



**HAWTHORN WOODS
FINANCE COMMITTEE MEETING MINUTES
APRIL 8, 2008
7:30 P.M.**

I. CALL TO ORDER AND ROLL CALL

Meeting was called to order at 7:36 P.M.

Attending: Doug Samz, Chairperson
Kelly Corrigan
Tom Ketcham
Trustee Silvers
Bob Sarley
Bob Gerry

Absent: Noah Seidenberg

Also

Attending: Jim Bassett, Village Administrator
Donna Lobaito, Assistant Village Administrator
Ron Heller, Interim Finance Director

II. OPPORTUNITY FOR PUBLIC TO ADDRESS THE COMMITTEE

None this month.

III. APPROVAL OF THE MINUTES FROM THE MARCH 11, 2008 MEETING

Motion by Mr. Ketcham, second by Ms. Corrigan to approve the minutes of the March 11, 2008 Finance meeting.

Ayes: Samz, Corrigan, Ketcham, Silvers
Nays: None
Abstain: Sarley, Gerry
Absent: Seidenberg
Motion carried.

IV. APPROVAL OF THE MINUTES FROM THE JANUARY 8, 2008 MEETING

Motion by Mr. Gerry, second by Mr. Samz to approve the minutes of the January 8, 2008 Finance meeting.

Ayes: Samz, Gerry
Naye: None
Abstain: Corrigan, Ketcham, Silvers, Sarley
Absent: Seidenberg
Motion carried.

Mr. Seidenberg arrived at 7:40 p.m.

V. OLD BUSINESS

A. Budget Discussion **a. Non-General Corporate Funds**

Ron Heller, Interim Finance Director, reviewed the various non-general corporate funds of the Village. He suggested that the operations of the Park Department be pulled out of the General Fund and combine it with Fund 10 – Park Improvement Fund. Mr. Sarley stated that from a restriction standpoint, the Committee never wanted to do this.

Mayor Hunt arrived at 7:45 p.m.

The committee stated they wanted the Village Board to approve both the Stub Year 08 as well as the CY09 budgets. Trustee Silvers commented that the Village needs to be committed and that we can always amend the CY09 budget.

Fund 12 – Connection Fees – An \$8,000 expenditure this year was for a Lake Michigan water study. It is anticipated that \$24,000 in connection fees will be forthcoming in Stub08.

Fund 40 – Aquatic Center Operations – \$4,355 surplus is anticipated in Stub08 and \$5,700 in CY09. The donation of \$114,000 in Stub08 reflects a carry over from last year due to the damages of opening up the Aquatic Center late. If the money is not collected, the money will come from the capital fund and not operating fund.

Mayor Hunt provided an overview of how the prices were set and passes sold for the Aquatic Center in 2007. Both Trustee Silvers and Mayor Hunt requested a long term depreciation schedule for the pool.

Under the capital replacement line item, Mr. Heller stated that he believed these are capital items that Ms. Lynch needs to purchase.

Fund 15 – Aquatic Center Construction Fund – Fund 15 was reviewed by the committee. Mr. Heller commented that the \$20,000 Other Professional Services line item was for water testing. Mr. Heller will take a closer look at the capitalization and get back to Mr. Samz.

Fund 22 – Aquatic Center Bond and Interest Fund – Mr. Heller stated this was for capitalized interest.

Fund 25 – Aquatic Center Debt Service Reserve Fund – This fund is for the bond proceeds and this fund will be in existence until the bonds are retired.

Fund 28 – Motor Fuel Tax Fund – Trustee Silvers commented that 100% of this money will be spent on SSA 1, 2 and 3. Presently, the fund balance is \$485,000. Mayor Hunt stated that Peter Baker and Sons has capped their price at no more than a 5% increase this year and next. Trustee Silvers asked that Lee Fell take a look at the remaining streets that have to be paved.

Fund 30 and 37 – SSA #4 Construction and Debt Service – These funds contain the bond proceeds for SSA #4 and will pay the debt service. This project may or may not occur this year. Mayor Hunt stated we are waiting on permits. The question arose as to whether taxes were being abated for two years. Mr. Heller stated that the Village is to receive \$120,000 this year from the tax levy. Staff will look into this item.

Fund 31, 32, 33, 34, 35 and 36 – SSA #1, 2 and 3 Construction and Debt Service – Mayor Hunt commented that every year \$200,000 from the General Fund goes into the SSA Funds for road improvements. Trustee Silvers asked Mr. Heller to ensure that the interest from this \$200,000 followed into the SSA funds.

Fund 55 – Police Pension – Mr. Samz expressed concern about the Village's contribution being reduced. Due to the recent staff reductions, he suggested the Village go back to the Department of Insurance asking them to refigure the contribution.

b. General Corporate Fund

Mr. Heller commented that all building related expenses have been removed from the equation and are being tracked separately. Mr. Heller reviewed both revenues and expenditures of the General Corporate Fund.

Some of the highlights included the fact that this year we realized almost a 30% increase in health insurance. This figure was also used for budgetary

purposes for CY09, however, he believes we will see more like a 24% increase. Mayor Hunt responded that the Village Board indicated salaries would be frozen this year and possibly next year and that if there is no salary increases it would be hard to change the employee's contribution to health insurance premiums.

Mr. Heller noted that the Elected Officials accounts no longer have any salary or benefit expenditures. Mr. Heller will be looking into options for the debt service under Public Works. Mayor Hunt asked Mr. Heller to provide the committee with an analysis of truck loans.

The committee decided to hold a special Finance meeting on Thursday, April 17, 2008 at 7:30 p.m. to continue discussions on the budget. The expense policy will be discussed at that time.

V. NEW BUSINESS

A. None this month

I. ADJOURNMENT

On a motion by Ms. Gerry, seconded by Mr. Sarley, the Finance Committee adjourned at 9:20 PM.

Respectfully submitted,

Doug Samz, Chairperson

Donna Lobaito, Assistant Village Administrator