



MINUTES OF THE SPECIAL MEETING  
OF THE PRESIDENT AND BOARD OF TRUSTEES  
OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS  
HELD FEBRUARY 20, 2010

I. President Byrne called the meeting to order at 9:15 a.m.

Call to Order

II. Roll call indicated the following Trustees present: Hebda, Koch, Marquardt, Schultz, Schwartz and Williams.

Roll Call

Also present were Village Manager Allison, Assistant Village Manager Kalmar, Chief Fleischhauer, Finance Director Nakrin, Building Commissioner Atkinson, Public Works Director Laudenslager and Village Engineer Brown.

III. The Pledge of Allegiance was given.

Pledge of Allegiance

IV. Citizens to Address the Board  
None

Citizens

V. Committee of the Whole.

1. Fiscal Year Budget Discussions.

Finance Director Nakrin reviewed the Fiscal Analysis Summary for the FY2010-11 as it currently existed, which included an upward increase up to approximately \$300,000 to \$400,000 in Surplus and \$8.9 million in Sales Tax Revenue. There was no COLA or Replacement Funds scheduled for the FY2010-11 Budget. An increase to \$483,856 would be needed to cover the Accelerated Retirement Program. Mr. Nakrin continued to review the conservative FY2011-12 budget with the possibility of a retroactive COLA settlement payment of approximately \$400,000. Other forecasted growths included \$474,822 in fringe benefits; \$371,650 in replacement fund; \$65,328 in contractual services; \$40,582 in commodities. A drawn down of approximately \$855,000 was anticipated in the General Fund. The FY2012-13 General Fund would be funded for \$2.14 million. The FY2012-13 Budget would double up on the debt service with an amount slightly above \$460,000 with the VHAC debt to be retired the level would be approximately \$1.65 million. The FY2012-13 General Fund debt-service would be a \$800,000-\$900,000 draw down; and the General fund cash would stabilize at an amount approximately \$6.2-\$16.6 million. Sales Tax Revenue recovery would be approximately \$9.5 million for FY2011-12; \$9.62 million for FY2012-13, which was less than the FY2007-08 level of \$10.36 million. If there was to be an expansion at Westfield and at Gregg's Landing North there could be an influx in the Sales Tax Revenue. Capital Programs would be modest for a few years. Mr. Nakrin noted to increase revenue a Food and Beverage Tax could be implemented.

Fiscal Year Budgets

President Byrne inquired the status of construction of residential units in the TIF area. Mr. Nakrin stated it would probably be six years before completion. TIF payments would run for the next 23 years. Sales Tax Revenue for the TIF area would be minimal. Small restaurants would generate an approximate \$30-\$50,000 and upscale restaurants \$80,000. Trustee Hebda inquired the status of the possible development of the NE corner of Routes 60 & 21 and was informed there was nothing currently planned. President Byrne inquired about the costs of attorney's fees for FOP and was informed by Manager Allison it could run approximately \$100,000 plus arbitration fees. President Byrne inquired the cost difference between Sergeants and Commanders and was informed there was an approximate \$6,000 differential and Commanders did not receive overtime pay. President Byrne inquired the amount of the Telecommunications Tax and was informed it was approximately \$1 million. President Byrne inquired the number of empty spaces in the corporate parks and the lack of Telecommunication Tax fees with the vacancies. Sales Tax Revenues were currently down approximately \$2 million from the high of \$10 million during the FY2007-08. Mr. Nakrin stated there was a surplus in the investment portfolio and was hopeful the State Income Tax would not drop. President Byrne inquired if any change would be in the MFT and was informed it was not a growing tax.

VI. Adjournment.

Adjournment

Motion by Trustee Hebda, second by Trustee Schultz approval to adjourn the Special meeting and go to Closed Session for discussion of personnel-[Sec. 2(c)(1)] and litigation-[Sec. 2(c)(11)] as allowed under the Open Meetings Act. Roll call vote:

Ayes: 6-Schwartz, Williams, Hebda, Koch, Marquardt, Schultz

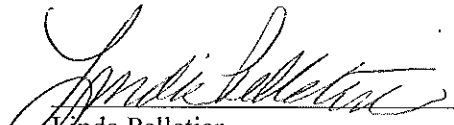
Nays: 0-None

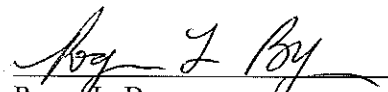
Absent and not voting: 0-None

Motion carried.

Meeting adjourned at 9:50 a.m.

Approved this 2nd day of March 2010.

  
Linda Pelletier  
Village Clerk

  
Roger L. Byrne  
Village President