



**HAWTHORN WOODS  
FINANCE COMMITTEE MEETING MINUTES  
MARCH 11, 2008  
7:30 P.M.**

**I. CALL TO ORDER AND ROLL CALL**

Meeting was called to order at 7:38 P.M.

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

Absent: Bob Sarley  
Noah Seidenberg  
Bob Gerry

Also

Attending: Jim Bassett, Village Administrator  
Donna Lobaito, Assistant Village Administrator  
Ron Heller, Interim Finance Director  
Keith Hunt, Mayor  
Neil Morgan, Trustee – In non-participating capacity

Mr. Samz commented that he had hoped more committee members would have been present for such an important meeting.

Mayor Hunt mentioned that the committee would be going into Executive Session later to discuss specific staff reductions.

**II. OPPORTUNITY FOR PUBLIC TO ADDRESS THE COMMITTEE**

None this month.

**III. APPROVAL OF THE MINUTES FROM THE JANUARY 8, 2008 MEETING**

The minutes were not approved as Doug Samz was the only member present this evening who attended the January 8, 2008 meeting. These minutes will be placed on the April Finance Committee agenda for approval.

#### IV. NEW BUSINESS

##### A. Financial Update

Ron Heller, Interim Finance Director, mentioned that he would be discussing only the General Fund tonight. He commented that the turndown in the housing market has affected the Village's financial situation.

Mayor Hunt stated cuts were made in November based on the best available information at the time. In December, the financial situation worsened.

Mr. Heller commented that in November former Finance Director, Nancy Caine, prepared revenue and expenditure projections based on the information available at that time. Three months passed and Mr. Heller prepared more updated revenue/expenditure projections. He mentioned we are looking at a \$760,968 deficit in FY08, which is driven primarily by revenues and not so much by expenditures. He said we are looking at a negative variance of \$2.7 million on the revenue side and a positive variance of \$2.0 million on the expenditure side. Mr. Heller stated that he has pulled all revenues and expenditure relating to building and zoning out of the general fund and dropped them to the bottom. He would like to create a new building and zoning fund for one time revenue sources and associated expenditures. Trustee Silvers stated that the committee has talked about doing just this for the SSA's and building related items so as to provide a clear picture.

Mayor Hunt commented that Toll Brothers has been making \$1 million donations to the Village for six years and this May will be the last payment. \$835,000 of this annual donation is seen as an inter fund transfer in the General Fund.

Mr. Heller stated that when building and zoning are backed out, the real revenues variance is -\$700,000 and the expenditures variance is \$500,000.

Mayor Hunt commented that staff has prepared both a stub year '08 as well as CY09 budgets. Recently, department heads were asked to cut an additional 15% from their budgets due to the anticipated \$760,000 deficit. Each department head was asked to make staff reduction recommendations. With the staff reductions the Village is projecting a surplus of \$47,239 in stub year '08 and \$174,847 in CY09.

Mr. Heller commented that all capital expenses have been deferred to CY10. Staff was asked to explore what equipment and/or vehicles could be sold.

The committee reviewed the specific cuts for stub year '08 and CY09. Salaries have been frozen through 2008 and the Village will take a closer look at salaries in 2009.

The committee suggested the yard waste stickers be given their own account, as well as the business expenses for the Mayor – naming this line item business development.

Staffing levels and budgeted overtime were discussed as a result of any layoffs. Mayor Hunt stressed that it will be very important that the department heads time their purchases in the new budget year.

Motion by Ms. Corrigan, second by Mr. Ketcham to enter into Executive Session to discuss employee matters. On a voice vote the motion carried unanimously. The committee entered into Executive Session at 9:45 p.m.

The regular Finance Committee reconvened at 10:16 p.m. Motion by Mr. Silvers, second by Ms. Corrigan to recommend to the Village Board to proceed with the staff reductions as discussed in Executive Session. On a voice vote the motion carried unanimously.

Motion by Ms. Corrigan, second by Mr. Ketcham to adjourn the committee meeting. On a voice vote the motion carried and the meeting adjourned at 10:18 p.m.

  
\_\_\_\_\_  
Doug Samz, Chairperson

\_\_\_\_\_  
Donna Lobaito, Recording Secretary

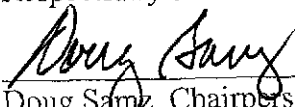
V. OLD BUSINESS

A. None this month

VI. ADJOURNMENT

On a motion by Ms. Corrigan, seconded by Mr. Ketcham, the Finance Committee adjourned at 10:19 PM.

Respectfully submitted,

  
\_\_\_\_\_  
Doug Samz, Chairperson

  
\_\_\_\_\_  
Donna Lobaito, Assistant Village Administrator