

**VILLAGE OF LAKEWOOD
BUDGET WORKSHOP #2 MINUTES
MARCH 28, 2017**

The Budget Workshop #2 Meeting was called to order by President Smith at 6:05 p.m. at Turnberry Country Club. Present were Trustees Davis, Furey, McMahon, and Serwatka. Trustee Thomas arrived at 6:15 p.m. Trustee Iden was absent. Also present were Interim Village Manager Shannon Andrews; Village Clerk Janice Hansen; Village Treasurer George Roach; Chief of Police Leigh Rawson; and a many members of the public.

LAKESWOOD UTILITIES O & M FUND: Interim Village Manager Shannon Andrews stated that this is an enterprise fund which provides drinking water and sanitary sewer services to residents on the west side of the Village. With the completion of the East Sewer Project this year, this fund has also begun to provide sanitary sewer services to east side residents. This is the first year that the East Sewer and Lakewood Utilities O & M Enterprise Funds are being combined into one fund. The proposed budget does not include a rate increase which, staff is recommending a rate study at the end of the first full year of operation with Lakewood Utilities in October 2017. The study will include an analysis of existing debt service, which includes the IEPA loan for the East Sewer, outstanding bonds for construction of the wastewater treatment plant.

There was general discussion regarding rate fees and the need for a rate study. The general consensus was to combine east and west side sewer services; maintain the current fee structure; and engage in a fee study after one full year of data is obtained for a fair analysis for the all Village's residents.

Notable highlight changes are: Meter Fees are based on 16 new single family homes on the west side and 9 townhome units. Wages Full Time an increase of \$1.00/hour each for the general utility worker to encourage the pursuit of additional certification and for the ten year general utility worker. Also, this line item reflects each of these proposed increases, which are above and beyond the 3% identified for the remainder of the staff. Gas, Oil, & Antifreeze increase due to regular use of the generator at the wastewater treatment plant. Wearing Apparel an increase due to the increased cost of PPE equipment. Vehicle Maintenance & Repair increase to cover the expense of new tires and repair of rust on the 2007 Dodge pickup. Grounds O/M/R \$1,500 in replacement landscaping for shrubbery around Well 2 abandonment. Computer Services includes the software maintenance required for new meter reading software. Janitorial Services increased due to a rate increase. Engineering Services \$20,000 to cover the costs of conducting rate study in October 2017. Telephone increase due to the addition of the East Sewer lifts station.

There was a general discussion regarding Wages Full Time to increase an additional \$1/hour for two employees to compensate for certification and another over ten years of service. Employee retention is essential within this small department.

Accepted as submitted.

WATER DIVISION: Notable highlights include: Water System O/M/R Supplies over budget due to the unanticipated purchase of water main repair supplies for Inverway. Chemicals increase in construction, full year of East Sewer connections, and the population of Village which require more chemicals. Water System O/M/R includes \$16,810 for abandonment of Well 2 which will prevent possible future contamination to aquifers. Equipment \$8500 for trench box for safety equipment for water main breaks repaired in-house and \$5,000 for Well 1 & 4 transducers.

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Accepted as submitted.

SEWER DIVISION: Notable highlights include: Equipment O/M/R Supplies includes the purchase of replacement jetter parts and \$2,500 for confined space equipment to perform manhole repairs. Sanitary Sewer System O/M/R \$26,250 to begin resolving inflow and infiltration issues through network of manholes.

Accepted as submitted.

LAKWOOD UTILITIES CAPITAL IMPROVEMENT FUND: Notable highlights include: Consistent with 16 new single family home tap on fees and townhome tap on fees have been prepaid. Engineering Services includes the final costs for phase II engineering for the extension of utilities to Routes 47/176. These expenses are TIF eligible. Capital Improvements includes \$212,500 for painting Water Tower 2. Transfer of Lakewood Utilities O & M includes setting aside Restricted Funds for Debt Service Reserve for \$100,000 (principal payments for Series 2010 Bonds escalated beginning in 2019).

Accepted as submitted.

EAST SEWER FUND: This enterprise fund provides sanitary sewer service for 329 residents on the east side of the Village. With the completion of the East Sewer Project in October 2016 these homes are now treated at the Village's wastewater treatment plant on Haligus Road.

Notable highlights include: Equipment O/M/R Supplies padlocks, bearing seals and a water pump kit were unbudgeted items for the new lift station. Sewer System O/M/R Supplies Contractual Services are under budget due to staff performing repairs to manholes. Additional supplies were purchased. There was an overall savings of \$345. Chemicals previously not budgeted for the effluent routed to Lakewood Utilities. Janitorial Services rate increase from janitorial contractor. Contractual Services NEC includes expenses related to mosquito abatement within the Wedgewood subdivision associated with the East Sewer Project.

Accepted as submitted.

SEWER FUND: Notable highlight include: Bond Proceeds \$3,000,000 had been budgeted for Fiscal Year 2015/2016 but funds did not begin to be distributed until Fiscal Year 2016/2017. Currently no revenue budgeted within this line item and will be needed an adjustment when the village finalizes the budget amendment for Fiscal Year 2016/2017 in bond proceeds related to the IEPA loan for the East sewer Project. It is anticipated that final distribution of \$105,889 in Fiscal Year 2017/2018.

Accepted as submitted.

REFUSE FUND: This is an enterprise fund to account for residential refuse collection services and resident billing handled by staff, which helps to reduce the overall costs for residents. June 2012 the Village entered into a six year contract with MDC with an annual adjustment based on the Consumer Price Index. There is a conservative increase of one percent which will be added to the rate charged in the coming year. There is a projected fund balance of \$31,401 for Fiscal Year 2017/2018 which will provide a small reserve when the refuse contract goes out to bid.

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Accepted as submitted.

IMPACT FEE: When building permits are issued the following impact fees are collected: school impact fee, fire impact fee, park impact fee and municipality facility fee; which school and fire go directly to appropriate units. Impact Fee Funds grow as repayments are made for internal loans.

Notable highlights include: Interfund Loan Receivable (Silt Project) Fiscal Year 2015/2016 was the final year for repayment of \$33,940 from Special Service Area #1 RedTail Golf Club will continue to make payments of \$9,538 through 2026. Interfund Loan Receivable (General Fund Annexation) Fiscal Year 2017/2016 is the final payment of \$21,740 from Planning and Zoning General Fund for extraordinary expenses related to 2010 annexation. Interfund Loan Receivable (Splash Pad) Fiscal Year 2015/2016 was the final payment of \$17,500 from SSA#1 repairs to the splash pad. Interfund Loan Receivable (General Fund Litigation Settlement) Fiscal Year 2017/2018 will be payment 6 for \$34,555 for fire litigation settlement.

Accepted as submitted.

With nothing further to discuss, Trustee Davis, seconded by Trustee Serwatka, moved to adjourn Budget Workshop #2 Meeting. Voting Aye: Trustees Davis, Furey, McMahon, Serwatka, and Thomas. Voting Nay: None. Absent: Trustee Iden. Motion declared carried. The meeting adjourned at 7:10 p.m.

Janice S. Hansen
Village Clerk

Approved: _____ Dated: April 11, 2017