

**VILLAGE OF LAKEWOOD
BUDGET WORKSHOP #1
MARCH 10, 2015**

The Budget Workshop #1 was called to order by President Smith at 6:04 p.m. at Turnberry Country Club. Present were Trustees Davis, Furey, Iden, Santowski, Sexson II, and Thomas. Also present were Village Manager Catherine Peterson; Village Clerk Janice Hansen; Deputy Village Manager Shannon Andrews; Chief of Police Leigh Rawson; Manager of Clubhouse Operation Chris Neuhart; and a few members of the public.

President Smith thanked staff for all their long hours and efforts in preparing the Budget.

Village Manager Catherine Peterson gave an overview of the proposed budget. She commented that the proposed budgets being presented this evening are balanced. The Village has traditionally been conservative with its finances which have allowed it to survive through difficult financial times. Preparation of the proposed budget began with the approval of the property taxes for all funds in December 2014. Preliminary revenue forecasts were generated and reviewed with each Department Directors.

LAKWOOD UTILITIES OPERATING AND MAINTENANCE (O & M) FUND:

GENERAL: Village Manager Catherine Peterson commented that no rate increase is proposed since a 1 ½% rate increase was enacted in 2013/2014. *Meter fees* are based on eighteen west side new housing starts. *Wages P/T* will increase approximately \$2,270 in assisting with management of invoices, document processing and resident inquiries related to public works/utilities projects scheduled in the coming year. *Grounds O/M/R* reflects \$6,650 to sealcoat the wastewater treatment plant, driveways at Tower 1, water treatment plant and each lift stations. *Engineering Services* include \$9,000 to update the Village's water and sewer atlas to include Woodland Hills and Autumn Ridge neighborhoods. *Restricted Funds for Debt Service Reserve* will have \$250,000 set aside for principal payments for the Series 2010 Bonds that escalate beginning in 2017.

Approved as submitted.

WATER DIVISION: Notable highlights include: *Water System O/M/R* includes \$25,000 for the repair of Well 4 and *Water Testing Service* includes a reduction since testing requirements were reduced.

Approved as submitted.

SEWER DIVISION: Notable highlights include: *Equipment O/M/R Supplies* include \$2,000 for lab equipment for in house sample analysis and *Sanitary sewer system O/M/R* include \$15,500 for equipment and pump repair to the lift station at Lakewood Road.

Approved as submitted.

LAKWOOD UTILITIES CAPITAL IMPROVEMENT FUND: A total of eighteen new housing starts are anticipated in this Fund. Due to anticipated tap on fees to be collected from these homes \$250,000 will be transferred to Lakewood Utilities Operations and Maintenance to pay down the Wastewater Treatment Plant in 2017.

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Approved as submitted.

EAST SEWER FUND: The contract between the City of Crystal Lake and the Village of Lakewood for the treatment of sewage expired and it was determined that the most effective long term solution is the installation of additional sewer pipes and a lift station to allow the sewage to be sent to the Village's Wastewater Treatment Plant on Haligus Road. To fund this new system, a twenty year loan, with an interest rate of 2.21%, has been secured from the IEPA. The Engineer's estimate for the project is \$2,700,000 which is included in *Sanitary Sewer Improvements*. Also, \$215,000 is included in *Engineering* with Strand Associates for ongoing assistance with the IEPA loan requirements and construction oversight.

Per the Sewer Agreement with the City of Crystal Lake, repair and replacement of water and sewage utilities along Meridian Street will be preformed by the City of Crystal Lake and the cost shared between the two communities. Crystal Lake has chosen the 2015/2016 fiscal year to replace the water main along Meridian Street. \$90,585 is included in *System Improvements* for the Village's portion of this project.

Also included in this fund is *Water Testing Service* which will no longer be needed after this proposed budget since we will not be affiliated with the City of Crystal Lake. *Sewer System Contract Pay* reflects an estimated five percent increase from the City of Crystal Lake with the actual figure unknown until the summer 2015.

Approved as submitted.

REFUSE FUND: MDC Environmental Services (MDC) has notified the Village that there will be no increase in rates this coming year. The surcharge that is imposed to help defray our internal costs for billing and collection is increased from \$.50 to \$1.00 per customer to more truly reflect these costs.

Approved as submitted.

IMPACT FEE FUND: There is an anticipated twenty new homes on the West Side of the Village, all of which have different impact fees. This fund grows as repayment is made for internal loans. *Interfund Loan Receivable-Silt Project* includes the final repayment for the silt removal project; yet, RedTail Golf Club will continue to make payments through 2026. *Interfund Loan Receivable-General Fund Annexation* has the final payment from Planning and Zoning (*General Fund*) to the Impact fee Fund for extraordinary expenses related to the 2010 annexation. *Interfund Loan Receivable -SSA#1 Splash Pad* has the final payment from SSA#1 repairs to the splash pad.

Approved as submitted.

REDTAIL GOLF CLUB: Notable highlights include: continued vacancy in the position of Golf Course Superintendent; the addition of two employees to the seasonal maintenance staff, for a total of nine seasonal employees; and a turf management consultant at a cost of \$3,180. \$21,000 is included in *Capital Improvements* for the replacement of three irrigation boxes and \$77,000 for bunker renovations.

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Manager of Clubhouse Operations Chris Neuhart highlighted a few expense line items: *Golf Cart Cleaning Supplies* will increase \$300 to begin a program detail two carts everyday on a rotating basis. *Food and Beverage IMRF* is decreased by \$1,750 due to a decrease of Beverage Manager hours. *Golf Course Maintenance Pesticides and Fertilizer* is increased by \$4,000 due to chemical costs and golf course care. *Golf Course Maintenance Contractual Services* is increased by \$3,180 for a Maintenance Consultant. *Equipment Leases* is increased by \$4,000 for a five year lease for a new trap rake.

Approved as submitted.

With nothing further to discuss, Trustee Davis, seconded by Trustee Thomas, moved to adjourn the Budget Workshop #1. Voice Vote: All Ayes. Motion declared carried. The Workshop #1 adjourned at 6:51 p.m.

Janice S. Hansen
Village Clerk

Approved: _____ Dated: March 24, 2015