



**THE VILLAGE OF HAWTHORN WOODS
JOINT FINANCE/COMMITTEE OF THE WHOLE
AND
SPECIAL VILLAGE BOARD MEETING
2 LAGOON DRIVE, HAWTHORN WOODS, ILLINOIS
MONDAY, OCTOBER 24, 2016
5:30 PM**

MINUTES

I. CALL TO ORDER AND ROLL CALL

Mayor Mancino called the meeting to order at 5:36 p.m. Roll call indicated the following members were present: Mayor Mancino, Trustees Ponzio, Riess, Morgan, Corrigan, and DiMaggio. Absent was Trustee David. Finance Committee member Mr. Singh Kalra was present. Absent were Finance Committee members Ms. Kosik and Mr. Schulte.

Also present were Chief Operating Officer Pamela Newton, Chief Administrative Officer and Village Clerk Donna Lobaito, Chief Financial Officer Kristin Kazenas, Chief of Police Jennifer Paulus, Public Works Director and Village Engineer Erika Frable, PE, Director of Parks and Recreation Brian Sullivan, Community Development Director Michael Cassata, AICP, and Village Attorney Patrick Brankin.

II. PLEDGE OF ALLEGIANCE

**III. OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE JOINT
FINANCE/COMMITTEE OF THE WHOLE**

None this month.

**IV. PRESENTATION AND OVERVIEW OF THE 2017 OPERATING AND CAPITAL
BUDGET**

Ms. Newton provided an overview of the 2017 Operating Budget, and highlighted many of the Village's accomplishments in 2016. She reviewed in detail the Priority Based Budget.

V. REVIEW AND DISCUSSION OF 2017 OPERATING AND CAPITAL BUDGET

Ms. Kazenas reviewed the budget process. The budget will be placed on display for one month after tonight's meeting. Copies will be available at the front desk and online. The public hearing for the budget will be held on November 28, 2016.

Overall, the 2016 budget reflects a 2.5% increase in revenues. Significant changes included property taxes increase of \$50,000, sales tax increase of \$20,000, use tax increase of \$31,419, shared income tax increase of \$38,315, utility tax decrease of \$35,000,

telecommunications tax decrease of \$4,000, and a decrease of \$12,125 in SWALCO recycling.

Ms. Kazenas also reviewed general personnel significant changes. In this budget, salaries are being allocated based upon actual job responsibilities. The compensation plan and job descriptions have been updated.

Staff presented the various department budget requests to the Board.

Elected Officials

Ms. Lobaito reviewed the Elected Officials budget. Staff recommends an increase in Contractual Services which funds the elected officials' attendance at the IML conference and at Lake County Municipal League functions.

Administration

Ms. Lobaito reviewed the Administration budget. Overall, she is requesting a 9.5% decrease in expenditures. The significant changes consist of salary reallocation for two positions, the promotion of one employee, a savings of \$7,530 due to the cancellation of the T-1 line, and an increase of \$1,970 for Professional Development.

Legal

Ms. Lobaito noted there were no changes in the Legal budget.

Village Clerk

Ms. Lobaito reviewed the Village Clerk budget. She is requesting a 26% decrease in expenditures due primarily to the reallocation of salaries.

Sister Cities

Ms. Lobaito reviewed the Sister Cities budget. The significant change relates to donations, which was based upon the 2016 actuals.

There were no questions for Ms. Lobaito.

Risk Management

Ms. Kazenas reviewed the Risk Management budget. Ms. Kazenas is requesting a 14.1% increase due primarily to medical and dental insurance. She is budgeting a \$4,000 decrease in unemployment insurance and no increase in the general liability and workers compensation insurance.

Human Resources

Ms. Kazenas reviewed the Human Resource budget. The significant changes consist of a \$1,000 decrease for pre-employment drug screening and a \$5,500 increase in tuition reimbursement.

Technology

Ms. Kazenas reviewed the Technology budget. The significant change consists of a \$23,500 increase to install the VPN to replace Comcast business internet connectivity. It was noted that ABN has not adjusted their hourly rate in five years.

Finance

Ms. Kazenas reviewed the Finance budget. There were no significant changes in the Finance department budget.

Police

Chief Paulus reviewed the Police budget. The significant changes relate to the purchase of two replacement squad cars, the replacement officer hiring mid-year due to the retirement of the Commander, the MAP collective bargaining agreement calls for a third year salary increase of 4%, and the police pension contribution recommendation of a \$27,813 increase due to changes in the census and actuarial assumptions.

Engineering

Ms. Frable reviewed the Engineering budget. The significant changes relate to the reallocation of salaries, and a \$5,000 increase in Contractual Engineering for additional services from Christopher B. Burke Engineering, Ltd.

Public Works

Ms. Frable reviewed the Public Works budget. The significant changes relate to the promotion of the mechanic to crew leader, a \$10,000 decrease in Auto & Fuel Oil due to a new fuel system and outsourced mowing, a \$5,000 decrease in Contractual Maintenance—Vehicles, a \$4,000 decrease in Vehicle Supplies due to a new cooperative purchasing program, and a \$6,300 increase in Building Maintenance supplies for the care of aging buildings.

Motor Fuel Tax

Ms. Frable reviewed the Motor Fuel Tax budget. The significant changes relate to the planned use of the accumulated fund balance. The budget consists of a \$16,093 increase in MFT revenue from the IML forecast, a \$5,000 decrease in Pavement Markings, and a \$1,600 increase in Traffic Signal Maintenance.

Sewer

Ms. Frable reviewed the Sewer budget. It was noted that the primary funding source for the sewer budget comes from connection fees and the Village sewer fee of \$6.00 per 1,000 gallons of water used. The significant changes relate to an increase of \$6,000 in Contractual Maintenance and a \$5,000 decrease for Engineering Standards, which are expected to be updated in 2016.

Community Development

Mr. Cassata reviewed the Community Development budget. The significant changes relate to \$35,000 funding for the Route 53 impact and \$3,565 for attendance at the ICSC Chicago conference and related promotional materials.

Community Development – Community Development – Building & Zoning Division

Mr. Cassata reviewed the Building and Zoning budget. The significant changes relate to the reallocation of the Building Department to the Community Development Fund based upon the Priority Based Budget. Other changes relate to increase used of building forms, AICP membership dues and the purchase of building code books.

Community Events

Mr. Sullivan reviewed the Community Events budget. The significant changes relate to the reallocation of salaries based upon actual job responsibilities.

Parks and Recreation

Mr. Sullivan reviewed the Parks and Recreation budget. The significant changes relate to the special recreation ADA project funding of \$117,100, a \$3,000 increase to hire a summer intern, and the continued privatization of island, pond, cul-de-sac and lawn care maintenance with an outside vendor.

Parks Donation

Mr. Sullivan reviewed the Park Donation budget. It was noted the Park Donations are the primary funding source for repayment of the Aquatic Center bonds. There is sufficient funding to make the 2017 Aquatic Center Revenue Bonds principal and interest.

Aquatic Center

Mr. Sullivan reviewed the Aquatic Center budget. The significant changes relate to allocation of the true cost to operate the Aquatic Center. A portion of some Administrative and Finance salaries are being reallocated to the Aquatic Center based upon the Priority Based Budget. A net operating loss of \$41,472 is projected in 2017, which will need to be

subsidized by the General Fund. Other significant changes are a 4% increase in the season pass rates (except for seniors), and a \$4,300 forecasted net profit for concessions.

Capital Improvement Plan

Ms. Kazenas reviewed the Capital Improvement Plan budget. The fund balance as of December 31, 2017 will be \$674,299. The CIP consists of \$350,000 restricted for roads, \$25,000 restricted for the Replacement Fund, \$50,000 restricted for ADA projects and \$100,000 restricted for flood remediation. The unrestricted fund balance is \$149,299.

Significant changes consist of an Uptown plan, furnace and air conditioner replacement, Public Works roof repair, salt dome roof replacement, police car replacement, police car video camera replacement, Starcom radio replacement and a 2-ton truck replacement. Currently, the CIP is funded from General Fund and the Community Development Fund transfers.

The total capital expenses needed to implement the 5 year plan is \$12,039,295. Funding for the 5 year plan is \$674,299. This amounts to a \$10,636,553 deficit. Ms. Kazenas stated a new sustainable revenue source must be implemented to adequately fund the Capital Improvement Fund.

Reserve Fund

Ms. Kazenas reviewed the Reserve Fund. The reserves meet the Village policy target of 35%.

After the presentation, Trustee Ponzio commented that the Priority Based Budget will demonstrate to the public where and how the Village spends money. He also noted that the CIP represents what is needed in order for the Village to provide the residents with the services they want. He stated it is important for the Village to continue to maintain our reserves at 35%.

Trustee Corrigan thanked staff for their work on the budget. She stressed the importance in communicating with our residents about the need for additional funding sources.

VI. APPROVAL OF A MOTION TO RECOMMEND THE 2017 OPERATING AND CAPITAL BUDGET TO THE VILLAGE BOARD

Motion by Ponzio, second by Singh Kalra to recommend the 2017 Operating and Capital Budget to the Village Board.

Roll call vote.

Ayes:	Ponzio, Riess, Corrigan and Singh Kalra
Nays:	None
Abstain:	None
Absent:	Schulte and Kosik

Motion carried.

VII. ADJOURNMENT OF JOINT FINANCE/COMMITTEE OF THE WHOLE MEETING

Motion by Corrigan, second by Ponzio to adjourn the Joint Finance/Committee of the Whole meeting.

Upon a voice vote, all voted aye, and the motion carried unanimously.

A short break ensued.

VIII. CALL TO ORDER AND ROLL CALL OF THE SPECIAL VILLAGE BOARD MEETING

Mayor Mancino called the meeting to order at 7:22 p.m. Roll call indicated the following members were present: Mayor Mancino, Trustees Ponzio, Riess, Morgan, Corrigan, and DiMaggio. Absent was Trustee David.

Also present were Chief Operating Officer Pamela Newton, Chief Administrative Officer and Village Clerk Donna Lobaito, Chief Financial Officer Kristin Kazenas, Chief of Police Jennifer Paulus, Public Works Director and Village Engineer Erika Frable, PE, Director of Parks and Recreation Brian Sullivan, Community Development Director Michael Cassata, AICP, and Village Attorney Patrick Brankin.

IX. OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

At this time, the public is welcome to address the Village Board. Please keep your remarks concise and state your name and address so that a staff member can follow up with related information if requested.

None this month.

X. MAYOR’S REPORT AND COMMITTEE REPORTS

A. Mayor’s Report -----Joseph Mancino, Mayor

Mayor Mancino reported that the Lake County Municipal League and the Metropolitan Mayor’s Caucus have been working on their legislative agendas.

B. Environmental Committee-----John Bickley, Chair
Steve Riess, Trustee Liaison

Trustee Riess reported that the committee completed the Old McHenry Road Adopt-A-Highway clean-up for the 10th year in a row.

- C. Zoning Board of Appeals-----John Kosik, Chair
Dominick DiMaggio, Trustee Liaison

No report this month.

- D. Planning, Building and Zoning Commission -----Jim Kaiser, Chair
Dominick DiMaggio, Trustee Liaison

No report this month.

- E. Finance Committee-----Peter Ponzio, Chair
Kelly Corrigan, Trustee Liaison

No report this month.

- F. Special Census Report-----Mike David, Trustee

In Trustee David's absence, Ms. Lobaito reported that the Village's application had been reviewed by the Special Census Bureau, and staff was in receipt of the cost estimate. Based upon the cost estimate, an analysis will be done by staff to see if any cost savings measures could be realized. Additional information will be provided at the next Village Board meeting.

XI. NEW BUSINESS

A. Consent Agenda

1. Approval of the September 26, 2016 Village Board Meeting Minutes
2. Approval of Paid Invoice List Dated October 2016
3. Approval of Bills List Dated October 2016
4. Approval of an Ordinance Authorizing the Disposal of Personal Property Owned by the Village of Hawthorn Woods
5. Approval of an Ordinance Amending the Village Code of the Village of Hawthorn Woods—Title 6—Motor Vehicles and Traffic, Chapter 2—Traffic Code; Miscellaneous Provisions; Section 6-2-4 Stop Intersections Designated
6. Approval of an Ordinance Amending the Village Code of the Village of Hawthorn Woods—Title 8, Section 8-2-4—Cash Bonds and Title 11, Section 11-1-1—Building Permit/Plan Review/Inspections
7. Approval of an Ordinance Amending the Village Code of the Village of Hawthorn Woods—Title 11, Section 11-1-2—Draw Down Deposit Agreement
8. Approval of An Ordinance Authorizing the Execution of the Audit Engagement Letter for the Audit of the Financial Statements for the Year Ended December 31, 2016 – Sikich, LLP
9. Approval of a Resolution Proclaiming the Week of October 23 - 31, 2016 Red Ribbon Week
10. Approval of a Resolution Making a Determination Relative to the Release of Executive Session Minutes and Destruction of Executive Session Tapes Pursuant to the Illinois Open Meetings Act

11. Approval of a Recommendation by the Village Board to Review and Place the 2017 Village Budget on Public Display
12. Consideration of a Release of an Irrevocable Standby Letter of Credit—Pulte Group, Inc.—Donations

Consent Agenda item #1 was removed from the agenda.

Motion by Morgan, second by DiMaggio to approve the Consent Agenda with the exception of item #1.

Roll call vote.

Ayes: Ponzio, Riess, Morgan, Corrigan and DiMaggio

Nays: None

Abstain: None

Absent: David

Motion carried.

Motion by Corrigan, second by Riess to approve Consent Agenda Item #1, Approval of the September 26, 2016 Village Board Meeting Minutes.

Roll call vote.

Ayes: Riess, Morgan, Corrigan and DiMaggio

Present: Ponzio

Nays: None

Abstain: None

Absent: David

Motion carried.

B. Items for Separate Action

1. Approval of an Ordinance Authorizing the Execution of a Fifth Amendment to a Certain Agreement—Waste Management North—Scavenger Services

Motion by Riess, second by DiMaggio to approve an Ordinance Authorizing the Execution of a Fifth Amendment to a Certain Agreement—Waste Management North—Scavenger Services.

Roll call vote.

Ayes: Ponzio, Riess, Morgan, Corrigan and DiMaggio

Nays: None

Abstain: None

Absent: David

Motion carried.

XII. OLD BUSINESS

- A. None this month.

XIII. ADMINISTRATION REPORTS

- A. Report from the Chief Operating Officer—Pamela O. Newton, MSOL
 - 1. Monthly Update—Village Operations

Ms. Newton thanked Walter Willis, SWALCO Executive Director, Mike Brink from Waste Management, and representatives of other waste haulers for being present tonight.

She stated all department head reports were in the packet.

- B. Report from the Village Attorney—Patrick Brankin

Mr. Brankin had no report this evening.

- C. Reports from Department Heads

- 1. Chief Administrative Officer—Donna Lobaito
 - a. Chief Administrative Officer Report
 - b. Village Clerk's Report
- 2. Chief Financial Officer—Kristin Kazenas, CPA, MBA, CPFO
 - a. Finance Department Report
 - b. Human Resources Department Report
 - c. Risk Management Department Report
- 3. Chief of Police—Jennifer R. Paulus
 - a. Police Department Report
- 4. Director of Public Works/Village Engineer—Erika M. Frable, PE
 - a. Public Works Department Report
- 5. Director of Parks and Recreation—Brian J. Sullivan, MPA, CPSI, CPRP
 - a. Parks and Recreation Report
- 6. Director of Community Development—Michael Cassata, AICP
 - a. Community Development Department Report

XIV. EXECUTIVE SESSION

- A. Purchase of Property (5 ILCS 120/2(c) 1), Probable or Pending Litigation (5 ILCS 120/2(c) 11), and Discussion of Executive Session Minutes (5 ILCS 120/2(c) 21)

Mayor Mancino announced the Board would not be going into Executive Session this evening.

XV. ADJOURNMENT

Motion by Corrigan, second by DiMaggio to adjourn the meeting. Upon a voice vote, the motion carried and the meeting adjourned at 7:34 p.m.

Respectfully submitted,



Donna Lobaito
Village Clerk