back at a later date with a phase approach.

Chairman Ulasz stated that she likes the idea of renovating this building. It is the only place where a family can come in and enjoy everything. She also likes the phase idea, hates the dollar amount, but would like to see something given back to the community. We did not treat the Lions Club well, and would not like to see that happen with this building. Trustee Beskow stated that there were thousands and thousands dollars of renovations in the Lions Club. Chairman Ulasz stated that it was never maintained though.

Trustee Bender stated that he would like to see the Village accelerate at selling the Lions Club.

Nancy Rogers stated that there is not a day that does not go by that she does not receives calls asking what the Village has to offer. She stated she then refers them to Round Lake and Lindenhurst, but she understands where everyone is at.

Nancy Rogers mentioned that there was a memo handed out regarding the van. Nancy Rogers stated that her and Luke Catullo went and looked at the vans. She reviewed the handout. The third option is the one they like, because it has bucket seat and an aisle down the middle. The total cost would be \$16,750.00 over five years and you then buy it for a dollar. Trustee Borchers stated that in the interest of time could we make a proposal for this. Trustee Beskow stated that Trustee Borchers could approve the \$500.00 down payment. Trustee Bender asked what the last statement of not over 20,000 meant. Nancy Rogers stated that it was suppose to be not over 20,000 miles.

Treasurer Christensen stated that the van needs to come back to the Board the next meeting due to it being a lease.

Treasurer Christensen stated that he meet with the Census people, and thought the room next store would be big enough, but if fact was not. The only place that we could come up with is the Lions Club. We took her over there and she was happy with the location. They need approximately 60 days for the count. We blocked it from June 15th to the end of August. They do not know when they will start. It could be June 15th or July 15th. Trustee Bender asked if they would be done by July 15th. Treasurer Christensen stated it would be close. Trustee Bender mentioned that he would like to see the Lions Club sold by then.

Treasurer Christensen states that along the same lines, they will need about 120 applicants as counters, but will only hire about 15 based on availability. We do not know what the salary will be, but we could use Village employees on their own time, late evenings and weekends. Cannot be anyone in any type of authority position. Once we get closer we will let you know when we are going to start and what the pay would be. We could pay them out of our payroll, but not as overtime, because they would be considered as census employees and not our employees. The Federal Government sets the pay amount we do not. Trustee Bender asked if employees need to sign their checks over to us, would this be the same scenario. Treasurer Christensen stated that other than the three training days, which they have to use their own time to attend, it would be on nights and weekends and would not interfere with their day jobs. Trustee Bender stated then like a part-time job. Treasurer Christensen stated precisely.

IX. Audience Comments

None

X. Adjournment

There being no other business to discuss the Committee Meeting was adjourned at 5:48p.m.

Dee Wittlieb
Deputy Clerk