

**COMMITTEE OF THE WHOLE MEETING
OF THE PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF WINTHROP HARBOR
WAS HELD ON APRIL 25th, 2017 AT THE
MUNICIPAL BUILDING, 830 SHERIDAN ROAD,
WINTHROP HARBOR, IL**

The meeting was called to order by Mayor Pro-tem Robards at 6:04 PM.

Upon roll call the following Officials were present:

Trustee.....Kimberly D. Braden
Trustee.....Buddy Hargett
Trustee.....Dana McCarthy (7:04)
Trustee.....Richard Robards
Trustee.....Hartmut "Fritz" Weiss
Trustee.....Robert Marabella (6:16)

Absent:

Mayor..... Robert D. Loy

Mayor Loy was not present at this meeting, so Trustee Robards was mayor pro-tem. He opened the meeting with a roll call. Trustees present were Braden, Weiss, Hargett, McCarthy and Marabella. Department Heads present were Chief Brumlik, Julie Rittenhouse, Pat DiPersio, Scott Fuller, Tim Neargarder and Lisa Shaw and Mike Bitton. Mayor Elect Bruno and Trustee Elect Levin were also present.

Budget Recap- Finance Director Shaw stated that the meeting is starting off from the previous night's meeting with all approved requests and cuts coming in at only a deficit of **(\$720.96)**.

Water & Sewer Department- A lengthy discussion was held regarding the Water Department shortfall and the reason why rates needed to be raised for water. Superintendent Neargarder passed out an overview presentation for the Water Fund crisis. He explained that a leak the size of a crack ½ inch wide by 6" long, could lose up to 1.7 million gallons of water in a 48 hour period. This represents a financial loss of \$3,145.00. He also reviewed a comparison of water rates in the surrounding areas. The Village of Winthrop Harbor is one of the lowest rates per 1,000 gallons at \$5.00, with Zion being the second lowest one at \$5.70. He stated that the largest rate per 1,000 gallons was Antioch at \$26.00. He also explained that we purchase our water from Lake County Public Water District. We are one of only three customers that purchase their water from them, the other two being Zion, and IDNR. They have continued to purchase large bonds to do large maintenance and repairs within their water system equipment. The cost of these bonds that they take out, get passed on to the Village. Currently, the monthly cost of the Village portion for the bonds only, is \$20,399. This is an annual cost

alone of \$240,000. That does not include the actual water purchase. As a Village, we cannot afford to absorb that cost. The Water fund is not financially able to keep up with operating costs, plus purchase costs. This is causing the General Fund to have to supplement operating costs. It was discussed that although the water rates have been increased in the past five years, it was not touched for a stretch of twenty years, causing the trend to not keep up as needed. It was noted that most other communities have also done away with the Senior Citizen discount, and it cost the Village around \$10,000 to supplement this. There were three options given to help with the situation. Option 1 was to raise the price per thousand gallons from \$5.00 to \$6.75. This would increase revenues by \$305,941. Option 2 was to raise the cost per thousand gallons to \$6.00, and add a Debt Service fee of \$27.00 that would only be applied toward the bond costs. This would be a cost that could go down or fluctuate with actual costs only in future billings. This would increase revenues by an addition \$414,823 annually. The third option was to increase rates per thousand gallons at \$5.50 and \$27.00 Debt Service Fee. This would add \$327,412.00 of increased revenues. Option 2 was the consensus of the Board, however, they really want to educate the residents before just implementing the raised fees. Tim stated he would create something explaining the reason for the water rate increases, and a “campaign” would be done to provide the residents with information regarding the increase. This will not be implemented until the July cycle in order to make sure there is time to notify as many residents as possible. Sewer rates would remain the same for now.

Water Department- Water budget request only consisted of the new employee portion. The other significant increase was the water purchases as they are up 40% from last year, due the reason stated above. **Board approve budget \$729,050.00.**

Sewer Department- Sewer budget request only consisted of the new employee cost. The main increase was the water purchase as noted above. **Board approved budget \$177,920.**

Public Works Building- Superintendent Nearing explained that the Public Works building remodel was coming in at \$525,000. It originally started in the \$700’s, but he was able to get it down to this amount. He stated that due to prevailing wage laws, the costs are \$100,000 more. He stated his case for a new building that the existing one is in total disrepair. He provided pictures that showed the roof and exterior conditions. A lengthy discussion was held about the building. He was asked if he can reduce the building cost much lower, and he stated that he does not feel it would be done correctly like that. It was noted that the preliminary annual cost for the loan would be from \$63,381 for a ten year term, down to \$46,823 for a 15 year term. Finance Director Shaw was asked what term she thought was the best, and she said from cash flow point of view, the 15 year term. Trustee Weiss suggested some type of line of revolving credit to fund it and he would contact a BMO Harris representative that he works with at his job. Since the project has not gone out to bid yet, the cost could come back at a lower rate, which would also save money. The project will be open for discussion again after the actual bid comes in.

Wage Policy- A brief review was done of the current wage policy. Finance Director Shaw said she would like to add the elected officials pay to it, as there are some times FOIA requests for that, and it would be easier to have it in there. Also, regarding the Uniform allowance for the Police Department, the language should be clear as to one allowance is per employee even if they have more than one job within the department. (Ask Attorney Long to create proper wording.)

Salaries- The Board discussed employee's salaries and it was agreed for 2% across the board for non-union employees. Trustee Robards called for executive session to discuss individual department heads salaries.

The Village budget was balanced, as the revenues were adjusted up to a more realistic number. I usually am very conservative when it estimating the revenue numbers. Operating expenses of the Village for all departments is \$4,973,680 with estimated revenues at \$5,531,351. This leaves a difference over-all for all funds at \$557,571.00.

CLOSED SESSION

1 - A motion was made by Trustee Braden and seconded by Trustee Weiss to move the meeting into **Closed Session Citing Personal – Section 2 (c)(1) of the Open Meetings Act.** Mayor Pro-tem Robards declared the motion carried on the following roll call vote and the meeting moved into Closed Session at 7:33pm.

Ayes: (6) Braden, Hargett, Marabella, McCarthy, Robards, Weiss
Nays: (0)
Absent: (0)
Passed: (0)

OPEN SESSION

2 - A motion was made by Trustee Braden and seconded by Trustee Marabella to move the meeting into **Open Session.** Mayor Pro-tem Robards declared the motion carried on the following roll call vote and the meeting moved into Open Session at 8:08pm.

Ayes: (6) Braden, Hargett, Marabella, McCarthy, Robards, Weiss
Nays: (0)
Absent: (0)
Passed: (0)

ADJOURNMENT

3 - A motion was made by Trustee Weiss and seconded by Trustee Braden to adjourn the meeting. Mayor Pro-tem Robards declared the motion carried and the meeting adjourned at 8:09 PM. with the following roll call vote.

Ayes: (6) Braden, Hargett, Marabella, McCarthy, Robards, Weiss
Nays: (0)
Absent: (0)
Passed: (0)

APPROVED:

RICHARD ROBARDS, MAYOR PRO-TEM

ATTEST:

JULIE RITTENHOUSE, CLERK