

**MINUTES
SPECIAL COMMITTEE OF THE WHOLE MEETING
VILLAGE OF VERNON HILLS
FEBRUARY 28, 2006**

IN ATTENDANCE: President Byrne called the meeting to order at 7:00 p.m. The following Trustees were present: Koch (arrived at 7:15 p.m.), Marquardt, Schultz and Schwartz. Trustees Hebda and Williams were absent.

Also present were Manager Allison, Assistant Manager Kalmar, Finance Director Nakrin, Building Commission Gerth, Public Works Director Laudenslager, Village Engineer Brown and Deputy Clerk Pelletier.

A. FY200607 BUDGET REVIEW – CONTINUATION.

COMMUNITY DEVELOPMENT BUDGET

Assistant Manager Kalmar stated the budget was \$1,918,078, below 1.74% last year's level. The Building Division budget was \$1,172,788, up 0.45% from last year; the Community Development Administration budget was \$136,275, up 9.28% from last year; the Engineering Division was \$500,015 down 10.74% from last year; and the (External) Engineering Review and Inspection budget was \$109,000, up 9.00% from last year. The Engineering Review and Inspection division was the budget for consulting services whose services were funded by developers. The Engineering Division was down one administrative assistant position from last year's budget.

Trustee Schultz inquired if the Lake Harvey Restoration included the access and parking. Village Engineer Brown stated the budget for this year was only for the bank stabilization. Residents in Bay Tree would need to be notified of public access to property. Monies for engineering plans would need to be placed in the Capital Improvements budget. Trustee Schultz inquired if the Seavey Ditch near the Municipal Golf Course was included and Mr. Brown stated that would have to be planned for the next budget year and it would also include the addition of a well. Motion by trustee Schwartz, second by Trustee Marquardt to approve the \$1918,078 budget as presented. Roll call vote:

AYES: 5-Koch, Marquardt, Schultz, Schwartz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

COMMUNITY DEVELOPMENT INFRASTRUCTURE CAPITAL SUBFUND BUDGET

Finance Director Nakrin stated the \$4,912,000 capital budget was up 51.84% from last year's original budget. The budget was approved at the 12/20/2005 Committee of the Whole Meeting. Village Engineer Brown stated the road rehabilitation program would be ambitious for 2006. The Kelly's sidewalk was not included in this budget year and the Gregg's landscaping project at Lakeview and Gregg's Parkway would be reviewed at the 3/07/2006 Committee of the Whole Meeting. Finance Director Nakrin and Mr. Brown went through the itemized list of expenditures as outlined in the proposed budget. \$5,000 would be added for the Lake Harvey planning. Motion by Trustee Schultz, second by Trustee Schwartz to approve the \$4,917,000 budget as presented. Roll call vote:

AYES: 5-Marquardt, Schultz, Schwartz, Koch, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams
Motion declared carried.

MOTOR FUEL TAX BUDGET

Village Engineer Brown stated the budget was \$508,000, a 125.78% increase from last year's level. The Lakeview Parkway and Fairway Drive projects, which included right of way acquisitions were in this budget and were approved at the 12/20/2005 Committee of the Whole Meeting. Grant monies would be pursued for additional funding for these projects. The two projects would be done in phases and would not include Phillip Road or the Phillip Road and Deerpath Drive intersection. Motion by Trustee Koch, second by Trustee Marquardt to approve the \$508,000 budget as presented. Roll call vote:

AYES: 5-Schultz, Schwartz, Koch, Marquardt, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams
Motion declared carried.

TAX INCREMENT FUND BUDGET

Assistant Manager Kalmar stated the Tax Increment Fund budget was \$2,919,000 and included commitments to our partners Half Day/Aspen Partners, College of Lake County and Opus in the amount of \$2,819,000. Most of the resources funding this budget were expected to come from a bond issue that would be repaid by the TIF over the life of the TIF. The Port Clinton Road extension to Milwaukee Ave. was also budgeted in at \$100,000. Motion by Trustee Schultz, second by Trustee Marquardt to approve the \$2,919,000 budget as presented. Roll call vote:

AYES: 5-Schwartz, Koch, Marquardt, Schultz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams
Motion declared carried.

ADMINISTRATION BUDGET

Manager Allison stated the Administration budget was \$1,754,249, 9.48% more than last year's original budget. Salaries were \$670,406, up 7.64% over last year; fringes were \$187,568, up 7.31%; contractual services were \$738,732, up 6.77%; Commodities were \$56,700, up 1.25%; and equipment was \$100,843, up 77.41%. The General Administration Division had a budget of \$191,070, the Manager's Office had a budget of \$502,603, Finance had a budget of \$893,877 and the Cable Studio had a budget of \$166,699.

In the Studio budget, an increase was for upgrading the playback and bulletin board message system. The system would run programs via a DVD versus video tapes. The website would also be upgraded to allow for pull down menus. Staff would research information for ADA compliance for the website. Finance Director Nakrin stated IT equipment needed to be upgraded and the upgrades were on an as need basis. Motion by Trustee Schultz, second by Trustee Koch to approve the \$1,754,249 budget as presented. Roll call vote:

AYES: 5-Koch, Marquardt, Schultz, Schwartz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams
Motion declared carried.

RESIDENT BENEFIT BUDGET

Finance Director Nakrin stated the Resident Benefit budget was \$606,200, down 3.86% from last year's original budget. The components of this budget included \$299,000 for recycling and waste pick up, up 5.08% from last year; grants at \$30,200, the same as last year; \$227,000 for VHAC maintenance, down 14.60% from last year; and \$50,000 for the YMCA payment, the same as last year. Manager Allison went

through the list of items pertaining to the VHAC site. Mr. Nakrin stated 6 of 10 payments had been made to the YMCA as negotiated in their agreement. Mr. Laudenslager informed President Byrne the field lights were in the Capital Improvements budget. Motion by Trustee Schwartz, second by Trustee Koch to approve the \$606,200 budget as presented. Roll call vote:

AYES: 5-Koch, Marquardt, Schultz, Schwartz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

EVENTS BUDGET

Assistant Manager Kalmar stated the Events Fund was \$158,475, up 12.15% from last year's original budget. The budget included \$14,400 for Arboretheater Events, \$84,100 for the Light Show (funded by \$90,000 in ticket sales), \$4,800 for the fish derby, \$36,650 for the light show, \$4,525 for the Pageant and \$14,000 for Summer Celebration Fireworks. The budget was projected to receive \$18,000 in Cultural Partner funds. Mr. Kalmar stated the Farmer's Market was put on hold until an appropriate site was established. The budget for fireworks and entertainment was increased due to costs. Trustee Schwartz inquired if the New Years Eve's Fireworks could be reinstated and was told it was not a revenue maker. Trustee Schultz inquired if another October Fest would be held for our sister city and requested \$20,000 be placed in the budget. Manager Allison added that last year's fest required no pay outs and everything from gifts and workers was donated. Trustee Schwartz inquired if it were possible to purchase Light Show passes as gifts and staff was directed to research the possibility. President Byrne inquired if the annual charitable golf outing could be reinstated and staff was directed to budget \$2,000. Motion by Trustee Schultz, second by Trustee Marquardt to approve the 180, 475 budget as presented. Roll call vote:

AYES: 5-Koch, Marquardt, Schultz, Schwartz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

SUMMER CELEBRATION BUDGET

Village Manager Allison stated the Summer Celebration budget was \$132,200, 0.17% above last year's level. The budget was able to remain relatively flat, despite production cost increases approved at the 12/06/2005 Committee of the Whole Meeting. Mr. Allison stated another band contract would be on the 3/07 Board agenda for approval. Trustee Schultz inquired if increase in the cost of beer was passed on and Mr. Nakrin informed him the budget had remained flat. Motion by Trustee Schultz, second by Trustee Koch to approve the \$132,200 budget as presented. Roll call vote:

AYES: 5-Marquardt, Schultz, Schwartz, Koch, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

HOTEL MOTEL BUDGET

Finance Director Nakrin stated the \$325,000 budget exceeded last year's original budget by 4.84%, which reflected a more favorable forecast for Hotel Motel Tax receipts. The budget consisted of a \$10,000 payment to the Lake County Convention and Visitors Bureau, \$11,000 for tourism promotion activities and \$304,000 of debt service toward the repayment of the 2002 VHAC bonds. Mr. Nakrin added there were three bonds actively being paid. Motion by Trustee Koch, second by Trustee Schultz to approve the \$325,000 budget as presented. Roll call vote:

AYES: 5-Schultz, Schwartz, Koch, Marquardt, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams
Motion declared carried.

GENERAL PURPOSE BUDGET

Finance Director Nakrin stated the General Purpose budget was \$1,089,300, 28.38% below last year's budget and consisted of \$974,300 for debt service, \$80,000 for contingency and a \$35,000 transfer to the TIF. Trustee Schultz inquired if the \$100,000 for professional services would fill gap. Motion by Trustee Schwartz, second by Trustee Marquardt to approve the \$1,089,300 budget as presented. Roll call vote:

AYES: 5-Schwartz, Koch, Marquardt, Schultz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

PRESIDENT AND TRUSTEE BUDGET

Village Manager Allison stated the President and Trustee budget was \$72,886, up 10.07% from last year's original budget. Salaries, at \$50,702 and fringes at \$3,879 were at last year's level, contractual services at \$17,055, up 64.23% and commodities at \$1,250 were at last year's level. The major change in the contractual services budget was due to the budgeting of the GLMV Chamber Mixer at the Cuneo Museum. A joint mixer was discussed to be held at the Municipal Golf Course or the Arbortheater for the upcoming year. Trustee Schwartz requested reinstating expenses for the Trustees to attend the IML conference and \$2,800 was added to the budget. Motion by Trustee Schultz, second by Trustee Schwartz to approve the \$75,686 budget as presented. Roll call vote:

AYES: 5-Koch, Marquardt, Schultz, Schwartz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

JUDICIARY BUDGET

Manager Allison stated the Judiciary budget was \$270,000 up 28.57% from last year's original budget and the increase was due to the grant related legal services of hiring Merrill. Trustee Schultz requested a review in June on the progress of securing grants. Motion by Trustee Schultz, second by Trustee Marquardt to approve the \$270,000 budget as presented. Roll call vote:

AYES: 5-Koch, Marquardt, Schultz, Schwartz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

PUBLIC WORKS BUDGET

Public Works Director Laudenslager stated the Public Works budget was \$3,562,194, up 5.11% from last year's original budget. Salaries were \$1,396,908, down 0.16% from last year; fringes were \$413,177, up 0.12% from last year. Mr. Laudenslager requested a change in the part-time seasonal staff. Contractual services were \$928,801, up 12.49% from last year due to using services versus staff. Commodities were \$547,908, up 8.30% from last year due to fuel and salt costs; and equipment was \$275,400, up 12.12% from last year due to the need to replace and purchase various pieces of equipment. Motion by Trustee Koch, second by Trustee Schwartz to approve the \$3,562,194 budget as presented. Roll call vote:

AYES: 5-Koch, Marquardt, Schultz, Schwartz, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

REPLACEMENT FUND BUDGET

Public Works Director Laudenslager stated the Replacement Fund budget was \$2,661,000, up 12.71% from last year's original budget. Equipment purchases were \$263,000, up 250.67% from last year's level. The reserves for future equipment purchases were \$2,398,000, 4.90% above last year's level. Purchases would include various trucks and a senior bus. Motion by Trustee Schultz, second by Trustee Marquardt to approve the \$2,661,000 budget as presented. Roll call vote:

AYES: 5-Marquardt, Schultz, Schwartz, Koch, Byrne

NAYS: 0-None

ABSENT: 2-Hebda, Williams

Motion declared carried.

B. ADJOURNMENT.

Motion by Trustee Schultz, second by Trustee Koch to adjourn the Special Committee of the Whole Meeting. Roll call vote:

AYES: 5- Schultz, Schwartz, Koch, Marquardt, Byrne

NAYS: 0-None

ABSENT: 2-Williams, Hebda

Motion declared carried.

Meeting adjourned at 9:05 p.m.

Linda Pelletier, Deputy Village Clerk

Roger L. Byrne, Village President