

**RANTOUL VILLAGE BOARD OF TRUSTEES
SPECIAL MEETING
MARCH 15, 2007**

LOUIS B. SCHELLING MEMORIAL BOARD ROOM
RANTOUL MUNICIPAL BUILDING, 333 S. TANNER, RANTOUL, IL

A Special Meeting of the Board of Trustees of the Village of Rantoul was held at 6:30 P.M., President Neal Williams presiding.

Roll Call

The Clerk called the roll, finding the following members physically present:

President Neal Williams, and Trustees Herman Fogal, Clifford White, Margurette Carter, Ron Loy, and Charles Smith – 6.

The following member was found to be absent:

Trustee Mike Graham – 1.

The following representatives of Village departments were also present:

David Johnston, Administrator; Paul Farber, Police Chief; Henry Gamel, Deputy Police Chief; Robert Bruce, Economic Development; Scot Brandon, Comptroller; William Clayton, Aviation; Ken Waters, Fire Chief; Rich Thomas, Recreation; Larry Madalon, Human Resources; Greg Hazel, Public Works Director; Pete Passarelli, Assistant Public Works Director; Mike Loschen, Community Development; Dan Culkin, Inspection; Don Early, Budget Analyst; and Clerk Jeremy Reale.

Annual Budget Presentation and Review

President Williams stated that the Special Meeting had been called to allow the Board to review the proposed budget for fiscal year 2007-2008. President Williams turned the meeting over to Mr. Johnston and Mr. Brandon for the presentation of the proposed budget.**

Mr. Johnston and Mr. Brandon outlined the revenue trends and key itemized expenditures for the following funds within the proposed \$ 49,571,688 budget:

Corporate Fund

Mr. Brandon noted the ongoing fiscal issues affecting the General Fund balance, including: 15% to 20% increases in health insurance costs; increasing costs for employee pension systems; increasing energy costs; inflation; and a basically flat level of corporate revenues. Historically, the Village has improved its General Fund balance through transfers-in from other funds and deferring capital and infrastructure projects where feasible. He noted that budgeted capital expenditures for 2007-2008 had been decreased from the requested level of \$631,181 to \$400,595.

Mr. Brandon further proposed a capital reserve policy for the General Fund whereby any excess fund balance in the General Fund would be transferred to the Corporate Restricted Reserve to pay for any unfunded capital requests of the General Fund. Conversely, if the General Fund balance should fall below the recommended minimum level of 25% of budgeted expenditures, funds would be transferred from the Corporate Restricted Reserve to shore up that balance.

In discussing the Corporate Fund, Trustee Smith expressed concern about the outstanding loan to the Rantoul Public Library. In 2002, the Village had provided the library with this \$360,000 loan to cover some of the costs of its building improvements, with the anticipation that the library would, in turn, be compensated by a grant from the State of Illinois. To date, that state grant remains under review and the funds have not been released. Trustee Smith inquired as to what the library might be able to do in order to generate revenue to begin repaying the Village. Mr. Brandon responded that the library has little means to generate additional revenue, noting that approximately 87% of its total revenue is derived from property taxes. Mr. Johnston also stressed that the library is faced with rising operational expenses and personnel costs that limit its available funds.

911 Surcharge Fund

Mr. Johnston pointed out that, once again, revenues to this fund are in decline. This decline is most likely the result of customers abandoning their landlines in favor of cellular phones.

Motor Fuel Tax (MFT) Fund

The major capital projects for the MFT Fund include: an overlay of Cheryl, Gleason, Gates, and Marcia Drives (\$150,000); and the extension and improvement of Evans Road (\$1,354,021 total cost, with a Village share of \$43,700).

Tax Increment Financing (TIF) Fund

Community Development Fund

Corporate Restricted Reserve Fund

Gas Fund

Water Fund

Mr. Brandon outlined the budgeted projects for the reserve fund:

- Water plant reconstruction (\$3,423,700)
- West side looping (\$821,400)
- Water main projects (\$385,000)
- Well house #7 replacement and generator (\$150,000)
- Water plant contingency (\$150,000)

He noted that bids for the water plant reconstruction project are due March 30, 2007, with construction anticipated to begin in May.

Mr. Hazel discussed the \$20,000 line item for a water service assistance loan program. Under the program, the village would loan up to a certain amount from a revolving loan fund within the water fund, to assist homeowners with the cost of identifying and repairing the buildup of lime in their service lines. Program participants would be required to pay back the loan, at a low interest rate, within three years. Mr. Passarelli noted that no homeowners had used the program during the past fiscal year and suggested that the Village would need to better advertise the program for it to be successful in the future.

Trustee White expressed concern about increases in the utility service rates, with water rates already increasing from \$2.64 to \$2.85. Mr. Passarelli responded that, even with the rate increase, Rantoul customers would still be paying less per month on water utilities than citizens in most area communities.

Wastewater Fund

Mr. Brandon outlined the budgeted capital projects for Wastewater:

- Westside Development Park sewer (\$118,500 Village share)
- Ludlow sanitary sewer project (\$385,000)
- Digester, screens, SCADA system (\$1,957,800)
- Northwest sanitary improvements (\$1,250,000)
- Sanitary sewer replacements (\$73,210)

Trustee White noted that the Village customer rates for wastewater services were increasing from \$2.53 to \$2.71. As to that point, he inquired as to the status of service rates for Thomasboro customers. Mr. Hazel responded that Village staff was meeting with Thomasboro officials to try to explain the results of our rate study. The information from the rate study will be used to formulate a new rate for Thomasboro, which will require a new agreement between the two communities.

Electric Fund

Storm Water Drainage Fund

Airport Fund

Internal Services Funds

Upon the conclusion of the presentation, the Board discussed the budget proposal. Mr. Johnston informed the Board that three outstanding expense issues would need to be resolved prior to the finalization of the budget proposal. These three items include: health insurance costs; the funding pool for employee salary adjustments; and higher fuel costs. He stressed that staff would need guidance from the Board members as to how best to address these issues prior to the required public hearing in April. Mr. Brandon added that the potential cost of repairs to the roof of the Recreation Building had not yet been included in the budget, as the Village had yet to receive any preliminary figures for this project. Following discussion, the consensus of the Board was to bring the proposed budget forward for public hearing on April 3, 2007, with official Board action to be taken on April 10, 2007.

The members of the Board echoed Mr. Johnston in praising the months of work that Mr. Brandon and Mr. Early had put into preparing another outstanding budget document.

There being no further business to come before the Board, Trustee Fogal moved to adjourn the meeting. Trustee Loy seconded the motion. Motion carried viva voce vote.

The Meeting was adjourned at 8:55 P.M.

Respectfully submitted,

Jeremy A. Reale
Clerk of the Village of Rantoul

** Under the provisions of 5 ILCS 140/1 et seq. (Freedom of Information Act), the text of the departmental budget presentation is available for public inspection upon request at the Office of the Clerk.