



**THE VILLAGE OF HAWTHORN WOODS
SPECIAL VILLAGE BOARD MEETING
2 LAGOON DRIVE, HAWTHORN WOODS, ILLINOIS
MARCH 12, 2008
7:30 P.M.**

MINUTES

I. CALL TO ORDER AND ROLL CALL

Mayor Hunt called the special meeting to order at 7:46 pm. Roll call indicated the following members were present: Mayor Hunt; Trustees Riess, Silvers, Morgan, Gehrke and Weick. Trustee Wright arrived at 8 pm.

Others present included Jim Bassett, village administrator and Denise Kauffman, community affairs coordinator.

II. PLEDGE OF ALLEGIANCE

III. OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

No one present addressed the Board about any items not on the agenda.

IV. NEW BUSINESS

- A. Mayor Hunt announced that tonight's special meeting was the first of a series of workshops for the Board to discuss the budget. Mayor Hunt also explained that the village is transitioning to the calendar year from the fiscal year. Mayor Hunt introduced Jim Bassett, village administrator and Ron Heller, interim financial director. Jim Bassett said the Board should anticipate at least two more meetings with the Finance Committee and two more meetings for the Board to work on the budget. Bassett said that the village's reliance upon one time or developer fees, annexation fees and connection fees and the market has dried up for those types of revenue. As of April 30, the budget deficit is expected to be \$760,000 and the estimate last November is that the budget deficit would be \$350,000 to \$400,000. Since November the market has continued to fall and the

funds in the general fund have dried up. At the conclusion of the meeting last Tuesday, staff was told to reduce each budget by 15 percent. The budget has been reviewed and all non-essential services to the Village have been cut and what is before the Board now is a balanced budget. The one-time, one-shot fees have been removed from the general corporate fund. These funds will now become “excess” or below the bottom line. As a reminder, the “stub” year is May 1 – Dec. 31, 2008 and the “calendar” year is Jan. 1 – Dec. 31, 2009. The village can control expenditures. Jim turned the discussion to Ron Heller to talk about revenues.

Ron Heller said there were far greater shortfalls in revenue than anticipated in November of 2007. It was predicted that the deficit would be \$372,000 at that time. The projections with only six weeks left until the end of the fiscal year are much higher.

Trustee Silvers asked for a comparison of the number of permits purchased in Jan and Feb 2007 compared to Jan and Feb 2008.

Mayor Hunt said the number of permits were: June of 2006 – 48 permits, June of 2007 – 31; July of 2006 – 44, and July of 2007 – 33; August of 2006 – 26 and August of 2007 – 22; September of 2006 – 26 and September 2007 – 19; October 2006 – 35 and October 2007 – 23; November of 2006 – 30 and November 2007 – 19; December 2006 – 10 and December 2007 – 3; January 2007 – 15 and January 2008- 3; February 2007- 10 and February 2008- 1; March 2007 – 12 and to date in March 2008 there have been none.

In summary, up to Nov. of 2007, permits dropped off by 25 - 30 percent from the previous year. From Nov of 2007 to March of 2008 permits were off by 75- 80 percent.

Trustee Silvers asked if the “soft” period might go our farther than 2009. The operating budget presented has consistent revenues only in it.

A review of each department’s revenue showed that the police bring in \$315,000 from court fines, violations and donations. The public works department brings in marginal donations. The current budget shows \$30,000 for fireworks and concerts but that will only be spent if a donation comes in to pay for that. The building department has had all revenue removed. This is a brief overview of the revenue picture.

A review of each department’s budget followed. There are five categories in each budget: personnel services, contractual services, commodities, other uses and debt service.

In Administration, the \$1.8 million budget is reduced to \$750,000 for the stub year. The budget for 2009 is \$988,000. All non-essential items have been removed.

The Elected Officials budget had significant cuts and is reduced to \$7,200 for the stub year and \$13,000 for fiscal 2009. All salaries and health insurance benefits have been eliminated. Discussion included moving dues for memberships that are utilized by staff as well as elected official to the general fund – an example of such is the NWMC.

The State requires the village to have a Board of Police Commissioners and the budget is approximately \$6000.

The Technology budget was reviewed, including the web page re-design which has already begun and was already committed to for the stub year. The Police Department salaries and personal expenses will be discussed in executive session. The police pension fund is a specific funding obligation that needs to be met, that number cannot be touched. Trustee Riess asked if the funding obligation is currently being met and Trustee Silvers said it is, roughly \$11,000 a month goes to the pension fund. Health insurance costs are estimated to increase by 28 percent and the village will ask insurance broker to try to re-bid insurance.

Fees were discussed for organizations like North East Illinois Crime Lab and the Major Crime Task Force.

Payments for dispatch are based on previous year's number of calls for that time period.

Trustee Riess asked about costs for legal services and prosecutions for police issues. The stub year 2008 has \$70,000 budgeted for police negotiations. Contract is not complete yet for police. Police are asking for 4% increase in salary when all other village salaries are frozen. Trustee Riess what the increase would be and Mayor Hunt said this discussion was more appropriate for Executive Session. Trustee Silvers agreed that he had no comment on the 4% increase.

Auto fuel is biggest commodity expense for department. The "idling" of cars has been addressed for all village departments. There will be no vehicle replacements.

Public Works budget was discussed. Salt purchases for winter went over budget by \$16,000 due to one of the worst winters. Maintenance repair for vehicles is being done in-house. Debt service shows one more payment in stub year 2008 for vehicles purchased.

Building and Grounds budget includes mosquito abatement, there is a slight cut in budget. The common areas will be sprayed. Public Works will do some of the work – putting pellets in retaining ponds.

Park Maintenance budget showed that so far there is no donation for fireworks.

In Building and Zoning Budget, consultants such as Christopher Burke Engineering have been reminded that when they have a project on the agenda for a meeting that they need to attend that they need to bill that meeting back to that project. Building inspections, landscape review and fire suppression items were discussed as pass-throughs.

As a summary, Jim Bassett said that the balanced budget presented tonight means the village will be "living within their means" and begin to replenish the fund. Trustee Gehrke asked that the Board be getting actual numbers on a monthly basis for building permits in the future.

V. OLD BUSINESS

A. None this month

VI. EXECUTIVE SESSION

Motion by Trustee Silvers and seconded by Trustee Gehrke to adjourn to Executive Session for the purpose of discussing pending litigation, budget bargaining and employee matters. On a voice vote, all ayes. Motion carries.

Mayor Hunt announced that there will be business conducted after the Board returns from Executive Session.

The Board recessed to Executive Session at 9:05 pm.

The meeting was reconvened at 11:34 p.m. Motion by Riess, seconded by Silvers that the staff recommendations presented at the Executive Session be accepted and implemented immediately.

Roll call vote:

Ayes: Riess, Silvers, Gehrke, Wright

Nays: Morgan

Abstain: Weick

Motion carried.

VII. ADJOURNMENT

Motion Gehrke by second by Morgan to adjourn the Special Meeting. The meeting adjourned at 11:40 p.m.