

Minutes of the
Finance Committee
Of the Hanover Township Board
October 20, 2011

The meeting was called to order by Chairperson Trustee Sandra Westlund-Deenihan at 8:45 a.m.

Roll Call: Trustee Westlund-Deenihan asked that the record reflect that present were Supervisor Brian McGuire, Trustee Howard Krick, Administrator Mr. James Barr, Accountant Mr. Lee Howard, Assistant to the Administrator Ms Katie Starkey, and Management Analyst Ms Becky Suhajda.

Consideration of Annual Tax Levy

Mr. Howard discussed the fact that Tax Objections are still ongoing; it is something that the Township has dealt with for several years. He discussed a TIF located on Barrington Road in Hanover Park is coming off the rolls in the coming year. Discussion of tax caps ensued. In the past, he mentioned, the Township asked for 4.9%, which enabled us not to have publish or to have a hearing. With regard to the TIF, the question was what might we get out of it, and what new growth will it translate into. As the Board has seen, tax rates are up; most resident's tax bills are higher; an increase of 1.5% in the Township rate will not "markedly" affect taxpayers' bills. Alternately, the Township does not have to ask for 4.9% this year. The current EAV, plus nominal new growth of 1%, plus 3% (County), should suffice. He mentioned that if we don't take the 1.5%, we lose it forever. The Committee discussed the matter and Mr. McGuire asked if the Township needed to raise the rate this time, since we are at 97% reserves. Trustee Westlund-Deenihan agreed and said that if we could hold the tax line, while increasing services, we could give the taxpayers a nice break. Trustee Westlund-Deenihan gave direction to Mr. Howard to prepare the levy, holding at our current rate, and to then present it to Mr. Barr.

Discussion of the Road District and the Motor Fuel Tax

The Committee asked Mr. Barr to discuss the future of the MFT. If the Road Commissioner opts out of the program, can he "jump back in?" What would the legal implications be? Please report back to this Committee and the Road Commissioner.

Consideration of Township Investments

Overall, the rates are very low. The question of concern today is whether or not the Township should maintain status quo or put funds in another banking institution. Mr. Barr said that he is currently talking with other banks; we need to find a bank to collateralize over a quarter of a million dollars. The objective is to cut Harris down to the 33% Township policy on investments. Discussion of banking institutions ensued. The idea to move \$240,000 out of Harris into First Eagle was agreed upon and Trustee Westlund-Deenihan and Supervisor McGuire gave direction to Mr. Barr to accomplish this. A further discussion ensued regarding a possible policy wherein the Township banks where banks give back to the community. Mr. Howard also suggested Win Trust (specifically Bank of Barrington), and to check if the Bank of America will collateralize. Mr. McGuire noted that Chase made promises, which have not been fulfilled with regard to their community involvement. Mr. McGuire and Mr. Barr will have discussions with Chase offline to address that issue.

FY12 6-Month Budget Review

Mr. Howard discussed that the second installment of the previous year's tax should be received by late October or early November, then again in March 2012. Discussion ensued regarding the FY12 budget to actual at 50% of the year. Note that Legal is up Township-wide due to increased legal issues this year. Insurance rates are up, primarily due to changes in personnel. Mr. Barr noted that Health Insurance would be a challenge in the coming year. Discussion ensued on how best to thwart a rate increase. Increases at the Community Resource Center are due to Capital Improvements. Mr. McGuire noted that legal for the Road District can be charged back to the Road District. Overall, we are in good shape and the departments are holding the line well.

Consideration of FY13 Budget Development Guidelines

Mr. Barr noted that after the Board Strategic Planning Workshop in November, guidelines would be set for the departments to follow in creating their budgets. The Committee considered a salary increment pool of 1.5%, exempt from the budgets and 0% growth on all other line items. Regarding people hired on grants: they must be told that when the grant runs out, their position may not continue; employ contract services if and when needed. The Committee discussed the collapse and co-mingling of positions, as well as cross-training. Selected cuts will be made based on collapsing positions. After

discussion, Trustee Westlund-Deenihan asked that Mr. Barr outline guidelines with a 1.5% salary increment pool, along with a 1% cut in non-salary line items in the budget.

Executive Session

No motion was made to go into Executive Session.

Other Business

No other business was discussed.

Next Meeting Date

The Budget Hearings, after the Board Strategic Planning Workshop, will be the next meeting; Mr. McGuire asked that only special requests, approved during the Workshop, be brought forward for review during the Hearings. Mr. Barr would work with each department to ensure their budgets are within the guidelines. The Hearings will be during the second half of January.

Adjournment

Motion to adjourn was made by Supervisor McGuire and seconded by Administrator Barr; Trustee Westlund-Deenihan adjourned the meeting by unanimous voice vote at 10:10 a.m.

Respectfully submitted



Kathleen M. Dolan Baumer
Clerk