

## Amberley Village Ad Hoc Committee

Minutes February 6, 2012

Committee Attendees: Bangel, Fisher, Freed, Goering, Hinitz, Jones, Lake, Lauer, Lennard, Lerner, Morgan, Neyer, Regula, and Schneiderman. Also attending were Scot Lahrmer (Village Mgr), Council members: Bardach, Doering, Hattenbach and Meuthing and several residents of the Village

1. Meeting was called to order at 7:05 pm.
2. Michael Lake prepared a benchmarking study that was provided in advance of the meeting to the Committee members and Scot Lahrmer. It was reviewed at the meeting and showed AV spent substantially more than its peers on a per resident and per household value basis. While it is hard to make apple-to-apple comparisons, the data confirmed the belief that AV had become inefficient and unproductive in its expenses as a result of many years of substantial revenues (many of which are no longer available). AV Mgr Scott Lahmer said AV is clearly in the upper half of expenses if an apple-to-apple comparison was possible. Scot also indicated that he does not believe that the analysis is either correct or the right analysis for comparing AV to other communities.
3. All agreed we want to reduce expenses substantially. Key issues are how much, the pace and how to phase it in.
4. Considerable discussion and a straw vote indicated that a) 9 members wanted a 5 year phased in approach to expense reduction and passage of the 10 mil levy to insure that, among other things, we can refinance the Amberley Green debt, there are no disruptions to AV services, AV employees are treated fairly and time is allowed to develop well thought out and executed innovative solutions to expense reduction, b) 4 members wanted 25% cuts in expenses immediately as they didn't have confidence that current and future councils would have the fortitude/commitment to do ongoing cuts if the 10 mil levy passes, and the uncertainty of future cuts would be very hard on AV employees.
5. Bill Lennard prepared and circulated to the Committee before the meeting a 5 year plan for expense reduction. It was reviewed at the meeting and it indicated that a 7% expense reduction per year would eliminate the need for the 10 mil levy after 5 years. A 5% annual reduction would require a 3 mil levy after 5 years. It gave hope that important reductions over a period of time could be achieved by ongoing attention to expenses.
6. We had considerable discussion regarding an attempt to find a common ground and a recommendation that Council could accept. The key to a common ground was specificity, obtaining a commitment from Council to support appropriate expense reduction levels beginning in 2012 and language that made it clear the Ad Hoc Committee's intent was to reduce expenses by 25% as AV expenditures had become inefficient, the 10 mil levy was supported only as a temporary measure to insure a smooth transition to a leaner budget, and clear evidence of expense reduction intent is demonstrated by a front-loaded expense reduction plan.
7. Several members of Council present at the meeting stated that they support meaningful expense reduction and/or support for reducing the budget over a 5 year period.
8. A motion to "reduce expenses by 25% over 5 years with 10% reduction the first year and at least 4% each subsequent year coupled with a temporary 10 mil levy" passed 11-2. This implied a Year 1 budget reduced to 4.68MM (from 5.2MM) and a budget in 5 years of 4.05MM.
9. A motion to reduce expenses as in #7 but without coupling it to support of the 10 mil levy, passed 7-6.

10. Taken together the two motions indicate it is the desire of a substantial majority of the committee to be tough on expenses but give AV some breathing room with a temporary 10 mil levy.
11. Next meeting is on 2/15, 7:00 pm. Purpose is to work specific details of recommendation and write-up.
12. Meeting was adjourned at approximately 9:10 pm.

Jim Bangel