

VILLAGE OF SLEEPY HOLLOW
VILLAGE BOARD AND FINANCE COMMITTEE

MEETING MINUTES
APRIL 11, 2011

A special joint meeting of the Sleepy Hollow Corporate Authorities and the Finance Committee was called to order at 7:07 p.m. at the Sleepy Hollow Village Hall. Board members in attendance were President Stephen Pickett, Trustees Scott Finney, Dennis Fudala, Russell Getz, Jeff Seiler (and Finance Committee member), and Donald Ziemba (and Finance Committee member), and Finance Committee members Mike Tennis (at 7:30 p.m.) and Lee Brotcke (at 7:36 p.m.). Trustee Wind was absent. Also in attendance were Finance Director Ellen Volkening and Village Attorney Mark Schuster (for executive session only).

Ziemba moved with a second from Getz to adjourn the meeting to executive session at 7:08 for the purpose of collective bargaining pursuant to 2(c)(2) of the Open Meetings Act. Aye: Ziemba, Getz, Finney, Fudala, Seiler. Motion passed.

The regular meeting resumed at 7:50 p.m.

Fiscal Year 2012 Budget

Trustee Ziemba said the Finance Committee recommends a 2.7% salary increase for most non-union employees. There will be a change in the employee contribution to their health insurance. Depending on the plan, the employee currently pays 0 - 7% for individual and 9.8% - 12.2% for dependent or family coverage, all of which are much lower than the average in local government. The Finance Committee recommends increasing the employee contribution for all plans to 10% for single coverage and 20% for dependent coverage. This change will save the Village \$13,000 on the current premium, which is expected to increase substantially this year.

A 16% decrease in general fund revenues is anticipated for next year. Utility taxes seem to have stabilized and will hopefully not go any lower. The state income tax is still an unknown although we are budgeting \$286,000, which includes a decrease because of the reduction in the Village population. Court fines from ticketing decreased this past year; however, the Village has budgeted \$24,000 from the new towing program. The police department will increase from about 61% of this year's total revenue in the general fund to about 67% of the next years. Some funds that will increase for next year are the legal fees, gas, oil and maintenance services, and engineer fees. It is anticipated that there will be a \$57,000 deficit for next year's budget. We will receive \$11,000 reimbursement from FEMA for the blizzard. We do not know if this will go to this year or next fiscal year.

The five year capital improvement fund will be reduced next year about \$72,000. Trustee Ziemba feels a referendum is necessary to raise taxes. Residents will need to be clearly advised on effect on Village if referendum does not pass. Trustee Finney noted that sales tax will not bring in the money needed. Vehicle sticker prices could be raised for some revenue. The next opportunity for a referendum is in November 2012.

Trustee Seiler discussed the water problems on Jamestowne Court. The swales are on Village property, in the right of way, although the residents maintain the swales. The swales need to be regraded and made deeper and wider. However, the pipes and sewer drains must first be cleared to allow for a proper flow rate. The pond must also be drained and dried out. The regrading of the

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swales was estimated at \$42,000. Since the MFT road bid came in well under the engineer's estimate, there would be sufficient funds remaining to do the regrading and MFT funds can be used for swale work. (Trustee Getz left at 9:05 p.m.)

There is no work being done at the moment on the path. It was noted that if the funds should not come through for the grant, the Village would not proceed with the pathway.

Although the impact fees were designated for sewer for potential development, Trustee Ziemba will confer with Attorney Schuster to see if these funds can be transferred to cover the general fund deficit. The original impact fees were \$100,000 but have accumulated over the years to \$245,000. President Pickett's understanding of use of this fund is that the Village could make a "loan" to another fund or the Board could re-designate the use of the fund. However, Mr. Tennis pointed out that the Village should not use capital funds to fund deficits. He suggested the Village deficit for next year's budget be left unbalanced at this time. The wetland mitigation bank fund has not sold any land recently. The MFT fund will have an \$81,000 balance which should be used for next year's road work, as accumulation in this fund is not desired.

Trustee Ziemba reviewed the DI&E restricted reserves fund, which is for water improvements. Several fire hydrants and pressure relief valves are included in this budget item. The cost will be approximately \$25,000 more than is budgeted. This will still leave a fund surplus of about \$22,000.

Revenues in the water fund should increase about \$86,000, and purchases will increase about \$34,000. Water still owes DI&E about \$60,000 that was borrowed. However, because of non-cash depreciation, the water fund is anticipated to have an approximately \$56,000 deficit. A deficit should remain for several years.

The sewer fund expects revenue of \$103,000 and expenses of \$132,000, with a year-end deficit. This is due, in part, to the anticipated \$25,000 purchase of a new meter for Locust. Mr. Brotcke gave a detailed explanation of how the Village water meters work. He had conversations with the company that supplies all 4 of the Village meters and believes we can replace the "guts" of the Locust meter for substantially less than the \$25,000 (about \$2,200). He does not feel the Village needs to purchase an entirely new meter, which would be more costly. He noted that the flume of the meter must be cleaned regularly for the proper flow to ensure an accurate reading; otherwise it will show a higher reading than the actual usage by the Village. He also said the Village must read the meter on a regular basis and should have monthly billings from West Dundee. If the Village wants a remote transmission for the meter which would allow remote readings, the cost would be substantially higher. The other 3 meters could be upgraded for about \$500 each. This may not even be necessary as the other 3 meters are much newer than the Locust meter. The Board agreed to keep \$25,000 in the budget at this time. The Board discussed whether the Village or West Dundee should maintain the meters with no decision. They also thought the Village may wish to look for another firm to repair the meters since the current individual is not always timely in making repairs.

The police budget includes the sale of a couple squad cars to save on insurance, maintenance, etc. Trustee Finney strongly opposes the sale of the squads and noted it will not make a material

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difference in the budget. He also noted there has been no analysis on the savings. Others felt that six squad cars are not necessary.

The 2012 salaries, insurance deductions and budget will be submitted for approval at the next board meeting with changes as discussed.

There were no members of the public present for comment.

There was no old or new business.

Seiler moved with a second from Ziemba to adjourn the meeting at 9:55 p.m. Motion passed unanimously.

Respectfully submitted,



Norine Olson
Village Clerk