

# **Village of Lombard**

*Village Hall  
255 East Wilson Ave.  
Lombard, IL 60148  
villageoflombard.org*



## **Meeting Minutes**

**Tuesday, February 16, 2010**

**7:00 PM**

**Community Room**

### **Joint Finance Committee & Committee of the Whole**

*President William J. Mueller, Village Clerk Brigitte O'Brien  
Trustee Greg Gron, Trustee Richard J. Tross,  
Trustee Zachary Wilson, Trustee Dana Moreau,  
Trustee Laura Fitzpatrick, Trustee Bill Ware.  
Finance Committee Chair Trustee Zachary Wilson,  
Co-Chair Trustee Dana Moreau,  
Mary Cation, Querish Esmail, Tom Guilfoyle, Tim Angst,  
Jay Tovian, Michael Corso, Barbara Alvarado  
Staff Liaison: Tim Sexton, Director of Finance*

## 1.0 Call to Order and Roll Call

*The Special Meeting of the President and Board of Trustees of the Village of Lombard to be held in conjunction with the Finance Committee was called to order by Village President William J. Mueller at 7:10 pm, Tuesday, February 16, 2010 in the Community Room of the Village Hall.*

**Present:** President William J. Mueller, Trustee Greg Gron, Dana Moreau, Trustee Dana Moreau, Trustee Laura Fitzpatrick, Trustee Rick Soderstrom, Trustee Bill Ware, David Wellehan, James W. Hogan, Edward Murphy, Mary Cation and Brad Janisch

**Absent:** Village Clerk Brigitte O'Brien and Trustee Richard J. Tross

*Trustee Wilson introduced Daniel Cord who is being recommended as a new member of the Finance Committee.*

*Staff Present:*

*Village Manager David Hulseberg  
Director of Finance Tim Sexton  
Assistant Village Finance Director Brian Koehler  
Director of Community Development Bill Heniff  
Director of Public Works Carl Goldsmith  
Chief of Police Ray Byrne  
Fire Chief Ed Seagraves  
Executive Coordinator Carol Bauer*

*Finance Committee Members Present:*

*Mary Cation  
Michael Corso  
Querish Esmail  
Tom Guilfoyle*

## 2.0 Public Participation

*None*

## 3.0 Agenda

### 100074 Presentation - Fiscal Year 2010 - 2011 Preliminary Operating Budget

*Village Manager David Hulseberg noted the mission of the Village of Lombard is to provide superior and responsive governmental services to the people of Lombard. He stated the Strategic Directions of the Village of Lombard include proactively addressing issues related to public safety and to planning for future public safety needs that may arise. Public Safety is considered to include police, fire and public works services. The Village of Lombard will continue to maintain a proactive stance in carefully monitoring the financial resources of the community. The Village of Lombard should continue with proactive, yet financially prudent planning, for capital improvements as reflected in the*

*Ten Year Capital Improvement Program. The Village of Lombard and other governmental agencies should continue working in a spirit of strong intergovernmental cooperation as has been the practice up to the present. The Village of Lombard should continue to foster customer-friendly policies.*

*Manager Hulseberg noted that the FYE 2011 Budget Planning Process included a total of ten public meetings - a Community Forum; a Village Board 2010 Strategic Planning Session; presentations from the Public Works, Community Development, Finance, Police and Fire Departments; Community Promotions and Tourism Committee review of request for use of Hotel/Motel tax revenues; Village Board/Public Works Committee meeting on the FYE 2011-2020 Capital Improvement Program; Village Board/Finance Committee review of the Multi-Year Financial Forecast and Preliminary Budgets for General Fund and Water/Sewer Fund; Finance Committee review and recommendation of the Proposed Budget; Public Works Committee review and recommendation of the proposed FYE 2011-2020 Capital Improvement Plan; and a Public Hearing on the FYE 2011 Proposed Budget to be held on April 1. He noted that a community survey had been sent out to some 1,500 randomly-selected Village residents and the results were that residents were satisfied with Village services. He noted that some of these residents were then invited to participate in the Community Forum. He indicated this year the Village Board will review the budget line-item by line-item so that they are even more familiar with the items listed in the budget.*

*Manager Hulseberg began an overview of the General Fund of the proposed Village of Lombard budget and noted the FYE 2011 budget is \$38,556,125 which represents an increase in expenditures of \$1,191,945 or 3.19% compared to the FYE 2010 amended budget and \$1,149,810 or 3.07% more than estimated actual expenses. He stated the total proposed General Fund revenue for FYE 2011 is \$38,368,580 which represents an increase in revenue of \$204,000 or 0.53% compared to the FYE 2010 amended budget and \$1,516,710 or 4.12% over the estimated actual revenue.*

*Manager Hulseberg noted the following items were included in the General Fund: Continuation of the Senior Taxi Subsidy Program in the amount of \$60,000; Maintaining the Village's contribution to the DuPage Senior Citizens Council in the amount of \$30,000;*

*The lay-off of five personnel from various department at a savings of \$383,580 and the continued freezing of various fulltime and part-time positions at a savings of \$527,870; Partially funding the Technology Reserve in the amount of \$299,940. He noted the anticipated costs in the near future of replacement of the current iSeries server and the purchase of a records software program for the Police Department in an estimated amount of \$700,000;*

*Include a contingency amount of \$641,460;*

*Fund repairs and improvements to Village buildings to include \$20,900 for the Village Hall; \$29,800 for the Police building; \$43,700 for the Fire buildings and \$15,000 for the Public Works building;*

*Increase in pension costs of \$1,007,740 compared to FYE 2010 amended budget; Increase in health insurance costs of \$391,420 compared to FY 2010 amended budget. Manager Hulseberg stated there is a budgeted surplus of \$164,205 proposed in order to establish the corporate General Fund balance at 25% of expenditures as provided for in the Village's financial policy. The unrestricted fund balance within the General Fund for the proposed FY 2011 budget will be \$6,634,525 or 25.00% of unrestricted expenditures for general Village operations.*

*Manager Hulseberg thanked Village President Mueller for serving on the DuPage Water Commission Board and being instrumental in keeping rates down. He noted the expenditures for FYE 2011 in the Water and Sewer Operating Fund are proposed at \$13,064,690, an increase of \$440,940 or 3.49% compared with the FYE 2010 amended budget.*

*Manager Hulseberg noted the following:*

An increase of \$519,540 or 23.62% in the cost of purchasing Lake Michigan Water due to a projected increase in the rate charged by the DuPage Water Commission from \$1.48 per 1,000 gallons to \$1.84 effective May 1, 2010;

A total estimated payment of \$3,280,460 to the Glenbard Wastewater Authority which is an increase of \$126,170 or 4.00%;

Fourth year funding for a cross-connection control program as required by federal law (\$63,600) with approximately 60% of this cost expected to be recovered in revenue;

An increase of \$15,000 or 7.14% in the cost of electricity including the new South Booster Station;

An increase of \$48,980 or 16.29% for health insurance costs;

Funding for a grease control program (\$22,000); and

A contingency amount of \$65,930.

Manager Hulseberg noted that the new South Booster Station ties in the high pressure and low pressure systems which are two separate systems and helps to equalize the pressure. He indicated the south end of town has higher water usage on weekdays and the north end of town has higher usage on weekends.

Trustee Ware asked if the Village paid for electricity.

Manager Hulseberg noted for the Village Hall and Police Department.

Director of Finance Sexton indicated the electricity fees are based on revenue generated.

Trustee Wilson questioned if the cost for electricity will be absorbed.

Manager Hulseberg proceeded to give an overview on the Water and Sewer Operating and Maintenance Fund. He noted that proposed revenue for FYE 2011 is \$13,219,083 based on selling 1.277 billion gallons of water and the billing of 1.214 billion gallons of sewage. He stated this represents an increase of \$614,153 or 4.87% compared with the FYE 2010 amended budget. He stated included in the revenue projection is \$41,690 from a service charge on affected properties to offset 60% of the cost for the cross-connection control program. Only customers for whom inspections are required pay for a portion of the cost. With the FYE 2011 Proposed Budget, the projected year end fund balance as a percentage of total expenditures is 25.00%.

Director of Finance Sexton distributed a handout that had revised information on options regarding water and sewer rates.

Manager Hulseberg reported the following:

In FY 2007-2008, \$188,160 of the \$2.22 million rebate from the DuPage Water Commission was used to fully offset an increase in both the water service charge and the water and sewer rate for operations. In addition, \$630,000 of the rebate was budgeted in FY 2009-2010 to partially offset the water and sewer rate for operations. The Board previously approved staff's recommendation of allocating up to an additional \$300,000 from the rebate for FY 2009-2010 to maintain a 25% fund balance. Only \$115,000 additional is currently anticipated to be needed in FY 2009-2010. It is also proposed that the remaining \$745,073 of the rebate be used to partially offset the rate increase for FY 2010-2011. This would leave \$225,000 of the rebate to be applied to rate increases in FY 2011-2012. An increase from \$7.00 to \$7.30, or 4.29%, is proposed for the bi-monthly water service charge. A water and sewer rate increase of \$0.66, or 7.67%, for operations and maintenance is also proposed. Finally, as committed to as part of the non-home rules sales tax referendum, there is no increase in the capital rate. If approved, the water and sewer rate for operations would increase from \$7.41 to \$8.07 per 1,000 gallons. As approved by the Board during the referendum in 2006, the capital rate would remain unchanged at \$1.20. When combined, the total water and sewer rate for operating and capital purposes would increase by 7.67% from \$8.61 to \$9.27.

The proposed water service charge and rate increase for operations and maintenance would increase the cost to the average residential customer using 8,000 gallons bi-monthly by \$33.48 annually, or \$5.58 bi-monthly.

*The proposed budget projects a Water and Sewer Fund balance for operations and maintenance at the end of FY 2010-2011 of \$3,264,804, which results in a year-end balance as a percentage of total expenditures of 25.0%.*

*The other option is to allocate all of the remaining rebate of \$970,073 towards FY 2010-2011. This would allow the FY 2010-2011 increase to be \$0.48, or 5.57%. However, the serious downside to this option is that the FY 2011-2012 increase would need to be 11.99%. In staff's recommendation above, the rate increases for FY 2010-2011 and FY 2011-2012 are 7.67% and 7.98%, respectively. In this alternative option, the rate increases are 5.57% and 11.99%, respectively. And this just assumes a 3% increase by the City of Chicago in FY 2011-2012, and their increase could potentially be much larger. Therefore, as previously discussed, staff recommends the first option of allocating \$745,073 of the remaining \$970,073 DWC rebate in FY 2010-2011, along with a \$0.66 rate increase.*

*Manager Hulseberg indicated he was seeking direction from the Village Board regarding this matter.*

*President Mueller asked if there were any questions.*

*Finance Member Tim Angst arrived at 7:20 pm.*

*Trustee Gron questioned using the DuPage Water Commission rebate that came to the Village to help offset the increase to residents over a period of time. He felt it was difficult to talk about rate increases and wanted to ease into the increases. He noted water rates will continue to increase.*

*President Mueller stated the problems at the DuPage Water Commission have not effected the water rates. He indicated the DuPage Water Commission Finance Director had been moving money from one account to another and has subsequently been relieved of his duties. He stated the DuPage Water Commission has been under-charging all of the communities based on sales tax revenue that helps the Water Commission. He noted that the City of Chicago will still continue to increase rates each year and indicated the City of Chicago was still talking about selling the water system like they did with the parking meters. If the water system is sold, this will cause a serious problem as there would be no control over a private vendor owning the system. Trustee Gron questioned if they could do that.*

*President Mueller noted the City of Chicago can do anything they want to do. He stated the Village of Lombard purchases water from them and it is their water. He felt that basically the Water Commission and the Village had been undercharging for water. He spoke regarding the Village promoting conservation and helping the environment, but noted that the less water that is used, the more expensive it becomes. He felt water was a commodity that we had all taken for granted for many years and will continue to do in the future. He felt it was a commodity that we should be thankful we have.*

*Village Clerk Brigitte O'Brien arrived at 7:30 pm.*

*Trustee Ware indicated 2012 will not be any better and that the Village will be blamed for the water rate increases no matter whose fault it is.*

*President Mueller asked if the Village Board was in agreement with the recommendation from staff.*

*Trustee Wilson questioned the rates and usage of the average resident.*

*Finance Member Mary Cation also questioned the increased rate if less water is used.*

*Director of Finance Sexton stated if water consumption drops, it drives the rate up.*

*Finance Committee Member Querish Esmail questioned spreading the increase over three years instead of two.*

*Manager Hulseberg indicated it would be a minute difference.*

*Querish Esmail suggested a 5% increase over three years.*

*Director Sexton indicated this was the third year that the Village was using the rebate to subsidize the water rates. He noted the DuPage Water Commission had under-proposed the rate allocating \$745,000.*

Trustee Wilson felt the rate may be higher and suggested raising the rate a little more now.

Director Sexton referred to Attachment III-1 and indicated the increase would not be a big jump.

Manager Hulseberg indicated the Village was entering into its third year of the water rebate. He stated the Village did not know the amount of the increase from the City of Chicago for water rates for next year or the year after. He stated the Village was trying to spread the rebate over a time period.

President Mueller asked if there were other questions. He asked for concurrence of the Village Board on staff's recommendation.

Manager Hulseberg proceeded to give an overview of the Hotel Motel Tax budget. He indicated that the Taste of Lombard had not been funded and a recommendation was made to the Jaycees for them to submit a grant application requesting funding.

Trustee Wilson questioned what would happen to the \$62,000 if this amount was not spent.

Manager Hulseberg stated this is unprogrammed money and it would just sit there.

President Mueller indicated he heard the Jaycees did meet and they are proceeding with the Taste of Lombard possibly as a 4-day event. He indicated he is not sure how they will cover all of the expenses.

Manager Hulseberg stated the Community Promotion and Tourism Committee had reviewed the proposed Hotel/Motel revenues and expenditures at their January 21st meeting and this report included input given by the Village Board. He noted the following:

Revenue for FY 2010-2011 is projected at \$1,524,120, which is flat compared to the current year's projected revenue, and a significant decrease of \$517,010 (-25.33%) over FY 2009-2010 budgeted revenue. Included as part of FY 2010-2011 projected revenue is \$613,880 in Hotel/Motel Tax from the Westin Lombard Yorktown Center. That tax revenue will be paid to the Village and thereafter rebated back to the Lombard Public Facilities Corporation as part of a Tax Rebate Agreement. When the Hotel/Motel Tax from the Westin is excluded, projected revenue for FY 2010-2011 is \$910,240, which represents no change from the current year's projected revenue and a decrease of \$303,380 (-25.00%) over FY 2009-2010 budgeted revenue.

Expenditures for FY 2010-2011 are proposed at \$1,460,970, a decrease of \$780,120 (-34.81%) when compared with FY 2009-2010 budgeted expenditures and a decrease of \$480,135 (-24.74%) when compared with FY 2009-2010 estimated expenditures.

However, when the Hotel/Motel Tax rebate to the Westin is excluded, proposed expenditures for FY 2010-2011 are \$847,090, a significant decrease of \$566,490 (-40.07%) when compared with FY 2009-2010 budgeted expenditures and a decrease of \$480,135 (-36.18%) over FY 2009-2010 estimated expenditures.

When the Westin Conference Center revenue and rebate are removed, the proposed revenue and expenditure levels will result in an increase in the fund balance from \$242,184, or 18.25% of expenditures, at the end of FY 2009-2010 to \$305,334 at the end of FY 2010-2011, or 36.05% of budgeted expenditures.

What follows are items that are proposed to be funded with Hotel/Motel Tax revenue: A total of \$67,400 is proposed in FY 2010-2011 for the Lilac Parade and related activities, a decrease of \$10,000 from FY 2009-2010. Included are a \$25,000 grant to the Lilac Parade Committee (a decrease of \$5,000 from FY 2009-2010) and a \$12,000 grant to the Lombard Park District for Lilac Time advertising. It is proposed that the \$5,000 grant for the Lilac Queen and Court Scholarships be eliminated in FY 2010-2011.

Elimination of the Taste of Lombard in FY 2010-2011, a savings of \$111,190 from FY 2009-2010. However, the Hotel/Motel account currently shows a surplus of \$63,150 for FY 2010-2011. Pursuant to the last budget workshop, this money will not be allocated to any other expenses as it is determined whether or not the Taste of Lombard will be

held or not.

Transfer of costs from Hotel/Motel to TIF fund is proposed for expenses associated with Cruise Nights, a savings of \$44,220 from FY 2009-2010.

Consultant and other costs (\$46,220) associated with the Village's web site, a minimal increase of \$1,860 (4.19%) from FY 2009-2010. Included in the proposed cost is \$18,050 for maintenance of streaming video of Village meetings to the web site.

Discontinuation of the banner replacement program. FY 2010-2011 would have been the fourth year of a five-year program to replace the Village's banners and flags. This cut represents a savings of \$30,000 over FY 2009-2010.

Discontinuation of the winter decorations and banners program outside of the TIF districts along St. Charles Rd.; a savings of \$35,150 from FY 2009-2010. Banners and winter decorations will still be placed in the TIF districts with the costs being charged to each TIF district.

Funding for the transfer to the General Fund is proposed at \$76,150, a decrease of \$25,850 from FY 2009-2010. The transfer to the General Fund is based upon projected hotel/motel tax revenue for FY 2010-2011.

A decrease in funding for the printing and mailing of the Lombard Pride of \$10,200 (-35.45%) from \$28,770 in FY 2009-2010 to \$13,120 in FY 2010-2011. Part of the decrease is due to the awarding of the bid to a new vendor. The other part of the savings for the Village will come from contributions from the Lombard Park District and Helen Plum Library for their sections of the Lombard Pride proposed at \$4,000 each. Elimination of the Lilac Bush Program; a savings of \$6,000.

Decrease in funding for tree planting of \$45,000 from \$55,000 in FY 2009-2010 to \$10,000 in FY 2010-2011.

A decrease in contract tree trimming of \$20,000 from \$65,000 in FY 2009-2010 to \$45,000 in FY 2010-2011.

Continuation of tree and stump removal at \$25,000.

Elimination of funding for additional beautification along Village rights-of-way. A savings of \$50,000 from FY 2009-2010.

Continuation of a Circulator Grant at \$150,000. The Circulator Program will provide bus rides throughout the Village for a small fee.

Continuation of a Park District Grant for the Aquatic Center at \$13,000.

Continuation of the dues payment to the DuPage Convention and Visitors Bureau of \$60,920. The dues payment is based upon projected hotel/motel tax revenue for FY 2010-2011.

Decrease in funding of other grants, including the Chamber of Commerce Business Expo (\$4,000 in FY 2009-2010) and funding of miscellaneous grant requests (\$3,000 in FY 2009-2010). Funding was decreased to \$1,000 for FY 2010-2011.

Discontinuation of the Business Recognition Luncheon; a savings of \$1,100 from FY 2009-2010.

Discontinuation of Sidewalk Snow and Ice Removal along the Great Western Trail and Prairie Path; a savings of \$2,700 from FY 2009-2010.

Continuation of funding for the Historical Museum and Peck House of \$116,790, a slight increase of \$830 from the FY 2009-2010 budget of \$115,960.

\$5,000 for repairs, improvements and maintenance of the Main Street Cemetery. A decrease of \$17,500 (-77.78%) from the FY 2009-2010 budget of \$22,500.

Discontinuation of funding of the Police Holiday Patrol (BAMPP), a savings of \$15,000 from FY 2009-2010. This program and costs have been moved to the General Fund.

Discontinuation of funding for the Elmhurst Symphony Orchestra Concert Series grant; a savings of \$20,000.

Continuation of Lombard Pride Week & Clean-Up at \$1,080 and Senior Fair at \$500.

Transfer of costs from Hotel/Motel to TIF is proposed for expenses associated with the Lilac Time Art & Craft Show, a savings of \$2,190 in the Hotel/Motel fund.

Discontinuation of the Fourth of July Parade, a savings of \$600.

Manager Hulseberg asked the Village Board to take a look at the TIF funds and the reimbursement of funds to the Village.

Trustee Fitzpatrick questioned the Charlotte Street Debt Service 6th year debt in the amount of \$104,625.

Manager Hulseberg noted that this year the TIF had been added in as a section as there have been many questions about this. For the Downtown TIF, current projections are that there will be a fund balance at the end of FY 2010-2011 of \$152,423. Below are the expenditures that are proposed for FY 2010-2011.

Reimburse General Fund for the Hammerschmidt Property in the amount of \$500,00;

Personnel Expenses in the amount of \$54,860;

Winter Decorations in the amount of \$6,600;

Banners in the amount of \$7,500;

Lilac Time Art & Craft Show in the amount of \$2,190;

Cruise Nights in the amount of \$33,470;

OT Downtown Clean-up in the amount of \$6,800;

Barricade Rentals for Spooktacular in the amount of \$500;

Downtown Improvements and Renovation Grants in the amount of \$100,000;

Downtown Art Program in the amount of \$30,000;

RTA Planning Grant (20% matching) in the amount of \$20,000;

Dues for Illinois Tax Increment Association in the amount of \$450;

Train Station Camera Maintenance in the amount of \$6,760;

Charlotte Street Debt Service (6th year debt) in the amount of \$104,625;

ROW Beautification in the amount of \$15,000;

Distribution of Surplus Revenue in the amount of \$1,469,926;

Elmhurst Agreement in the amount of \$101,765 and

School District Agreement in the amount of \$18,479.

For TIF 1 West and TIF 2 East, both accounts have the following items budgeted.

One-half of the Grace and St. Charles pedestrian crossing maintenance costs from January 2010 to January 2011 in the amount of \$4,600; and

Winter Decorations in the amount of \$4,125.

Manager Hulseberg requested Chief of Police Ray Byrne to comment regarding the train station camera maintenance.

Chief Byrne noted that they had received a call of someone possibly going to commit suicide on the railroad tracks. Both Lombard and Villa Park Police Departments were dispatched. In the meantime the front desk employee at the Lombard Police Department heard the call and decided to check the cameras at the train station. Ironically the person they were looking for was not the one at the station, but was someone else contemplating suicide. Police were dispatched to the train station. The original victim was also located. The Police Department feels two lives were saved that night.

Manager Hulseberg spoke regarding the Charlotte roadway improvements that were in the TIF District. He also spoke regarding the right-of-way improvements in the TIF District. He indicated the Village was the first community to rebate taxes to various government units from the TIF. He spoke about the Park District Agreement. He noted that the Park District maintenance garage was located in downtown Lombard. The Park District relocated the garage and part of the Agreement included a rebate to the Park District from revenue from the property for the inconvenience of moving the garage.

Manager Hulseberg spoke regarding the reimbursement to the Village from the Lilac Medical property that was razed.

President Mueller asked Manager Hulseberg to remind the Park District of this as they do not include the Village in any appreciation when referring to this project.

Other Issues

There are several other issues related to the FY 2010-2011 budget and future years

that are presented below:

Staff has completed working with the Library with their conversion to a library district. This will remove the Library employees from the Village for pension purposes, and limit the future costs associated with pensions, social security and medicare; Several vehicles will be eliminated from the fleet during the upcoming year. 11 vehicles are currently planned on being eliminated, and we continue to look at other opportunities for consolidation. Attachment V-1 has more information on the vehicles that are being eliminated from the fleet.

In addition, staff has developed a fuel efficiency plan indicating how numerous vehicles will be replaced in the future with more fuel efficient options.

Also, Chief Seagraves is exploring the option with other area Fire Chiefs of pooling backup Fire and EMS vehicles, so as to reduce the cost for all municipalities. Additionally, staff is exploring the option of moving the back of ambulances to a new chassis in the future to save costs. The potential savings of this option can be anywhere from 20% - 50%.

Finally, in looking at future replacement costs of Village vehicles, staff has identified a number of vehicles where there will be substantial increases in the cost of vehicles. The additional amount that will be needed for future replacement, which is not yet figured into the depreciation spreadsheet, is estimated at \$1,522,900.

All out-of-state travel has been eliminated from the FY 2010-2011 budget. The current proposed budget anticipates no decrease in the local share of state-collected revenues, such as income tax. However, it is estimated that the state has a budget deficit of \$12 billion for the current fiscal year, and it likely will be worse for the next fiscal year. Therefore, it is always a possibility that the state could attempt to reduce the amount of revenue that is distributed to municipalities to balance their own budget.

Staff was successful in negotiating with Glen Ellyn on two issues regarding Glenbard Wastewater Authority. First, Glen Ellyn had been charging GWA a non-resident rate for water, which is 1.5 times the resident rate. This was discussed with Glen Ellyn staff, and their Board agreed to only charge the resident rate. Second, as the lead agency for GWA, Glen Ellyn has been receiving an overhead fee from GWA that is supposed to cover their additional costs of administering the joint venture. However, the current formula in the intergovernmental agreement is vague, and the current overhead fee that is being charged appears to be excessive. Therefore, in working with Glen Ellyn staff on coming up with a logical formula, we were able to reduce the overhead fee from \$242,000 to \$123,200 annually.

As previously discussed with the Village Board, as of May 31, 2009, the Village had five former police officers and firefighters receiving free health insurance under the Public Safety Employee Benefits Act (PSEBA). One additional disability application is pending with the Police Pension Fund, and there are one or two potential disability applications possible with the Firefighters Pension Fund.

As discussed under the Water and Sewer Fund section, there is uncertainty of the amount of increase from the DuPage Water Commission for both the upcoming year and following years. Currently, we have assumed the worst case scenario of a rate increase for the upcoming year. After that timeframe, the multi-year forecast assumes 3% inflationary increases in the cost of water each year. If Chicago comes back in FY 2011-2012 with higher rate increases, or even worse decides to sell their water system, this will impact projections and rates for future years.

Trustee Moreau questioned the downtown landscaping project.

Manager Hulseberg noted that \$15,000 had been allocated.

Director Heniff indicated if the Village Board agrees, \$15,000 was available to start the project.

Manager Hulseberg stated there was an additional \$152,000 indicating he wanted to hold back on what the Village can do for right now.

Trustee Moreau stated she would rather see \$30,000 for downtown beautification. Manager Hulseberg indicated he was looking for direction from the Village Board regarding the downtown landscape plan.

Trustee Wilson stated he did not agree.

Manager Hulseberg indicated he can review the Village Board meeting minutes. He reported on Elmhurst Hospital coming to Lombard and the Village wanting to see the old Masonic building razed. He noted that the agreement with them gives money back up to a certain dollar amount through 2013. He reported that a number of agreements are expiring soon. He stated one agreement in the TIF is closed as the Village negotiated with the developer to take \$200,000 in lieu of \$400,000 for the life of the agreement.

Trustee Gron questioned the \$152,000 in the TIF.

Manager Hulseberg noted that many years ago President Mueller and real estate developer Jim Bell worked on developing a sculpture program for the downtown. He indicated that sculptor Bud Swanson had done a number of the pieces and the pieces have become quite valuable over the years. The sculpture program is paid half by the Village and half by a sponsor for the sculpture piece.

Trustee Fitzpatrick indicated the Village is trying to promote the arts more and get more people involved in the sculpture show.

President Mueller questioned the Grace Street crossing in the TIF and also the Elizabeth Street crossing in the Capital Improvement Program.

Director of Public Works Goldsmith stated the interconnect is scheduled in a future CIP and the gates next year.

Manager Hulseberg spoke regarding the St. Charles Road Charlotte to Route 53 LAPP. President Mueller asked if the crossing was coming out of the Capital Improvement Program.

Director Goldsmith noted that was not included in the TIF dollars.

Manager Hulseberg indicated staff was looking at the cost of delivering services to the residents, the pension increases, and health benefits increases. He indicated the Village wanted to provide the best service for the dollar.

President Mueller indicated that he along with Fire Chief Ed Seagraves and Jack Jones attended an Illinois Fire Chiefs Association meeting. He noted a legislator spoke indicating he would be trying to increase sweeteners for fire personnel while lobbying in Springfield. He noted this was like fighting against the element.

Manager Hulseberg noted that he questioned legislator Connolly regarding this and when it would stop and the response he received was when the residents scream he will stop.

Trustee Wilson questioned what happens to TIF dollars if they are not used.

Manager Hulseberg indicated the money stays in the fund and is carried over from year to year.

Trustee Wilson asked if this money could be moved to another fund if needed.

President Mueller indicated there was not a lot of money in the fund. He spoke about the restaurant that was proposed for downtown and their request for a \$100,000 loan. The loan then escalated to \$120,000 and then to almost \$200,000 when the owner could not pay for the sprinkler repairs. The project did not come together and the money is still there. He noted this gives staff the flexibility to work with other potential businesses.

Trustee Ware questioned sticker prices and crossing guards.

Manager Hulseberg indicated there would be no increase in vehicle sticker prices. He indicated there was money budgeted for crossing guards, but the Village was looking at hiring a private firm.

Trustee Ware questioned the grant for the Taste of Lombard and asked if this was going to the Community Promotions Committee before it goes to the Village Board.

President Mueller noted this would need to go to the Hotel Motel Committee for review.

Manager Hulseberg indicated there were no dollars listed for the Taste of Lombard and the Jaycees have been advised to submit a grant application and the Village will act on it. He stated the Jaycees have shown a budget. The estimate for the fireworks is \$25,000 plus overtime. He noted the Jaycees would pick up the overtime cost. They are looking at \$110,000 for the event and a \$45,000 shortfall. They are looking at how they can offset the shortfall.

Trustee Fitzpatrick noted she would expect the Jaycees to have funds for this event. Manager Hulseberg noted that he anticipated an application from the Jaycees. Staff will look at costs including cost of the fireworks and police and fire costs. They will look at costs to offset these expenses.

President Mueller noted the Jaycees will be putting up the fencing like they did years ago and they will be looking at things they can or used to do to help offset costs.

Manager Hulseberg noted they hoped to make a decision by the end of February regarding the Taste. They are looking at corporate sponsors. He stated the general policy of the Park District is not to charge an entrance fee, but the Park Board can make an exception to this policy if the Jaycees move forward with the Taste of Lombard.

Trustee Moreau questioned what would happen to the \$65,000 if it was not used.

Manager Hulseberg stated it would stay in the budget.

President Mueller indicated the Park District had already approved the Jaycees application for use of the park.

Trustee Ware asked if this would have to come to the Village Board.

President Mueller said it would.

#### 4.0 Adjournment

*The Special Meeting of the President and Board of Trustees of the Village of Lombard in conjunction with the Finance Committee held on Tuesday, February 16, 2010 in the Community Room of the Lombard Village Hall was adjourned at 8:13 pm.*

**Present:** President William J. Mueller, Village Clerk Brigitte O'Brien, Trustee Greg Gron, Trustee Richard J. Tross, Dana Moreau, Trustee Dana Moreau, Trustee Laura Fitzpatrick, Trustee Rick Soderstrom, Trustee Bill Ware, David Wellehan, James W. Hogan, Edward Murphy, Mary Cation and Brad Janisch