

**MINUTES
COMMITTEE OF THE WHOLE MEETING
VILLAGE OF VERNON HILLS
MARCH 5, 2019**

President Byrne called the meeting to order at 7:39 p.m.

IN ATTENDANCE: President Byrne, Trustees Koch, Brown, Marquardt, Schultz, Oppenheim. Trustee Takaoka was absent. A quorum was established.

Also present were: Village Manager Fleischhauer, Assistant Village Manager Petrillo, Building Commissioner Atkinson, Public Works Director Brown, Chief Kreis, Commander Williams, Finance Director Fairbairn, Larry Nakrin Lauterbach & Amen, Attorney Hunt, Brad Farber, and Recording Secretary Koehl.

1. APPROVAL OF COMMITTEE OF THE WHOLE MEETING MINUTES OF FEBRUARY 19, 2019

Motion by Trustee Koch second by Trustee Schultz to approve Committee of the Whole Minutes for the February 19, 2019 meeting.

Roll Call Vote:

AYES: 5 – Brown, Schultz, Marquardt, Koch, Byrne

NAYE: 0 – None

ABSTAIN: 1 - Oppenheim

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

2. PRESENTATION OF 2019/20 BUDGET

A. Opening / Introductory Comments - VM Fleischhauer

Village Manager Fleischhauer presented the preliminary 2019/2020 Operating and Capital Budget documents for the Board to review. He advised that over the next two Board meetings all Departments will present their proposed budgets for the Boards consideration. He also stated that he is happy to announce that he is presenting a balanced budget.

He gave a summary and thanked all Department Heads and their respective teams for their hard work and long hours. Specific recognition of Finance Director Fairbairn, Larry Nakrin and their staff for their efforts in preparing this challenging budget.

B. Overview / General Revenues – Larry Nakrin / Treasurer Fairbairn

Finance Director Fairbairn gave an overview and noted some key items in the budget.

a. Section C - Page 12 Overview

The proposed budget for the General Fund has an \$87 surplus, even with transfer to the vehicle replacement fund and adding two (2) transitional Police Officers.

b. Section C – Page 8 Debt Expenditures

Debt service is going from \$1.15 million down to \$685,000, due to calling 2005 general obligation bonds to save money on interest over multiple years.

c. Section C – Page 10 Motor Fuel Tax Fund

There is a deficit projected due to capital street improvements. This is a long-term issue and we will be looking into solutions for road improvement funding for the future.

d. Section D – Page 14 Multi-Year Plan

We are projecting over the next five (5) years, our General Fund and Dispatch Fund cash balance being \$26,814,894 however with a \$1.5 million deficit for MFT, bringing us to \$25,292,750. This still exceeds The Standard & Poor's 75% General Dispatch Expenditures and TIF transfers.

Finance Director Fairbairn noted this also assumes

- 1) No economic down growth

- 2) No legislative changes
- 3) No significant store closings

Also noted were General Revenues Sales Tax Collection statistics. 2018 sales tax collections (October 2017-September 2018) comparisons were as follows:

2018 increased 8.1% over 2017

2018 increased 3.4% over 2016

2018 increased 0.2% over 2015

For the upcoming 2019/2020 budget we have used collections and annualized for store openings and closings and the falling off of Steinhafel's rebate.

e. Section C – Page 7 Budget Overview

There is a 6% tax increase based on the IML projections. Electric Utility Tax will remain a no-growth, this item is a weather affected revenue. The Simplified Telecom Tax continues to decline, and the Investment Income is projected to increase due to better interest rates and a more pro-active investing approach.

President Byrne asked what our operation budget is and Finance Director advised it to be \$24,826,279 as noted on page 12, which is up less than 1%.

Trustee Oppenheim asked about future investments and was advised by the Finance team that rather than leaving so much in bank accounts, there will be more invested in US Treasury Bonds and other alternative investments.

C. Police Department – Chief Kreis

Chief Kreis introduced Commander Williams and thanked him for his help on completing the Police Department budget. Chief Kreis noted that there are some significant increases due to hiring three (3) Sworn Police Officers who were previously not budgeted for. A new expense is a \$116,000 for the replacement fund. Historically this was always funded, but was not funded this past budget year. There are continuations of previous year expenditure projects. We are replacing a NIPAS Officer position. Due to new training requirements mandated by the state, we have funded for these expenses appropriately. Lastly, we have budgeted for four (4) new vehicles in our fleet management program.

Motion by Trustee Schultz second by Trustee Koch to approve The Police Department Budget at \$11,826,110

Roll Call Vote:

AYES: 6 – Brown, Oppenheim, Schultz, Marquardt, Koch, Byrne

NAYE: 0 – None

ABSTAIN: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

D. Dispatch Center Fund – Chief Kreis

There has been a modest increase by 2%. To balance this fund we are including a transfer from the Police Fund in the amount of \$1.492 million, which is an increase of \$350,000 directly attributed by the loss of revenues from Lincolnshire leaving our Dispatch Center. Chief Kreis will work on a plan to reconcile this loss and will provide more details to the Board in the upcoming months. Vacancies of non-sworn employees are being held to hold the line on expenses until we can figure out how to reconcile this loss.

Motion by Trustee Schultz second by Trustee Koch to approve The Dispatch Center Fund at \$2,919,921.

Roll Call Vote:

AYES: 6 – Koch, Marquardt, Schultz, Oppenheim, Brown, Byrne

NAYE: 0 – None

ABSTAIN: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

E. DUI Sub-Fund & Drug Forfeiture Fund – Chief Kreis

These funds are to be used for specific law enforcement initiatives. We are hoping to deploy an e-citation system and will be utilized at a later date.

Motion by Trustee Schultz second by Trustee Marquardt to approve The DUI Sub-Fund at \$42,000.

Roll Call Vote:

AYES: 6 – Brown, Oppenheim, Schultz, Marquardt, Koch, Byrne

NAYE: 0 – None

ABSTAIN: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

Motion by Trustee Schultz second by Trustee Marquardt to approve The Drug Forfeiture Fund at \$46,000.

Roll Call Vote:

AYES: 6 – Brown, Oppenheim, Schultz, Marquardt, Koch, Byrne

NAYE: 0 – None

ABSTAIN: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

F. Fire & Police Commission – Chief Kreis

This fund is specific to hiring new Police Officers and when we have turnover more expenses are used.

Motion by Trustee Schultz second by Trustee Koch to approve The Fire & Police Commission Fund at \$6,595.

Roll Call Vote:

AYES: 6 – Koch, Marquardt, Schultz, Brown, Oppenheim, Byrne

NAYE: 0 – None

ABSTAIN: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

Motion carried.

President Byrne asked how many employees there are in Dispatch. Chief Kreis advised that we have 16 Full Time positions and 3 Part Time positions. Trustee Schultz asked how many hours the Part Time Records Clerks work. Chief Kreis advised that they each work approximately 22-26 hours per week and are essential for the weekly operation of the Organization.

Trustee Schultz asked about the \$116,000 replacement fund and Chief Kreis explained about how this will keep the replacement fund healthy for the future.

President Byrne inquired about Developer reimbursement funds from developers. Attorney Hunt advised that so far we believe approximately \$340,000 is revenue to be reimbursed to The Village, and will then be entered into this new budget once received.

G. Public Works Department – Director Brown

Public Works Director Brown gave an overview of the Public Works Budget. The proposed Operations Budget is \$5,562,920 which is a 7.21% increase from last year and equates to \$374,091. The majority of that budget were things that were deferred last year. If you total up equipment replacement fund, vehicle repairs and rock salt, this equates to \$325,709 and if subtracted, we are at \$48,382. Though we have a 7.21% increase, these were not sustainable and we knew we were deferring the replacement fund and were not adding to equipment. This was a one-year decision. Other than the deferred items we are actually at 0.93% and we believe it to be very reasonable.

Motion by Trustee Koch second by Trustee Schultz to approve The Public Works Department Fund at \$5,562,920.

Roll Call Vote:

AYES: 6 – Oppenheim, Marquardt, Koch, Schultz, Brown, Byrne

NAYE: 0 – None
ABSTAIN: 0 - None
ABSENT AND NOT VOTING: 1 - Takaoka
Motion carried.

H. Capital Sub-Fund – Director Brown
This fund has declined by 18.79%. Gave summary of upcoming projects and is asking the Board to approve this proposed budget.
Motion by Trustee Koch second by Trustee Marquardt to approve the Capital-Sub Fund at \$1,137,700.
Roll Call Vote:
AYES: 6 – Brown, Oppenheim, Schultz, Marquardt, Koch, Byrne
NAYE: 0 – None
ABSTAIN: 0 - None
ABSENT AND NOT VOTING: 1 - Takaoka
Motion carried.

I. Motor Fuel Tax Fund – Director Brown
Projects for road improvements in the amount of \$1.1 million are proposed.
Motion by Trustee Koch second by Trustee Schultz to approve the Motor Fuel Tax Fund at \$1,100,000
Roll Call Vote:
AYES: 6 – Koch, Marquardt, Schultz, Oppenheim, Brown, Byrne
NAYE: 0 – None
ABSTAIN: 0 - None
ABSENT AND NOT VOTING: 1 - Takaoka
Motion carried.

J. Metra Parking Sub-Fund – Director Brown
Discussion was had regarding the Metra train station and lot. The proposed budget requested is \$86,310. Trustee Schultz noted that there is a Scrivener's error and the detail will need to be corrected prior to posting the final budget.

Motion by Trustee Koch second by Trustee Schultz to approve the Metra Parking Sub-Fund at \$86,310
Roll Call Vote:
AYES: 6 – Brown, Oppenheim, Schultz, Marquardt, Koch, Byrne
NAYE: 0 – None
ABSTAIN: 0 - None
ABSENT AND NOT VOTING: 1 - Takaoka
Motion carried.

K. Replacement Fund – Director Brown
Summarized replacement vehicles and requests that the replacement budget be approved in the amount of \$459,000. Trustee Schultz noted that there is a Scrivener's error and the detail will need to be corrected prior to posting the final budget.
Motion by Trustee Koch second by Trustee Schultz to approve the Replacement Fund at \$459,000
Roll Call Vote:
AYES: 6 – Brown, Oppenheim, Schultz, Marquardt, Koch, Byrne
NAYE: 0 – None
ABSTAIN: 0 - None
ABSENT AND NOT VOTING: 1 - Takaoka
Motion carried.

3. SOCIAL SERVICE GRANTS

Village Manager Fleischhauer asked for a volunteer to take charge of the Social Service Grant process. Trustee Brown Volunteered to head the process.

4. ADJOURNMENT

Motion by Trustee Schultz second by Trustee Koch to adjourn the Committee of the Whole Meeting.

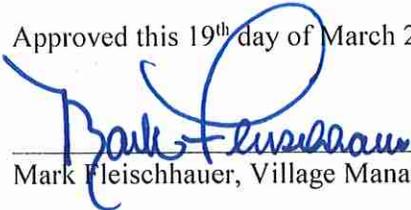
Voice Vote

All in favor.

Motion carried.

Meeting adjourned 9:30 p.m.

Approved this 19th day of March 2019



Mark Fleischhauer, Village Manager



Roger Byrne, Village President