

MINUTES OF THE SPECIAL MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES
MONDAY, JUNE 22, 2009

CALL TO ORDER AND ROLL CALL

President Nunamaker called the meeting to order at 6:30 p.m. in the Municipal Center. Present at roll call were Trustees Bowman, Figurski, Ireland and Menzel. Administrator Osten, Chief Lukasik, Acting Superintendent Jon Huizinga and Village Clerk Brouder were also present. Trustee Cramer entered at 6:35. Trustee Tuman was absent.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

RESIDENTS COMMENTS

No residents were present.

APPROVAL OF MINUTES FROM SPECIAL MEETING MAY 28, 2009

Trustee Menzel made a motion to approve the minutes from the May 28, 2009 special meeting. Trustee Ireland seconded. All were in favor.

ECONOMIC DEVELOPMENT ACTIVITY

President Nunamaker stated that three attorney firms had been reviewed and the Village will be staying with Rosenthal, Murphey and Coblenz. Attorney Peter Rosenthal is available and eager to work with the Village especially on new development. He recommended doing a TIF District for the downtown area. President Nunamaker has asked Administrator Osten to contact three TIF experienced planners – one from Marengo, one from McHenry and another that Administrator Osten recommended. Attorney Rosenthal also suggested talking with a real estate developer.

Administrator Osten gave an overview of the Village's informal economic development program. The philosophy consists of 1) downtown area requires mixed use redevelopment; 2) commercial vacancies – attract mutually complimentary commercial establishments and provide new services; 3) don't take short-term view – the economy will get better and mistakes are hard to correct and will last a long time; 4) don't subsidize what the market can't support – it won't last; 5) justify incentives – the developer has to share their financials with independent consultant of our choosing, paid for by them; 6) be up-front and reasonable, with efficient regulations and procedures; 7) marketing very important. The Village needs to retain what we have and attract new businesses.

RECONSTITUTING COSTS WITH INTERGOVERNMENTAL AGREEMENTS

President Nunamaker passed out a Tax Analysis packet. The first page showed the effects of tax rate increases, property assessments and the effect of tax and assessment with tax caps on a \$200,000 home over a five-year time span. There is not much increase in the yield. He stated this

is not the way to increase our revenues. Page two shows a tax comparison for a \$200,000 home in Fox River Grove, Cary, Crystal Lake, Prairie Grove and Barrington Hills. For Fox River Grove to be the same as Cary, we need to cut our budget by \$149K – about 5% of our budget. Page three shows the McHenry County ISAT Score Comparison for 2004 for schools. Fox River Grove and Cary are the top two in composite scores. Trustee Cramer suggested getting the most recent scores, but President Nunamaker said they are almost always the same ~ Cary and Fox River Grove are usually in the top two. Page four shows the tax rates. Administrator Osten stated the Village's tax rates have actually gone down due to economic development. Page five shows the total tax rates for the Village including the schools, fire and library. Cary's is 1.39%, Crystal Lake is 1.25% and Fox River Grove's is 1.55%. These numbers do not include the special service areas.

President Nunamaker stated there has not been any responses regarding letters sent to the townships asking about their interest in snow removal for the Village. He has a meeting with Bob Miller from Algonquin Township on July 6th. Mr. Miller told him the township would not be able to do snow removal.

The Board reviewed the General Fund 9/10 Budget Expenditures sheet. The Police Department is the largest portion at 42% and \$1.132M, Streets & Parks is 30% and \$788K, Administration is 15% and \$390K, Board of Trustees is 9% and \$236K and Building is 4% and \$93K. There was discussion about ways to cut costs in each area. Trustee Ireland stated that the Village really could not do anything with the Police Department due to the Union contract. He also stated the Chief is doing a good job. Chief Lukasik said he was investigating using part-time officers. Three part-time officers would be less expensive than one full-time officer with benefits. They would have to work less than 1,000 hours per year and that is less than 20 hours/week. It would save on overtime costs because he could use the part-time officers to fill shifts. Departments pay about \$16 - \$19 per hour for part-time.

Trustee Ireland suggested Detective Mlekush and Chief Lukasik fill in for patrol duties, too. They could each take a couple shifts. Trustee Cramer stated that the Detective spends a lot of time in court and many hours with follow-up. It is very time consuming. Trustee Menzel said the Village needed to be very careful about the Chief keeping his exempt status. Trustee Figurski added that it would cause trouble with the Union for the Chief to work patrols. He has an administrative position and has been doing very well. The Village has received many grants through his hard work. He also agreed that he liked the idea of part-time officers and it would help with shift coverage.

President Nunamaker agreed this would save the Village money. \$932K of the police budget is personnel. The other \$200,000 covers non-personnel items like maintenance, legal & communication services, dispatch, travel expenses and supplies. He then brought up the idea of selling our Police Department's services. We could contact Lake Barrington and ask if they would be interested and we would expand our services and possibly charge off some overhead costs. President Nunamaker has an appointment with President Richardson from Lake Barrington. Administrator Osten suggested asking him if they would be interested in an arrangement like this. Then find out what the sheriff is being paid and see if the Village can compete with it.

Trustee Bowman asked about the Village being contracted out to the Village of Cary. Administrator Osten stated that Cary officers make \$75K/year and our officers make \$60K. Chief Lukasik stated they are also in opposing contracts and Fox River Grove can't join with another police department. Trustee Bowman stated that we may have to consider that one day. Trustee Menzel said we have to get an attorney's opinion.

Trustee Bowman suggested a consolidated school district. President Nunamaker sent a letter to Cary when he was on the school board and they are not interested. Trustee Cramer asked about the Barrington School District. President Nunamaker replied that all the schools are under one administration and our high school would have to change and District #155 would not go for that.

President Nunamaker asked if there was something we could do to decrease the cost of the Public Works garage from \$8M. Trustee Ireland asked Acting Superintendent Huizinga what are the four most important items for the garage. Acting Superintendent Huizinga stated maintenance area, offices, salt storage and an administrative area. It is a whole package, not just pieces. President Nunamaker asked about storing the salt elsewhere. Acting Superintendent Huizinga said that we did store salt at Algonquin Township in the past and it is very time consuming and ends up costing more. He said they checked on Jim Corty's building on Route 22, and he was only interested in something short-term. Trustee Ireland asked about Midwest Construction on Algonquin Road. It has stalls, but they would need to be reinforced and the salt needs to be covered.

President Nunamaker asked about offices. Currently there is one at the Wastewater Treatment Plant, Water Plant and the Streets & Parks garage. What if the Village was able to secure offices in another location. Acting Superintendent Huizinga would prefer to have the offices together. President Nunamaker asked about making a deal with Bryant Automotive for maintenance, but there is more involved than just maintenance of cars – they have the tractors, other machinery and the plows that need to be taken on and off the trucks. Trustee Figurski proposed that we do it piecemeal – build an office area, salt area and a dome to cover the vehicles. Acting Superintendent Huizinga stated that at least \$1M of the \$8M cost was site development. He suggested investigating the vacant Saturn dealer on Northwest Highway. The area is already industrial. Administrator Osten stated that Lake Barrington may not be agreeable to that. They will not want to give up the sales tax. Another option is find property for offices only. Have the salt storage and maintenance at the townships. Maybe use two acres to build part of the garage and sell off the other two acres. Trustees Bowman and Cramer both asked about Grayhill and where they are at with the clean-up. No one is sure. President Nunamaker asked for a consensus of the Village Board about acquiring office space in town. Trustees Menzel, Bowman and Cramer were OK with it. Trustee Figurski said it depended on where they would be located and Trustee Ireland said no. The Village could put up a building of fabric and rib construction and then have a nice office in town.

Trustee Ireland asked if there could be other cost-saving opportunities. Trustee Cramer stated that it seems like we spend money on outside workshops and travel. Acting Superintendent Huizinga stated that it is necessary to keep our employees certified. Chief Lukasik said it is also mileage to court. Acting Superintendent Huizinga stated that little more than half of his budget is employees and residents will complain if we cut services. Administrator Osten stated that every year the Village cuts expenses and there really is not more we can cut. President Nunamaker understands that, but also said the streets, sidewalks, parks and trees are all in bad shape.

President Nunamaker then reviewed the Board of Trustee portion of the budget. It includes salaries for the President, Trustees, the Secretary for ZBA, PEDC & Parks, Zoning Board of Appeals (ZBA), Certification bonus, merit, Building & Zoning vacancy, Employee Assistance Program, Park Commission and Special Events. That totals about \$72K. The other expenses were consulting & legal services, special events programs, membership dues, training & travel, senior citizen programs, contingency, garbage stickers and miscellaneous. This amounts to \$163,250. Is there anything that can be done differently? It was noted that legal expenses are high.

The Administration portion is \$317K salary and benefits and \$73 other expenses. The other expenses include equipment maintenance, consultants, postage, communications, publications, newsletter, membership dues, travel/training, office supplies and equipment.

Possible ideas from this meeting ~

- Maybe save \$150K from police budget – using part timers
- Possibly have Detective do partial patrol
- Provide service to Lake Barrington – President Nunamaker will contact them
- Ask Cary if they would be interested in contracting to patrol our Village
- Public Works garage made of fabric and rib construction with offices elsewhere
- Lease Saturn building in Lake Barrington

Trustee Cramer said she would give up her salary for the rest of her term if that would make a difference.

President Nunamaker stated that if we could reduce our budget by \$150K, we would be equal to the Village of Cary. We need to continue to work on improving our community with repairing our streets and sidewalks, and more beautification. We also need to look for new revenues. As we move forward, we will need to have additional meetings.

Trustee Ireland would like to know dollar amounts – like how much would we save contracting out for snow plowing. He suggested everyone visit Indianapolis’ website. It tells about their consolidation and how they trimmed their budget.

Trustee Cramer stated this is just a small portion of the whole picture. What are the other opportunities, where are our revenues, what other sources of revenue are there.

President Nunamaker asked if we should have a meeting with developers, Ted Wagner and John Green. Trustee Figurski stated we should have a plan together before talking with any developers. All agreed on a TIF.

Trustee Cramer said at the next meeting we will discuss tonight’s meeting and talk about the revenue pie. Trustee Figurski would like to see the sales tax revenues.

NEXT MEETING

Thursday, July 23nd at 6:30 p.m. at the Village Hall.

ADJOURNMENT

Trustee Ireland made a motion to adjourn at 8:20 p.m. Trustee Menzel seconded. All were in favor.

Robert J. Nunamaker, Village President

Date Approved

Donna M. Brouder, Village Clerk