

**VILLAGE OF LAKEWOOD**  
**BUDGET WORKSHOP #1 MINUTES**  
**MARCH 14, 2017**

The Budget Workshop #1 Meeting was called to order by President Smith at 6:05 p.m. at Turnberry Country Club. Present were Trustees Davis Furey, Iden, McMahon, Serwatka, and Thomas. Also present were Interim Village Manager Shannon Andrews; Village Clerk Janice Hansen; Village Treasurer George Roach; Chief of Police Leigh Rawson; Manager of RedTail Golf Club Chris Neuhart; and a few members of the public.

Interim Village Manager Shannon Andrews commented that in preparing this budget there was a careful assessment of the current year's finances. She had met with each of the departments to insure expenditures are consistent with actual revenues. The ten months of projections show that there will be a surplus at the end of the year in the General Fund. Staff has followed high standards of financial oversight and continues to seek ways to provide excellent services in a cost effective manner.

**GENERAL FUND:** The primary sources of revenue for departments within the General Fund include property taxes; state income tax; licenses; and utility taxes/fees/fines. Due to the mild winter there is a decrease in gas utility tax. Residential growth is expected to continue and the number of new homes is expected to increase with 16 single family homes and 9 townhomes this will benefit Village revenues with connection fees for infrastructure improvements and bond payments in Lakewood Utilities; additional Impact Fees will be used for a variety of infrastructure needs; and the increase in EAV and an increase in customers in Lakewood Utilities.

FINANCE AND ADMINISTRATION/ELECTED OFFICIALS: Notable highlights include: Printing/Printed Materials is over budget due to multi-year vehicle decals and the purchase of handicap placards. Office Supplies includes the purchase of five replacement office chairs. Computer Services is over due to emergency purchase of a new APC battery unit. A projected increase next year due to a rate increase for the Village's IT consultant. Telephone has increased due to significant increases by Call One. Legal Services is over budget due to a number of large projects and issues requiring legal input. Contractual Services is expected to increase due to a rate increase for room rental at Turnberry Country Club for Village Board Meetings. Community Affairs has a slight increase due to Board Members attending MCCG meetings. Capital Outlay there are no planned capital expenditures related to the Administration Department, any future expenditures will be reflected in the newly created General Capital Fund.

Discussion ensued regarding a 3% merit salary pool.

Accepted as submitted.

PUBLIC SAFETY: Departmental Revenue notable highlights include: Sale of Assets a squad will be sold as part of the fleet rotation. Departmental Expenditure notable highlights include: Wages-Full Time includes Public Safety share of full time administrative assistant who also functions as the records clerk for the Department. Wages-Part Time part time clerk moved to a full time administration assistant with hours split across departments. An 8 hour per week patrol officer allows for two officers to work during peak hours on Friday and Saturday evenings. Overtime was incurred due to staff shortage for the first quarter while hiring two new officers. Health/Life Insurance is higher due to the two new full time officers. Equipment O/M/R Supplies the breathalyzer machine was removed and no expenses are projected for the current or next fiscal year. Equipment O/M/R has increased to cover costs for certification of safety and enforcement equipment and includes an increase of \$1,200 for data storage for a new in-car video systems. Computer Services increased due to the Village's IT consultant rate increase.

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Telephone increase as a result of a significant rate increase by Call One. Dispatch Services an anticipated increase to \$50.75 per call from SEECOM. Fire Protection Services contract is based on the increase in EAV and the Crystal Lake Rural Fire tax rate; anticipating a \$53,000 increase in this line item. Legal Services under budget due to the understaffing in the first quarter and is expected to increase to a normal level in the next FY. Prof. Development/Training while minimizing costs, we created a training consortium with nine local departments. New State mandates require training that the Illinois Training and Standards Board approved through NEMRT which requires the Village to renew membership. A \$2,500 Public Safety grant will offset this membership. Capital Outlay Capital Expenditures related to the Public Safety Department will now be reflected in the newly created General Capital Fund. Impact Fee Repayment the repayment for the purchase of fire equipment of \$42,120 will be completed in 2017.

Trustee Serwatka commented on the increase in Fire Protection Services.

Accepted as submitted.

**PLANNING AND ZONING:** Notable highlights include: Developmental/Consulting Services include appraisal costs for properties along RedTail Drive and \$30,000 for consulting services for the realignment of Pleasant Valley Road. No expenditures are planned for this budget. Land Acquisition the claw back provision for the purchase of Pleasant Valley Road property will expire in July 2017.

Accepted as submitted.

**PUBLIC PROPERTIES:** Notable highlights include: Street M/R Supplies increased to cover an increase in the cost of paint. Street Signs M/R Supplies includes \$850 to cover cost of four new street name sign posts. Building O/M/R Supplies includes \$1,500 to cover new drain covers at Public Works garage. Vehicle O/M/R Supplies includes \$4,275 to cover replacing tires on the '02 International and '06 Ford pickup. Equipment O/M/R includes \$2,500 to purchase a tank and pump for liquid de-icing. Snow & Ice control Supplies approximately 250 tons of salt will be carried over. 500 tons is being purchased to give a total of 750 tons. Wearing Apparel has a slight increase to cover cost of personal protection equipment. Street M/R have been moved to General Capital Fund. Street Lights & Signs M/R expenses have been reduced due to the transition over to LED lighting. Building Maintenance and Repair includes \$650 to replace the bottom section of the salt barn door due to rust/corrosion. Vehicle Maintenance and Repair over budget due to the increase in repairs on aging vehicles. Equipment O/M/R includes \$380 for new tires on mower trailer and \$1,050 for a new thumb for the backhoe. Tree Maintenance & Purchases gypsy moth spraying has been removed since there is no indication of active nests. New trees will be placed on the Broadway median landscaping project that is included in the Capital Fund. Computer Services increase costs due to increasing the network speed at Public Works to improve productivity and IT consultants have increased their rates. Engineering Services expenses moved to the General Capital Fund. Legal Services background checks for six seasonal hires. Dial A Ride Service no longer active due to Board's decision to discontinue program. Capital Outlay reflected in newly created General Capital Fund.

Accepted as submitted.

**BUILDING DEPARTMENT:** Departmental Revenue notable highlights include: Stormwater Management Permits include reviews for 16 single family residences, 3 townhome buildings and 2 swimming pools. Architectural Review Fees and Costs include remaining 4 single family residences and

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15 small projects. Departmental Expenditures notable highlights include: Wages Full Time is over budget due to transition in the front counter position at a slightly higher hourly rate. Wages Part Time is under budget due to the departure of the Building Inspector. Health/Life Insurance increased due to the new front counter coverage. Physicals/Drug Testing costs for pre-employment physical for new Building Inspector. Computer Services increase due to rate increase from the IT consultant. Inspection Services is over budget due to the departure of the Building Inspector and City of Woodstock doing plan reviews and inspections. Telephone increased due to rate increases by Call One. Legal Fees include the cost of a background check for a new Building Inspector. Capital Outlay will be reflected in General Capital Fund.

Accepted as submitted.

**GENERAL CAPITAL FUND:** Highlights include: Plow Truck \$189,500 for the purchase of a replacement plow truck; \$50,000 was set aside in FY 2016-2017 for this purchase. 2015 Road Construction Project work was completed in early 2016 and \$21,564 to cover the final payment to the State. 2017 Road Construction consists of the reconstruction and addition of bike lanes on Lake Avenue from Huntley Road to the Village's eastern limits and Pheasant, Wiltshire, Warwick, Cumberland, Oxford, and Essex. Lake Avenue is eligible for federal STP (80%/20%) funding.

Roadways are nonparticipating with 100% local funding; affected line items include: State Funding-Lake Avenue 100% engineering costs of \$60,716 with a State reimbursement of \$28,120. Engineering Services at \$60,716 with State reimbursement of \$28,120. Transfer In – Reserves (Restricted Funds) \$100,000 to be used for project. These funds will be moved from General Fund into General Capital Fund. Street M/R 2017 Road Construction Project for a total of \$630,476.69. Approximately \$350,000 will come from STP grants which require a 20% or \$70,000 from the Village.

Butternut Reconstruction with a cost of \$70,931.10 for construction and \$3,547 for engineering. CRF Applications CRF is a pavement rejuvenator used by many communities. \$7225 is for Inverway and Stuart which were repaved in 2014. Village Hall Siding for approximately \$15,000. Broadway Median Improvements Grounds Maintenance & Repair for \$1,000 for the initial design; Grounds M/R Supplies for \$9,000 to complete six sections at \$1,500 each. Police Squad \$24,207 for a new squad replacement. Watch Guard In-Car Video System Police in-car video upgrade of current system for Police Department for \$24,180.

It was the general consensus of the Board of Trustees to investigate CRF applications before contracting services.

To cover costs for the requested capital fund projects, an additional \$363,553 will need to be distributed from General Fund into the General Capital Fund which include the \$283,259 in surplus and an additional \$80,294 from the General Fund reserves.

Accepted as submitted.

**MOTOR FUEL TAX FUND:** in January 2017 Plote Construction was awarded the 2017 Road Improvement Project at a total cost of \$630,476.69. The state has not yet provided a breakdown of costs, but the Village estimates approximately \$350,000 will be eligible for the STP grant for the reconstruction of Lake Avenue from Huntley Road to east Village limits. Grant funding requires 20% local match,

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approximately \$70,000. The remainder of the project costs are approximately \$280,000 for non-participating roadways; Pheasant, Wiltshire, Warwick Lane, Cumberland Lane, Oxford Lane, and Essex Lane for a cost of \$350,000 of which \$235,000 will be drawn from MFT funds. the remaining \$115,000 is budgeted from the General Capital Fund.

Accepted as submitted.

**SPECIAL SERVICE AREA FUNDS:** Accepted as submitted.

SPECIAL SERVICE AREA #1 (TURNBERRY LAKES): Fiscal Year 2015/2016 was the final year

SPECIAL SERVICE AREA #2 (BRIGHTON OAKS): \$1,000 to cover cost of electricity for streetlights.

SPECIAL SERVICE AREA #3 (WESTLAKE WOODS): \$13,100 for maintenance of public areas, contract mowing of the detention ponds and the remainder reserved in Restricted Funds for sanitary sewer improvements.

SPECIAL SERVICE AREA #4 (HIDDEN LAKES): \$5,560 for the eventual replacement of the “V” curb within the subdivision.

SPECIAL SERVICE AREA #5 (THE RESERVES): \$2,000 for public improvements of wetlands, stormwater detention areas, ponds, outlots, streetlights, entry features, signs, fixtures and/or structures of the stormwater drainage system.

SPECIAL SERVICE AREA #6 (CAMBRIA): \$500 to cover the long term maintenance, repair and replacement of wetlands, stormwater detention areas, ponds, outlots, streetlights, entry features, signs, fixtures and/or structures of the stormwater drainage system.

SPECIAL SERVICE AREA #7 (WOODLAND HILLS/AUTUMN RIDGE): \$500 to cover the long term maintenance, repair and replacement of wetlands, stormwater detention areas, ponds, outlots, streetlights, entry features, signs, open spaces, open space fees to the Land Conservancy of McHenry County, appurtenant fixtures and/or structures of the stormwater drainage system. (FY 2015-2016 included a developer based expenditure that has been reimbursed by the General Fund, bringing FY 2017/2018 fund balance up to \$1,882)

SPECIAL SERVICE AREA #8 (TURNBERRY LAKES): Notable highlights include: Lake Treatment \$30,000 algae control on lakes 1 through 4. Grounds Maintenance increased to cover costs for landscaping around the well and control panel for the aeration system. Board requested landscaping around the well to be moved to Lakewood Utilities. Electricity regular monitoring of oxygen levels should allow a slight reduction in charges. Contractual Services \$3,500 to cover cost of maintaining the aerators, \$1,176 to seal parking lot, \$850 to saw cut and replace asphalt at boat launch. Inter Fund Loan Payable \$40,249 for the purchase of the aeration system and the creation of SSA #8. The Board discussed a few items for SSA#8: setting aside money for administrative fees, researching the cost for a spare aeration pump, and validating the tax cap does not exceed .15%.

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**TAX INCREMENT FINANCING DISTRICT:** the Village's TIF District was established on January 27, 2015. As the TIF was not active until the current budget year, \$90,529 in eligible expenditures was paid out of the General Fund and another \$74,809 out of Lakewood Utilities Fund. In the current year, an

additional \$53,203 in TIF eligible expenses have been incurred out of Lakewood Utilities. Expenditures were related to administrative costs, legal and consulting fees associated with the creation of the TIF, legal and consulting fees related to negotiations with prospective developer, and engineering costs associated with the extension of utilities and the intersection improvements at Routs 47 and 176. TIF Expenditure Repayment allows for reimbursement of costs. FY 2016/2017 \$6,806 is expected to be repaid to the loan from Lakewood Utilities. FY 2017/2018 will have an expected \$8,485 allocated to Lakewood Utilities. A total remaining balance of \$202,506 in TIF eligible expenses remain.

Accepted as submitted.

**LAKE PATROL FUNDS:** Notable highlights include: Decal Sales sales remain flat. Salaries-Regular line item was added to more accurately account for the salary of Police Chief. Wages-Part Time three patrol officers with no increase in hours. Wearing Apparel Slight increase due to hiring an additional patrol officer. Gas, Oil & Lubricants Winterization costs were moved to Equipment O/M/R. Equipment O/M/R purchase three replacement buoys and two that will be used as spares. Dispatch Services SEECOM estimate is \$50.75 X 20 calls for service, totaling \$1,015. Legal Fees to cover cost of conducting back ground checks for new Lake Patrol Officers. Equipment no major purchases.

Declining fund balance will require consideration of a rate increase next Fiscal Year.

Accepted as submitted.

**REDTAIL GOLF COURSE FUND:** Notable highlights include: **Revenues** are 1% higher than the previous fiscal year. Projections for FY 17-18 are increased by 3.3% against the current year due to green fees and cart fees. \$26,250 budgeted revenues increase will be gained by the GolfNow program. **Expenses** \$51,405 has been requested for continued capital investments into the course. \$15,850 for the replacement of 3 irrigation control boxes. \$11,000 for ongoing bunker renovations on the back 9. \$5,195 is planned for professional removal of trees. \$4,000 has been requested for cart path replacement. \$3,000 is planned for the addition of two new lades tees on the back 9. \$12,000 is earmarked for the replacement of carpeting in the entrance, exit, and bar area of the clubhouse. Other highlights include: GPS Fees an increase of \$1,880. Equipment O/M/R has an increase of \$1,240 for the compressor on the sandwich station and the keg cooler. Contractual Services has an increase of \$3,230 to needle tyne the greens, \$2,000 for pond treatments of algae and weeds. Salaries Regular increased by \$5,000 due to the inclusion of 15% of the salary of a new finance director. Accounting and Auditing Services has a decrease of \$2,800 due to the loss of accounting services of our current contractor. Building Maintenance and Repair increase of \$6,500 due to the replacement of \$4,000 worth of siding along the back of the building that has deteriorated and \$2,500 for the replacement of the back doors and rebuilding of door frames. Equipment Leases has a decrease of \$911 from the completion of a lease of two tractor purchases four years ago.

Accepted as submitted.

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With nothing further to discuss, Trustee Thomas, seconded by Trustee Iden, moved to adjourn Budget Workshop #1 Meeting. Voting Aye: Trustees Davis, Furey, Iden, McMahon, Serwatka, and Thomas. Voting Nay: None. Motion declared carried. The Workshop adjourned at 8:16 p.m.

Janice S. Hansen  
Village Clerk

Approved: \_\_\_\_\_ Dated: March 28, 2017