

VILLAGE OF LAKE BLUFF - FINANCE COMMITTEE
MINUTES OF MEETING – February 9, 2013

I. Call to Order – Roll Call

The Finance Committee of the Village of Lake Bluff was called to order on Saturday, February 9, 2013 at 8:00 AM in the Village Hall Conference Room, 40 E. Center Ave., Lake Bluff, Illinois.

Members Present: Trustee Brian Rener, Chairman
Trustee John Josephitis, Member
Trustee Kathleen O'Hara, Member

Others Present: Christine Letchinger, Village Board President
Steve Christensen, Village Board Trustee
Mark Dewart, Village Board Trustee
R. Drew Irvin, Village Administrator
Susan M. Griffin, Director of Finance
Marlene Scheibl, Assistant Finance Director
Paul Lemieux, 560 Evanston, Lake Bluff

II. Approval of Minutes

Member Josephitis moved to approve the minutes of the February 2, 2013 meeting as presented; seconded by Member O'Hara and approved unanimously on a voice vote.

III. Business Items

Chairman made a motion to amend agenda for the order of the meeting.

1. Continued Discussion Regarding Possible Redevelopment of Former Shepard Chevrolet Site and Requested Economic Incentives

Discussion ensued regarding economic incentive options for possible redevelopment of the former Shepard Chevrolet property. VA Irvin noted that he spoke to the Village Manager in Glenview about their positive experience using a consultant to assist with negotiating an economic incentive agreement. The members recommended obtaining a proposal from the consultant.

2. Review FY2012-13 Water Operating Budget and Rate Projections

Director Griffin presented the FY2013-14 Water Fund proposed budget along with schedules of rate projections and the history of water rates. She stated the recommended water rate increase from \$6.45 to \$6.60 is unchanged from last year's projection. The CLCJAWA wholesale water rate is projected to decrease from \$2.65 to \$2.56 per thousand gallons. FY13 water usage has substantially increased from a budget of 190 million gallons to 220.1 million gallons. These amounts are what the Village bills for water not the amount of water Village purchases. Summer water usage was higher and accounts for 51% of the annual water billed, but spring and winter usage was also higher this year. Included in the budget is a proposal to convert all the meter reading devices to automated radio read to take advantage of the collector and antenna/receiver purchased by the City of North Chicago and located on the Village's water tower. The total cost of the project is \$368,150 to be allocated at \$220,000 in FY14 and \$148,150 in FY15. The budgeted cost of the project includes the cost to buy meter transmitter units (MTU's) for every premise, replacement of the approximately 839 meters which are still being read manually, and contractual labor to put in the MTU's which attach to the outside of the building. The advantages of implementing the new system are: 1) personnel costs would be lower or reallocated to other governmental activities in future years;

2) the system would provide more timely and accurate information and could be downloaded as frequently as each night; 3) water losses could be detected more quickly; 4) billing can be changed from quarterly to monthly which would result in receiving revenues sooner and finding problems faster. Chairman Rener asked if the Waukegan Rd. Corridor Business Park would have to be changed and Director Griffin responded that every building would be required to have a new MTU. Member Josephitis asked if the Village would be able to set minimum threshold amounts for discrepancies so residents won't receive repeat notifications on very insignificant discrepancies. Director Griffin responded it will be up to the Village to determine and set those parameters. Member O'Hara inquired about the anticipated timing of the project. Director Griffin stated the Village would like to start implementation this summer and possibly begin with replacing meters that are currently read manually. She noted that a report on the project including an implementation schedule would be developed in collaboration between the Public Works and Finance departments and presented to the Village Board for approval to procure the components to implement this system.

3. Review FY2012-13 Other Funds Budgets

Vehicle/Equipment Replacement Fund: The proposed budget includes replacement of desktop computers as needed, one laptop computer, iPads for new Trustees, and payment of annual licensing fees. Vehicles to be replaced include two police squad cars, the 2000 GMC pick-up truck, and the 2001 John Deere sidewalk plow tractor. General fund contributions are at a reduced level for the fifth consecutive year. Director Griffin stated Public Works staff has thoroughly reviewed the vehicle inventory to assess those vehicles scheduled for replacement and where prudent, pushed replacement of some vehicles into the future. VA Irvin said the garbage truck the Village has retained for emergencies is not being used. Since the Village has started using Groot for garbage pick-up, the Village has only used the truck once and that was to pick up brush from the storm in July 2012. He asked if this should be sold since the Village is not using it, it is costing money to maintain, and it is losing market value as it ages. He said in case there was an emergency, the Village could rent a garbage truck. The consensus of the committee was to sell the truck.

Redevelopment Fund: The proposed budget includes \$75,000 for the LED warning beacons at the Sheridan Road crosswalks at East Scranton Avenue and \$135,000 for the Moffett Road box culvert and slope reconstruction.

Motor Fuel Tax Fund: MFT allotments are projected at \$23.50 per capita for a total of \$134,500 which is down from FY13 at \$24.10 per capita. In FY12 and FY13 the Village received a special supplemental allotment of \$26,300 each year from the Illinois Jobs Now Capital Bill Program which is expected to continue through FY15. There will not be a transfer from the General Fund to the MFT fund to supplement the road paving and improvements. The amount required for the street maintenance program in the amount of \$475,000 will be expensed directly in the General Fund in FY14.

E911 Fund: The proposed budget includes continuing the allocation of a percentage of the dispatcher salaries to the E911 fund. Operating expenditures are for the maintenance of the E911 console, payment of AT&T line and database charges, and the annual fee for the Code Red reverse 911® system.

IMRF & FICA Pension Funds: The IMRF rate effective January 1, 2013 is 12.44% and projected to increase by .05% to 13.06% effective January 1, 2014. Employer FICA rate remains unchanged at 6.2% for Social Security and 1.45% for Medicare. Director Griffin stated the Village is intentionally using excess fund balance reserves in these funds for FY14.

Police Pension Fund: The increase in benefits is due to a full year of benefits for an officer receiving duty disability pension payments effective March 1, 2013.

4. American Express Card Acceptance

Director Griffin was contacted by a representative from American Express regarding the Village accepting American Express cards as a form of payment. Currently the Village accepts Visa, MasterCard, and Discover. In the past the fees for American Express were expensive compared to the other cards. American Express has a government discount rate of 2.15% which is comparable to Visa, MasterCard, and Discover. Director Griffin is recommending the Village start accepting American Express cards as an additional payment method. Mr. Lemieux cautioned about making sure that there are no extra or hidden additional charges. The members concurred with the recommendation.

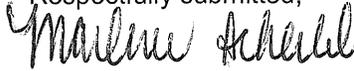
IV. Next Meeting

The tentative date of the next meeting is Saturday February 16, 2013 at 8:00 AM.

V. Adjournment

Member O' Hara made a motion to adjourn the meeting at 9:25 AM, seconded by Member Josephitis and all members voted aye.

Respectfully submitted,



Marlene Scheibl
Assistant Director of Finance