

APPROVED MINUTES
VILLAGE OF ANTIOCH
BOARD OF TRUSTEES; SPECIAL MEETING
Municipal Building: 874 Main Street, Antioch, IL
March 23, 2011

I. CALL TO ORDER

Mayor Hanson called the March 23, 2011 special meeting before the Board of Trustees to order at 7:00 p.m. in the Municipal Building: 874 Main Street, Antioch, Illinois.

II. PLEDGE OF ALLEGIANCE

Mayor Hanson and the Village Board of Trustees led in the Pledge of Allegiance.

III. ROLL CALL

Following the Pledge of Allegiance, roll call indicated the following Trustees were present: Poulos, Crosby, and Jozwiak. Also present were Mayor Hanson, Administrator Keim, and Clerk Rowe. Absent: Trustee Pierce, Trustee Sakas, Trustee Wolczyk and Attorney Long.

IV. MAYORAL REPORT

No report.

V. CITIZENS WISHING TO ADDRESS THE BOARD

No report.

VI. CONSENT AGENDA

No report.

Trustee Sakas arrived at 7:14 p.m.

VII. REGULAR BUSINESS

1. FY 2012 Budget Presentation and Discussion – Administrator Keim reviewed the power point FY 2012 Budget presentation and said that he will take questions throughout presentation. He discussed the directors meetings and preliminary budgets and how staff looked at areas to cut knowing that we were going into a tough year. He explained this presentation will review the budget broadly and reasons we are in a deficit and what we are going to do. He said that items or suggestions that may need further discussion will be placed on a list referred as the “parking lot” for discussion at future meeting. Administrator Keim said that we are currently at \$1.1 million dollars and there are not a lot of capital projects for this year, we would continue to prepare a 5-year plan.

Administrator Keim reviewed the FY 12 challenges which are to maintain service levels, fuel, energy and pension costs with declining revenues and increased costs. He said that we will try to maintain all that we do, which is a lot and said that we are in a deficit spending and using reserves.

Administrator Keim reviewed the current staff level which compares to the staff level in 2004 and the population being close to the same as in 2008 we are trying to do the same services with less staff. We have reduced staff but still see costs going up and he discussed the pension plans, some which are mandated to be fully funded by the year 2033. Administrator Keim also discussed another challenge of building fund reserves. He said that we should be working toward a 25% fund reserve, but unfortunately have been in tough times for several years. He reviewed sales tax trends and the national economic forecast estimates. Finance Director McCarthy said the forecast is about a 2.5% increase but she left it flat keeping a conservative estimate. Income taxes are in a downward trend and about one month behind. In 2010 the Village only received 11 payments and the State is currently running about four months behind in the distribution. The current unemployment rate also was briefly discussed which would affect these figures. Administrator Keim said the gap for the FY 2011 budget is about \$422,000 deficit with the FY 2012 gap projection being about \$1,145,764.

Administrator Keim said that another contributing factor is decline in permits. He said that in 2004 permits fees were about \$1, 400,000 and it is estimated to be at \$65,000 today which is 95% decline in permit fees.

Trustee Poulos discussed prior developer presentations and said that he agreed with the positions the Board took at the time he suggested that the position be presented in such a way to keep the lines of communication open. He said there is a significant drop and we need to make them feel welcome.

Mayor Hanson said that we have to be in control of our future and these slides could very well have been 10 years from now when we are fully developed. He said that we weren't projecting future estimates better and that we are learning a valuable lesson going forward.

There was a brief discussion regarding residential development and that Administrator Keim would like to meet with Board later this spring to do some strategic planning. He explained there is a delicate balance between incentives and we need to determine our approach and response to future development.

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Mayor Hanson briefly discussed the Board trying to everything they could to sustain services, but the revenues keep declining. Administrator Keim discussed the revenues versus expenditures and how we have to adjust our expenditures to continue services. He said that he has challenged staff to look at our operations to see if there are better ways for us to do business. He said that staff is preparing budgets, but it is up to the Board to make decisions on programs and services.

Parks and Recreation Director Kudla reviewed his presentation and said the parks department is part of the fabric of the community and he discussed the community events. He also reviewed some possible cost saving ideas such as eliminating Arbor Day, Movie Day in the Park and Fallfest. He also discussed possibly altering some events, such as reducing the number of concerts from 9 to 5. Director Kudla reviewed the July 4th events which is long and expensive day. He said the largest part of the cost is labor and possibly condense the event and ask State Bank of the Lakes to reimburse labor costs of approximately \$3000. Director Kudla also reviewed the services provided to many of our organizations for their events such as the 885 Civic Club Carnival, Taste of Summer, Chicken BBQ and Arts and Craft Faires with fees estimated at \$14,430.

Mayor Hanson discussed park rental and possible local bands can play for free and fill the 4 open concert slots. He asked if we are little too late because we haven't talked to the organizations. Director Kudla responded that they haven't booked the bands yet or spoke to any organizations and that he is only bringing it up to get the Board's feedback. Administrator Keim said in 2009 the Board discussed a fee for events and Lions Club members were present at a meeting and the Board at that time felt a fee policy shouldn't be implemented. He said that we could go to organizations and possibly split the fee. There was a brief discussion whether organizations can help set up their own events to cut the costs. Basic fee schedules and safety concerns were also discussed. Director Kudla said that times are tough and we have to partner with the organizations on these events. There was a brief discussion regarding the funds some organizations may be collecting from businesses and their budgets and how fundraising may also be diminishing over the years.

Trustee Jozwiak briefly discussed if certain events were cancelled how many people would be effected. Director Kudla said there are about 20 volunteers for Arbor Day and that last year's first attempt at Movie in the Park was cancelled due to weather conditions. Mayor Hanson suggested seeking sponsorship for some of the events. Trustee Jozwiak discussed Lake Villa parks department and if there was a way to distribute program information to these areas. Mayor Hanson said one of our current park board members, Jerry Johnson, was involved in Lake Villa before moving here and would be a good source of information. It was also suggested that Nielson's may be interested in sponsoring a Thursday night event. Director Kudla said that Fall Fest is a big event with three bands and several hundred to possibly a 1000 people attend this event. Trustee Poulos said if the attendance is that high, we should be able to get some sponsors. Mayor Hanson said that we have to look at how the sales tax dollars would be effected if we don't have these events. Administrator Keim explained that is difficult to quantify. Trustee Poulos suggested that possibly hiring larger acts and charge a fee may off-set some to the costs. Administrator Keim said that staff would investigate these ideas, and that generally costs go up to pay for larger bands and the weather is unpredictable.

Antioch Police Chief Craig Somerville discussed department restructuring and he thanked the Board for their commitment to the department. He reviewed cost reduction measures and the said the restructuring began in October 2010 and there is now more officer presence on the street. He said there plans for making staff changes by summer 2011 with a projected savings of \$82,000. Chief Somerville also briefly discussed the overtime budget in the dispatch department and said by utilizing part time staff to cover vacation and holiday shifts could have a substantial savings of approximately \$30, 826. He also discussed the potential savings by covering sick time. Chief Somerville said that future staff restructuring could realize a department savings of \$114,537. He explained this is a by-product of the changes planned since October and that utilizing officers properly would not compromise public safety. Chief Somerville said that officers work a lot of events and other things that they do on a volunteer basis. He briefly discussed the role call that is done every shift and feels they are moving in the right direction and the strict policy that is implemented for vehicles taken home. Chief Somerville said the discussion regarding fleet will be part of a future meeting and part of the capital plan.

There was a brief discussion regarding vacation policies and whether that is funded. Finance Director McCarthy said the liability is there but not included in the budget. Administrator Keim said that we are going to look at this again. It's hard to take away but there are some improvements that can be made. He said that vacations can cause some overtime especially in the police and public works departments. Mayor Hanson said there may be areas where we could use part time help from other departments or communities. Trustee Crosby said that one of his concerns is that we have to be realistic with our policy. The number of hours accrued should be planned in the budget somewhere.

Antioch Fire Chief John Nixon reviewed his presentation and discussed the areas where he already cut his proposed budget from \$1,490,000 to \$1, 119,000. He said that he eliminated the request for three additional staff for paid on call duty crew at a savings of \$332,000. Chief Nixon reviewed other cost savings such as: Travel and training was also eliminated saving approximately \$6,000. Uniforms and gears replacement program is being extended saving approximately \$10,000; tools and equipment pared back saving about \$8,000; extend replacement program and save approximately \$10,000; tools and equipment pared back and take care of necessary items, saving \$8,000; cut back facilities maintenance saving about \$4,000 and purchasing own server saving the village \$7,000. Chief Nixon said they are operating very lean

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right now and volunteer and staffing levels have remained the same as the last 2 years. They will continue to deliver services at a slight reduction in costs.

There was a discussion regarding the east side of town and the need to man the Station and to try to get this in the budget. Chief Nixon discussed a grant received for the firefighter physical program. Trustee Crosby said discussed his experience with a fire department training exercise and said takes a lot of physical effort. Administrator Keim said that Chief Nixon made the budget deductions on his own and there are no additional savings at this time. Mayor Hanson asked about shift commanders so that someone is always at the station. Chief Nixon said that we also have mutual aide agreements with all communities and work well together.

Public Works Director Chris Liveris reviewed his presentation and read the department mission statement. He also thanked Trustee Jozwiak and Administrator Keim who spoke with him on the direction that the department needs to go to. He said he is looking at how things are being currently done and it has been a work in progress. He discussed ways to have potential savings by contracting out for street sweeping, street light maintenance and mandatory IDOT drug and alcohol testing. He also said that cost savings may be realized through vehicle equipment maintenance, building maintenance and meter reading being done on a part time basis. Director Liveris discussed how future work orders would be time stamped to establish a time management measures in the department. Mayor Hanson said public works department is a large department and budget. He said they are in the public eye and we need to learn why certain projects are handled in certain ways.

Administrator Keim reviewed the Water and Sewer Fund and said the challenges are that there is a larger deficit in the enterprise fund over the general fund and he reviewed the revenues versus expenditures from 2008 to present. Administrator Keim explained that revenues are derived from connections and water and sewer billing. He said there is a huge problem with debt service and said the WWTP project had to happen. In 2005, the project had user projections based on the expected growth which didn't happen. He said that we need to look at how we bill and what we bill and that the debt service charge is insufficient to cover expenses. There was a discussion regarding renegotiating the debt service and that this is not a political matter, the system must be sustainable. There was also a brief discussion regarding water conservation. Mayor Hanson said that we have to look beyond the political reason and we need to make adjustments; this is utility and we can't keep losing money. Administrator Keim said that end of the day, we're going to have to pass along some costs.

Mayor Hanson said that we have to tighten the gap on inefficiencies. Trustee Crosby said that we have to think out of the box and see if there cooperative opportunities with other communities. We have to educate the residents and demonstrate why and where we have to make changes. Mayor Hanson said that we could use the newsletter and possibly have town hall meetings.

VIII. ADMINISTRATOR'S REPORT

No report.

IX. VILLAGE CLERK'S REPORT

No report.

X. TRUSTEE REPORTS

No report.

XI. EXECUTIVE SESSION

Trustee Jozwiak moved, seconded by Trustee Sakas for the Mayor and Board of Trustees to go into executive session at 9:25 p.m. to discuss personnel. Upon roll call, the vote was:

YES: 4: Poulos, Sakas, Crosby and Jozwiak.

NO: 0.

ABSENT: 2: Pierce and Wolczyk.

THE MOTION CARRIED.

Trustee Jozwiak moved, seconded by Trustee Poulos for the Mayor and Board of Trustees to return from executive session to the open meeting at 10:40 p.m. with no action taken. Upon roll call, the vote was:

YES: 4: Poulos, Sakas, Crosby and Jozwiak.

NO: 0.

ABSENT: 2: Pierce and Wolczyk.

THE MOTION CARRIED.

XII. ADJOURNMENT

There being no further discussion, Trustee Jozwiak moved, seconded by Trustee Poulos to adjourn the regular meeting of the Board of Trustees at 10:42 p.m.

Respectfully submitted,

Candi L. Rowe, Village Clerk