

APPROVED
VILLAGE OF LAKE ZURICH
SPECIAL BOARD MEETING
MARCH 31, 2008

The meeting was called to order at 7:37 p.m.

ROLL CALL: *Present* –Trustees Branding, Callahan, Johnson, and Poynton. *Excused* – Mayor Tolomei, Trustee McAvoy, and Trustee Taylor. *Also present* –Administrator Vitas, Finance Director Zochowski, Police Chief Urry, Deputy Police Chief Finlon, Fire Chief Mastandrea, Deputy Fire Chief Wheelock, Park and Recreation Director Perkins, Public Works Director/Engineer Heyden, Assistant Public Works Director Duprey, and Building and Zoning Director Peterson.

DISCUSSION OF FISCAL YEAR 2008-09 BUDGET:

Finance Director Zochowski began the budget discussions by reviewing the various types of funds, which are Governmental Funds (General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds), Proprietary Fund Types (Enterprise Funds and Internal Service Funds), and Trust and Agency Fund Types (Trust Funds including Pension Funds and Escrow Funds including Agency Funds). These funds can be broken down further with other funds within them. He said an attempt is being made to expand the funds rather than putting items in the general fund to provide greater visibility and accountability. He recommends using the Fund Accounting system.

The review of the budgets for the remaining departments followed with each department head narrating a power point presentation and corresponding handout.

Park and Recreation Department:

Director Perkins presented an overview of his department covering information on number of staff and volunteers, parks, buildings, and facilities. He summarized the functions of the recreation and maintenance staff, major projects, special events, and SRA tax levy funding. Highlights for 2007-08 and initiatives for 2008-09 were listed.

Trustee Johnson asked what the plans for Kuechmann Park were. Director Perkins responded that the first floor is needed for programming use. The three options are sell the property and use the funds, remove the house and use the property, or keep it as it is.

Trustee Callahan noted that no new positions had been placed in the budget even though Director Perkins had requested additional personnel in previous years and could benefit from the new positions. He said the budget will be reviewed at a later point, perhaps midway through the year, to see if there are any funds available for new staff in any of the departments.

Police Department:

Police Chief Urry presented an overview of his department covering information on the number of sworn and non-sworn personnel and reviewed the organizational chart. He will be losing the

Deputy Chief in charge of Field Operations and a telecommunicator this year. The positions temporarily will not be filled. He described the staff operating procedure and said the losses in personnel will impact operations. Police Chief Urry said staff must be paid overtime to provide adequate coverage when someone is off of work due to vacation, illness, injury, or training.

He summarized the various functions of department and provided statistics on police activity, traffic, crime, workload, and achievements. The budget highlights, goals and objectives, overtime graphs, and previous budget comparisons were reviewed. Police Chief Urry concluded that the department staffing has not been increased in more than nine years, and it is important to recover the original staffing once budget issues are resolved.

Trustee Callahan said he understood that the personnel shortages were problematic. He said the budget will be reviewed at a later point, perhaps midway through the year, to see if there are any funds available for new staff in any of the departments.

Fire/Rescue Department:

Fire Chief Mastandrea presented an overview of his department covering information on the service area and services provided, community programs, review of personnel including staffing at four stations. He presented budget comparisons for the prior year for each program area. Chief Mastandrea had requested a vacant staff officer position be filled, but it was not included in the proposed budget. He explained the staffing process and said overtime expenses have increased and will continue to increase to maintain minimal staffing levels and to replace staff with long-term injuries or illness. Additionally, staff must be built up in anticipating of upcoming retirements to avoid an interruption of services. If staffing issues are not addressed, a decrease in the level of service must be considered. He is waiting to hear if the Village will be eligible for funding for three firefighter/paramedics through the SAFER Grant program. If successful, he will provide a report on the negatives and positives of accepting the funding.

Highlights of the year and the proposed budget were further reviewed. Vehicle, facility, personnel, initiatives were recapped. Anticipated revenue for increased ambulance fees was not included.

Administrator Vitas said none of the additional anticipated revenue will be included to avoid inflating expected revenues. The fees collected will be reassessed mid-year. He said the budget is not written in stone, and the trustees can review it and make changes as the year goes on.

Trustee Callahan again said he understood how serious the personnel shortages were, but it will be readdressed if funds become available later in the year.

Public Works Department:

Public Works Director/Engineer Heyden gave an in-depth presentation on the Public Works Department which includes general administration, fleet, engineering, general services, and utilities. Topics reviewed included a review of responsibilities, goals and objectives, and budget highlights. He said personnel is very important to handle the workload and for morale.

The meeting was recessed from 9:33 – 9:40 p.m. to change the video tape.

Trustee Callahan acknowledged that this was a very lean budget and is hoping more funds will be available later in the year to address the concerns regarding personnel and other issues.

Discussion followed. The department heads were thanked for their thorough presentations. There was agreement that the budget should be continually reviewed and adapted as necessary. Budgetary information will be brought back to the trustees regularly for their review. Administrator Vitas stressed that this budget did not propose any layoffs, no positions were abolished but some in some cases the funding from the budget was suspended. New funding sources will be monitored. He said it is important to be accurate in long-term planning especially as the Village is close to being fully built out.

Finance Director Zochowski concluded his presentation and reviewed the Motor Fuel Tax, TIF Redevelopment, Non TIF Debt Service, TIF Debt Service, Capital Projects, Parks Improvement, Water and Wastewater, Medical Insurance, Vehicle Maintenance, and Risk Management Funds. Significant points include the possibility of borrowing funds in 2009 to make TIF debt service payments, lack of available revenue for the proposed traffic signal by the high school, possible changes in the employee medical health insurance plan to a third party, need for additional funding resources for the vehicle maintenance fund to offset a deficit, and the capital projects deficit.

Administrator Vitas said deficits must be addressed now or in the future. If revenue does not improve, they may need to review the 20-year fleet maintenance program and the street maintenance program. Alternative revenue sources will continue to be examined. Measures will continue to be made to avoid raising property taxes, but it could become necessary at a future date. He recommended development be scrutinized carefully to be sure the Village can afford the project.

ADJOURNMENT:

MOTION made by Trustee Callahan, seconded by Trustee Johnson, to adjourn the meeting.

Voice vote, AYES have it. MOTION CARRIED.

The meeting was adjourned at 10:41 p.m.

Submitted by: *Janet McKay, Recording Secretary*

Approved: