



# VILLAGE OF WILMETTE

1200 Wilmette Avenue  
WILMETTE, ILLINOIS 60091-0040

(847) 251-2700  
FAX (847) 853-7700  
TDD (847) 853-7634  
EMAIL [wilmette@wilmette.com](mailto:wilmette@wilmette.com)

**MINUTES OF THE COMMITTEE OF THE WHOLE MEETING OF THE  
VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE  
OF WILMETTE HELD IN THE SECOND FLOOR TRAINING ROOM  
OF SAID VILLAGE HALL, 1200 WILMETTE AVENUE, WILMETTE,  
ILLINOIS ON TUESDAY, OCTOBER 16, 2007**

---

## **I. Call to Order**

President Canning called the meeting to order at 7:02 p.m.

Members Present:           President Christopher S. Canning  
                                  Trustee Mari Terman  
                                  Trustee Karen Spillers  
                                  Trustee Alan Swanson  
                                  Trustee Lali Watt  
                                  Trustee Mike Basil  
                                  Trustee John Levin

Staff Present:               Michael J. Earl, Village Manager  
                                  Maureen M. Barry, Assistant Village Manager  
                                  Joe McRae, Assistant to the Village Manager  
                                  Kathleen Gargano, Special Assistant to Finance Dept.  
                                  Bob Amoruso, Finance Director  
                                  Blythe Trilling, Assistant Finance Director  
                                  Kyle Perkins, Deputy Police Chief  
                                  Brian King, Deputy Police Chief  
                                  Ray Ames, Water Plant Supervisor  
                                  Brigitte Mayerhofer, Director of Engineering

## **General Fund**

Mr. Amoruso, Finance Director, highlighted the changes in the Village's General Fund financial projections from the Village Board's Mid Year Financial Review meeting held on August 7, 2007 noting that operating expenses have changed very little while operating revenues are about \$77,000 higher due to improved utility taxes for the summer months.

Mr. Amoruso stated that the non operational expenses have, however, changed dramatically since the Mid Year Financial Review meeting. The August 23 Storm will result in approximately \$1.1 million in additional expenses. He noted that hopefully a significant portion of this expense will be reimbursed by the Federal Emergency Management Agency (FEMA) but the amount of reimbursement will not be known for quite some time.

President Canning added that Cook County did not initially meet the threshold amount for Cook County to qualify as a disaster area, but that FEMA has requested additional information from jurisdictions in the area and that information will be analyzed before a final determination is made by FEMA. Mr. Amoruso stated that during the budget development process the Village may not have a definitive answer as to what amount will be reimbursed from FEMA, if any.

Trustee Terman asked if the Village could revise the tax levy downward should funding from FEMA be received? President Canning stated that between now and the time to adopt the ordinance it is unlikely an exact dollar amount will be known in time to adopt the levy.

In addition to the expenses related to the storm, Mr. Amoruso noted that through the efforts of the Assistant Corporation Counsel, an additional \$350,000 in cellular lease revenue has been received beyond that which was projected at the Mid Year Financial Review meeting. He also noted that the Sheridan Road Improvements Project bids exceeded the engineer's cost estimate resulting in an additional local share of \$2.3 million, and that the Village was awarded a grant for a new Fire Truck.

Mr. Amoruso noted that additional debt would be needed to complete the various projects currently in process.

Village Manager Mike Earl reviewed the Capital Projects Spreadsheet noting that Police Station improvements of \$15 million are planned for 2008. Aside from the Police Station, the General Fund Capital Projects Fund still forecasts a \$675,000 shortfall for the other remaining projects. This shortfall as well as any decision on Police Station improvements will need to be considered in 2008 with respect to a future bond issue.

### 2008 Budget - General Fund Operating Revenues

Mr. Amoruso stated that there is very little that is different than what was projected at the Mid-year Meeting other than improved operating revenues as a result of (1) increased fee indexing allocating a portion to finance the GIS initiative and (2) a change in the structure of ambulance fees.

### 2008 Budget - General Fund Operating Expenses

In comparison to the mid year projections, the proposed 2008 budget includes \$107,000 for the GIS initiative; a reduction in the Alley Maintenance Program by \$266,000; and reductions in Capital Outlay of \$1.2 million – reflecting the transferring of certain projects to the Capital Projects Fund and deferring other items to future years. Trustee Watt requested the detail of these capital outlay changes.

### **Water and Sewer Funds**

Mr. Amoruso noted that the Water Fund's financial condition has not improved from what was noted at the Mid Year Review meeting. He explained his recommendation to in effect use the increased cellular tower revenue to reduce the 2007 transfer from the Water Fund to the General Fund by \$350,000, which will increase Water Fund reserves.

He added that the Village, per Village Board policy, would otherwise use the additional cellular lease revenues to subsidize the debt issued for the Burmeister Garage in the Parking Meter Fund. However, the projected transfer in 2007 is already about \$200,000 more than was budgeted. He added that at its current pace of cellular revenues, the transfer of monies from the General Fund to the Parking Meter Fund will no longer be needed after 2010.

Trustee Watt requested that the proposed use of the \$350,000 in cellular lease revenue be included on the 2008 Budget Decision Memo.

Mr. Earl reminded the Board that the \$350,000 in cellular lease revenue applies to the 2007 Budget and not the 2008 proposed budget.

Mr. Amoruso emphasized that the only thing accomplished by reducing the transfer in 2007 is to build the reserve in the Water Fund.

In reviewing the long range cash flow projections for the Water and Sewer Funds, Mr. Amoruso noted that the only change in the rate increases proposed at the mid year meeting were one cent additions to both the water and sewer rates for their allocations of the GIS expense.

Trustee Watt discussed the Water/Sewer Rate Survey noting that she is intrigued by those communities that charge its sewer fees of the winter usage. Mr. Amoruso stated that this topic has been discussed in the past.

President Canning asked whether the fee structure could be changed at this point in time.

Mr. Amoruso stated that the fee structure could be changed but that ultimately the Village must collect a certain amount of revenue regardless of what rate structure is applied. The Board requested to receive information on alternative rate structures.

### Sewer Rate Increases

Mr. Amoruso reviewed the proposed sewer rate increases. The proposed sewer rate reflects the \$1.4 million expense associated with the purchase of a generator for the Storm Water Pumping Station.

Trustee Watt asked how reliable the \$1.4 million is as a place holder. Trustee Swanson stated that the \$1.4 million is reliable. Water Plant Superintendent Ray Ames indicated that it will take 2 years to fabricate and install the generator.

Mr. Amoruso stated that the current cash flows contemplate the inclusion of a generator over the course of the three year period covered by the cash flow projections. The Village would borrow for it and the debt would not be needed until late 2008 or 2009. This debt would not impact the water/sewer rate until 2009.

### Water Rate Increase

Mr. Amoruso reviewed the projected water rate increases:

2008 - 46 cents  
 2009 - 18 cents  
 2010 - 18 cents

The Village Board discussed various factors impacting the water rate including consumption, restructuring of plant operations, the debt service and the fixed expenses of the Water Plant. President Canning noted that the Village is contractually obligated to the Village of Glenview until 2020.

### **Future Revenue Projections**

Mr. Amoruso reviewed the growth projections in critical revenue categories for 2008, 2009 and 2010:

Property tax projected to increase 6%, 7% and 5.5%.

Sales Tax 3%, 3% and 3% (Home Rules Sales Tax 2% in 2008).

Income and Real Estate Transfer Tax 3%, 3% and 3%.

Fee Indexing is now 5% up from the 4% projected at the Mid Year Financial Review.

Personnel growth expense remains at 4.75%, refuse at 3% and other expenses at 2% for 2008.

Capital expenses reflect a number of deferrals to reduce the annual capital outlay expense to about \$850,000 in the General Fund.

The Board and staff discussed increases in the personnel expense category. Mr. Amoruso stated that the union contracts factor prominently in the personnel expense projections with nearly half of the Village's employees covered by these agreements. Additionally, State legislation plays a significant role in the growth of employee benefits. While the Village Board can control wage growth, benefit growth is much more difficult.

Mr. Earl reviewed the personnel assumptions shared with the Village Board in a memorandum that was requested and prepared for the Village Board at the Mid Year Financial Review meeting.

#### Financial Impact of Expenses Related to August 23 Storm

Mr. Amoruso provided detail regarding the financial impact of the expenses due to August 23 Storm.

Without any FEMA reimbursement the 12/31/10 reserve balance will be as follows:

Recommended balance: \$3,560,000

Projected actual balance: \$2,690,600

Aside from storm damage considerations, the FY 2010 projections still require \$411,200 in additional revenue to fund the Road program that year plus another \$283,400 in FY 2011.

Trustee Levin asked if the Village could take a wait and see approach and make decisions based on the net result after the FEMA reimbursement?

Mr. Amoruso stated by the 2<sup>nd</sup> Tuesday in November the Board will need to establish a tax levy.

Trustee Swanson asked if the Village could realize savings by having one time deferrals to pay off the \$1.1 million.

The Board discussed alternatives to fund the \$1.1 million. Trustee Swanson stated that he would like to save money now and restore expenses later rather than increasing the tax levy and abating it later. Trustee Levin added that adjusting the tax rate and then readjusting the tax levy is problematic.

President Canning stated that through the budget process he hopes to understand if there are some items that can be deferred? President Canning requested that staff prepare a report for the Saturday, October 27 meeting that identifies \$1.1 in expenses that could be put on hold until a determination is made by FEMA.

#### Review of the Licenses and Fees

Kathleen Gargano reviewed the memo included in the agenda packets that included survey data and recommendations for fee increases, where appropriate. Ms. Gargano noted that the 2008 Budget provides for a 7.5% increase in certain permit fees, 5% is attributed to indexing and 2.5% is to be allocated to the GIS initiative.

Ms. Gargano reviewed the ambulance fee structure noting the proposed fees were made after consulting with the Village's third party administrator and evaluating the proposed fees in relationship to other communities. The Finance Director recommended an increase to the returned check fee from \$25 to the greater of \$25 or 10% of the amount of the returned check.

#### **Parking Meter Fund**

Mr. Amoruso reviewed the Parking Meter cash flows noting that the debt will have been completely paid by 2010 through the use of the cellular lease revenues.

The Committee of the Whole took a thirty minute recess.

#### **Other**

##### Financing of the Sheridan Road Improvement Project

Director of Engineering Services Brigitte Mayerhofer discussed the impact of a \$600,000 road program. Ms. Mayerhofer stated that the pavement inventory project has been completed and she is awaiting the results some time in November.

Ms. Mayerhofer noted that a one time reduction next year in the Street Resurfacing program will not drop the pavement rating of Village streets.

President Canning asked if it was possible not to spend \$600,000 for the road program in 2008. Ms. Mayerhofer stated that she would recommend some road program. Ms. Mayerhofer and her staff are evaluating the Hunter and Kenilworth Gardens area for roadwork in 2008.

President Canning reviewed the request for funding assistance made to the State for the Sheridan Road project. Trustee Swanson noted that all change orders would be the Village's responsibility due to the federal and state responsibility being capped.

Trustee Watt asked if the scope of the work could be capped? Ms. Mayerhofer discussed the list of ideas that the Municipal Services Committee (MSC) was working through to add a buffer to account for potential change orders.

#### Police Officer Staffing

Mr. Earl reviewed the Police Officer staffing levels. At the time of approving the COPPS grant in 2003, the Village Board directed staff to review the position once the funding expired.

Deputy Chief King noted that the staffing level of the Police Department is under the industry standard. President Canning stated that while the Department continues to be below average, the Village also has the lowest crime rate in history.

Deputy Chiefs Perkins and King highlighted some of the new initiatives the Department has been able to provide to residents.

President Canning asked that the Police Department personnel finish its internal discussion before the Saturday, October 27 budget meeting.

#### Budget Reduction Memo

Mr. Earl reviewed the information contained in the Budget Reduction Memo. He said that the Board directed that such a report be prepared that would give the Board ideas on where reductions might be made to minimize the increase in the property tax levy.

President Canning requested the Village Manager develop and distribute a budget decision memorandum prior to the Saturday budget meeting.

President Canning noted that the Museum has been added to the Saturday Budget agenda.

Trustee Swanson inquired about the funding of the Housing Assistance Program? Mr. Amoruso provided a history of the actual expenditures of the Housing Assistance Program.

Trustee Watt stated that the report was extremely well done and helpful.

The Committee discussed various methods to save money and implementation of some of the budget reduction ideas.

#### Personnel Matters

Mr. Earl reviewed the personnel recommendations memo. He discussed his recommendation for pay grade changes for two positions, salary ranges for unclassified positions and his recommendation for a 3% maximum bonus amount for positions in the performance bonus program.

Agenda for the October 27, 2007 Committee of the Whole Meeting

Mr. Earl reviewed the proposed October 27, 2007 Saturday Budget Meeting agenda with the Board. President Canning noted that he would like the discussion with the Boards and Commissions to stay focused on the budget requests of the Board/Commission.

Adjournment

Trustee Watt moved to adjourn the meeting at 10:23 p.m., seconded by Trustee Terman. All voted aye, the motion carried.

Respectfully Submitted,

Blythe Trilling  
Assistant Finance Director