

Village of Homer Glen

**14933 South Founders Crossing
Homer Glen, Illinois 60491**

March 31, 2009

Board of Trustees

Committee of the Whole Meeting

**Village Council Chamber
14917 South Founders Crossing
Homer Glen, IL**

A. CALL TO ORDER

The meeting was called to order on March 31, 2009 by Mayor James Daley at 7:06 p.m. in the Village Council Chamber – 14917 South Founders Crossing, Homer Glen.

B. ROLL CALL

Present at 7:06 p.m. were Mayor James Daley, Trustees Marcia DeVivo, Russell Knaack, Mary Niemiec, Margaret Sabo, and Laurel Ward. All remained present throughout the meeting. Trustee Christopher Locacius was not present. Also present on behalf of the Village were Village Clerk Gale Skroboton, Village Manager Paula Wallrich, Village Treasurer Tom Polke, Finance Director John Sawyers and Village Attorney Cary Horvath.

A quorum was established.

C. APPROVAL OF AMENDMENTS TO AGENDA

There were no Amendments to the Agenda.

D. APPROVAL OF MEETING MINUTES

October 21, 2008 – Committee of the Whole Meeting

Trustee DeVivo made a motion to approve the October 21, 2008 Committee of the Whole minutes; second by Trustee Knaack.

Voice vote:

All Ayes: (5) Trustees DeVivo, Knaack, Niemiec, Sabo and Ward

Nays: (0) None

Absent: (1) Trustee Locacius

Motion carried.

E. ITEMS OF BUSINESS**Discussion of the Budget for Fiscal Year Beginning May 1, 2009 and Ending April 30, 2010.**

Finance Director John Sawyers reported:

- . We expect the General Fund to end the current fiscal year on April 30, 2009 with a new cash flow operating surplus estimated at \$46,919.00.
- . Fiscal year is ending with no outstanding debt.
- . \$150,000 of General Fund surplus will be transferred to the Capital Project Fund and \$100,000 to the Land Acquisition Fund.
- . Expected balances at the end of the fiscal year April 30, 2009:

- General Fund	\$ 2,224,467
- Motor Fuel Tax	\$ 872,688
- Park Fund	\$ 444,264
- Capital Project Fund	\$ 1,076,713
- . A significant increase in sales tax revenue will result from the Goodings Grove annexation. The 1% Home Rule sales tax that will go into effect on July 1, 2009. This 1% sales tax is expected to generate \$1.2 million for the last six months of 2009. The majority of this new revenue will be transferred to the Capital Project Fund and Park Fund.
- . Sales tax revenue from the Goodings Grove annexation is estimated at \$450,000.

- . The budget includes Park Fund Projects pending Grant awards for the fiscal year.

Mayor Daley commented the major projects in the budget include the sewer line project and park land acquisition.

Trustee Niemiec pointed out that the Projected Revenues of Net Transfers for fiscal year ending 4/30/10 shows \$8,460,259 and expenses of \$8,972,700, and it appears as if the Village is deficit spending. Trustee Niemiec suggested that the budget reflect the beginning of the year and projected end-of-year cash balances to reconcile and support the deficit spending from prior year build up of reserves. John Sawyers suggested the report could include the amounts for Cash at the Beginning of the Year and Cash at the End of the Year.

The Board discussed the decrease in sales tax revenue for December 2008 that included the Goodings Grove annexation, as compared to 2007, and questioned the projected sales tax revenue shown in the proposed budget.

John Sawyers gave an overview of:

- . **General Fund** line items, projected revenues and expenditures, and transfer of funds, leaving an operating surplus of \$7,271, and a balance of \$2,231,000 at the end of 2010.
- . **MFT Fund** opening balance of \$872,688, with an MFT deficit of \$378,722, leaving an ending balance of \$493,966.
- . **Capital Project Fund**: A bond issue is being proposed to fund the sewer extension and guard against any cost overruns, and to begin the process of funding a community park. Bond Proceeds of \$10,000,000 has been included in the budget, along with the Sanitary Sewer cost of \$8,225,000, leaving a difference of \$1,775,000 that will be transferred into the park fund specifically designated for acquisition of a community park.

Trustee Niemiec asked for clarification as to why software for was included in the Capital Project Fund, and not the General Fund.

John Sawyers stated that two years ago the money was not spent and was moved to the Capital Project Fund. He commented that the funds could be transferred into the General Fund.

- . **Park Fund** opening balance is \$444,264 with cash and investments. A close-out packet for Stonebridge will be filed that will generate a grant award of \$374,500. Reimbursements on the CMAQ are 80% of the engineering costs, and with the transfers from the General Fund and Capital Project Fund the total revenue is \$2,495,000. The budget includes \$400,000 for land acquisition, \$200,000 of which was rolled over from the prior year.
- . **Tollway Fund**: Cash and Investments at the end of 2010 will be \$408,847.
- . **Debt Service Fund**: \$750,000 from the 1% Home Rule Sales Tax Revenue will be transferred into this fund. Expenditures were based on an estimated \$10 million bond issue with a 15 year term @4.3%, for an expenditure of \$457,000 for 2010.

Village Manager Wallrich stated the budget also includes expenditures for:

- Create position of a Community Development Director
- Web site development
- Legislative liaison has been rolled over from the 2009 budget
- Arborist
- Planning consultant services for zoning revisions and legal reviews
- GIS services
- Cable broadcasting and purchase of camera

- Sheriff police
- New aerial maps
- Computer software
- Economic incentive package for Goodings Grove (3 remaining installments)
- Community activities and events (Arbor Day and Harvest Days)
- Tree planting program
- Security system for exterior doors
- New tornado siren
- EMA – used pickup truck

Capital Improvement Projects also include:

- Water Acquisition Study
- Meadowcrest
- Small drainage projects
- Street light retrofit
- Landscape and signage on Village owned property at 151st and Bell
- Oakwood berm project
- Traffic calming

Trustee DeVivo asked if estimates could be sought for the park maintenance.

Trustee Ward posed the following questions:

- Could the arborist also be designated as the Village forester, as referred to in Village ordinances.
- Could separate invoices be submitted for legal zoning reviews.
- Is the \$10,000 budgeted for Homer Harvest Days the Village's cost, or will that be split with the township.
Trustee Niemiec suggested that an intergovernmental agreement be created for the financial obligations of the Village and Township.
- Is \$15,000 enough to do the Economic Sub-area Development Planning.
Trustee Niemiec suggested that \$15,000 could be moved from the budgeted amount of \$25,000 for the Legislative liaison and used for Planning Consultants.
- What the \$16,000 expenditure for Environment Surcharge is to be used for, and has the \$40,000 from 2009 been used for any project.
The Board suggested that we partner with another municipality on a recycling project.
- Noted that Small Drainage Projects is not shown in the Capital Project Fund, and requested that the \$50,000 grant we received for drainage projects be moved over to the MFT Fund.
- Noted that the beginning balance for the Tollway Fund Budget was not shown for 2009.

Trustee Ward stated she would like to see the Village do some long-term financial planning, and work toward building up our reserve to \$4.5 million.

Mayor Daley stated that the sewer line is a recapture agreement and will open up our commercial corridor along 159th Street. It will be based on a ten-year bond, and the recapture will include interest as the businesses pay for their capacity on the sewer line.

Village Clerk Gale Skroboton requested that the purchase of a fire-proof file cabinet be included in the budget, and that the Parade and Festival expenses also be included for Community Activities and Events.

Trustee Sabo commented:

- The \$26,130 budgeted for Street Light retrofit does not reflect any increases in labor or price changes. It also does not include lights that are not assumed by the Village at this time, or that we lease from ComEd.
- Would like to see a yearly increase in the amount budgeted for land acquisition.
- The \$15,000 budgeted for the landscaping and signage at 151st and Bell is only the first step, and asked the Village Manager what vision is seen for the second phase of the project.
- Questioned if one of the future goals of the Village was to become a Tree City.
Village Manager Wallrich stated she is working with the Township on the required conditions.

Trustee Niemiec:

- Voiced her concern about hiring a new staff person without having a position description and suggested that before creating a new position it should come before the Board for discussion.
- Stated that the Economic Development Committee is looking at developing a subpage for our web site and other efforts to assist local businesses, and commented that the budgeted \$8,000 is not enough to accomplish these initiatives and asked how this figure was determined.
Village Manager Wallrich stated that the cost of the initiatives will be researched and an estimate cost will be determined.

Trustee Knaack:

- Questioned why nothing is budgeted for new projects for park development.
- Since there currently is no funding mechanism for parks, he suggested that we require new developers to donate money for capital improvements to parks.
- Noted that the budget does not include funding for future trail projects.
- Consider setting up separate funds for land acquisition and trails.

The Board discussed the proposed Bond offering.

Trustee Ward stated she supports the sewer line, but is concerned that since this is the first time the Village will take on any debt, she is uncomfortable about including it in the budget without having full information on the total cost and implications of the debt and what it means for our residents.

Finance Director John Sawyers stated that the dollar amounts shown are based on assumption of today's market, but these could change significantly in future months.

Mayor Daley stated that by including the Bond in the budget it does not obligate us to do anything, but gives us the opportunity to go ahead with the sewer line or park land purchase if the Board wants to move in that direction. By not including it in the budget we are sending out the wrong message to our residents.

Trustee Knaack stated he would like to see a concrete plan for purchasing a community park before including anything in the budget, and the Board could amend the budget after the information is received.

Trustee Niemiec commented that these projects would not begin right now and questioned why the Bond offering had to be included in the budget at this time. By approving a budget ordinance with a \$10 million that included a potential debt, we are saying this is the direction of the Village. Trustee Niemiec stated that when the Board has all the information, we should be able to show in a public hearing, as a stand-alone item, that the Bond is being done as a conscious decision, rather than just putting it in a budget ordinance.

Trustee Niemiec stated she does not support including the \$10 million bond offering in the budget, but suggested that the budget include the allocation of funds in the General Revenue Fund or Development of the Sewer Line or Park Acquisition.

The Mayor stated that if the Board wants to move forward with the sewer line at this time, all indications show that it could be completed by the end of this fiscal budget.

Trustee Knaack stressed the importance of having input from residents on what they would like to see in their community.

Trustee Knaack suggested that we run some scenarios to determine how we can afford the bond purchase to put in the sewer line and purchase a major park.

The Board requested further information on the total cost of the bond and the implications to the Village, for discussion at a future meeting.

F. NEW BUSINESS

There was no new business.

G. ADJOURNMENT

Trustee Sabo made a motion to adjourn the meeting; second by Trustee DeVivo.

Voice Vote:

All Ayes: (5) Trustees DeVivo, Knaack, Niemiec, Sabo, and Ward

Nays: (0) None

Absent: Trustee Locacius

Motion carried.

The meeting was adjourned at 10:07 p.m.

Respectfully Submitted,

Gale Skrobuton, Village Clerk

Approved at the Board of Trustees Committee of the Whole Meeting dated July 14, 2009