

1. **CALL TO ORDER.** The special budget meeting of the Oregon Village Board was called to order by Board President Jerry Luebke at 5:30 p.m. on Wednesday, October 18, 2006.
2. **ROLL CALL.** Present: Jerry Bollig, Phil Harms, Jon Lourigan, Jerry Luebke, Hans Noeldner and Steve Staton. Absent: Eric Poole. Also present: Administrator Mike Gracz, Finance Director Renee Hoeft, Public Works Director Mark Below and Clerk Georgia Johnson.

It was noted Fire Chief David Bloom will be coming to the budget regarding the Fire/EMS District budget. He has another meeting to attend tonight so will have to leave by 6:30 p.m. It was decided to take up that budget when he arrives.

3. **2007 BUDGET OVERVIEW.** (pgs. 1, 2 & 3) Luebke asked if there were questions regarding the Gracz's memorandum budget overview. Noeldner asked for clarification on a couple of things. (1) Are monies included in the budget for sidewalk on N. Perry Parkway by the proposed sports facility? Gracz advised it was in Acct #403 (pg. 103). Noeldner stated he would like that removed from the budget. It was noted that budget was already approved. Hoeft stated there is \$15,000 to do the east side and \$10,000 for the west side. **Noeldner moved to remove the funding for the sidewalks on N. Perry Parkway in the amount of \$25,000.00. Second by Lourigan.** When asked why he wanted it removed, Noeldner stated he feels the monies should be saved for the downtown revitalization—that the Village needs to focus the monies there. Hoeft advised these monies are in the park fees because it is connected to the park. If the Village does not spend this money on the sidewalks it cannot be spent on the downtown—it is not tax levy dollars. Lourigan stated it could be used for removing the parking lot for a park space if the Village wanted to. Hoeft stated that would have to be checked with the Village's attorney but possibly it could be. There was some discussion including possibly having sidewalk on only one side. **Roll call vote: Bollig – no; Harms – no; Lourigan – no; Luebke – no; Noeldner – yes; Staton – no. Motion failed on a vote of 1-5. Noeldner then moved to eliminate the funding for the east side of N. Perry Parkway and keep the sidewalk on the west side. Second by Lourigan. Roll call vote: Bollig – no; Harms – no; Lourigan – yes; Luebke – no; Noeldner – yes; Staton – no. Motion failed on a vote of 2-4.**

Noeldner questioned the monies in the budget for engineering fees for a wetland study on N. Perry Parkway. Gracz noted that is in Acct #405 (pg. 107) **Noeldner moved to eliminate the funding for the initial wetland study and survey of road right of way for extension of N. Perry Parkway in the amount of \$10,000.00. Second by Bollig.** When asked why he wanted that eliminated, Noeldner stated the extension of the road is a huge expense (possibly \$1M) and based on some of the Waterman Square listening sessions there are a number of residents in that area that do not like that becoming a corridor. Given that Noeldner stated he feels the Board should revisit whether to do the roadway or not rather than spending \$10,000 on a study. There was some discussion regarding the timeline for building the road (within the next 5-10 years), and whether a wetland study needs to be done? Below stated if the road is going to be built, the study needs to be done and when asked if he recommends the study, Below stated that he does. Harms stated he felt most of the traffic would be high school related so it would relieve traffic on some of the other streets. Gracz stated one of the reasons it has been put in the budget is when the capital improvement plan is done, the wetland study will allow the Village to do a better job of estimating the cost of the road which plays a part in when the Village can do the road. **Roll call vote: Bollig – no; Harms – no; Lourigan – yes; Luebke – no; Noeldner – yes; Staton – no. Motion failed on a vote of 2-4.**

Noeldner asked for clarification regarding the TIF#3 and if that would include any funding for any study and the like. Gracz stated that it would.

4. **CHAMBER OF COMMERCE'S REQUEST AND DISCUSSION OF HOLIDAY LIGHTS.**
The Oregon Chamber of Commerce President, Gwen Dowdy, thanked the Board for allowing them to

speak tonight and to the Executive Board and Chamber members that are attending the meeting. Dowdy stated that Representative Brett Davis would like to address the Board regarding what things the Chamber is looking for.

Davis thanked the Board and gave a brief presentation supporting the Chamber's request for staying in the current space they are currently utilizing and acknowledged the Village's challenges with space if they allowed the Chamber to stay. He touched on the financial difficulties of the Chamber in the past, stating it is a new Board, they have a new strategic plan and they are taking aggressive steps to improve the financial issues. He stated the Chamber would like to partner long term with the Village, working together, helping with the welcome signs and getting other organizations involved in the community projects.

Luebke appreciated the Chambers issues and stated the Village would also like to work with the Chamber Board. He stated the Village is interested in putting up the welcome signs and have allocated monies in the budget for it. The Village Administrator has recommended allowing the Chamber to stay in its current location for another year and the Board agreed. Davis thanked the Board for that decision and reiterated if the Board has any questions, financial or otherwise, the Chamber is more than willing to share that information. Discussion ensued and it was concluded that the Chamber would provide quarterly reports to the Village Board indicating the progress they are making with the new strategic plan. There was further discussion.

5. **AMENDING PROPOSED ASSESSOR'S BUDGET TO INCLUDE FUNDING FOR STARTING REVALUATION IN 2007 PER STATE STATUTES.** Hoeft referred to the summary sheet attached noting that it was discussed at the last budget meeting to include a revaluation in the 2007 budget. The last reval was done in 2002 and the State Statute states that each taxation district shall assess property at full value at least once every 5 years. Technically as of 1/1/07 the Village should be doing a reval. Hoeft advised that it is being proposed to switch to a "full value method" of revaluation. Under that method each year 25% of the homes would be physically inspected and all the properties would be adjusted. The Village's Assessor states: "25% of the properties would be physically inspected every year for four years, while revaluing all the properties every year to maintain 100% market value". Each year ¼ of the homes would be physically inspected and for the remaining 75% of the homes not inspected they would calculate assessed value on the sales data. This is being done by a number of municipalities and would eliminate the spike in assessed values every 4-5 years, it would eliminate large increases in expenditures every 4-5 years and it would keep the assessed values close to 100%. Hoeft explained that in 2002 after the revaluation the assessment was at about 97%, it dropped to 93% in 2003, 87% in 2004, 83% in 2005 and this year it is projected to be about 77%. Hoeft went on to explain that State Statute reads such that if the Village does not complete the revaluation the Department of Revenue would send a letter to the Village requiring the Village to do a revaluation. [Attached and made a part of these minutes is a copy of the summary sheet memorandum Hoeft prepared explaining in detail.] There was considerable discussion regarding these issues. Hoeft noted that it is a very complicated process and asked if the Board would like the Village's Assessor to attend a meeting to explain the process. Discussion continued. Following discussion, **Bollig moved to adopt the Assessor's budget. Second by Staton. Motion carried 6-0.**
6. **FIRE/EMS DISTRICT BUDGET.** Chief Bloom highlighted some of the items in the budget. He noted the estimated revenue on the ambulance calls is down somewhat. \$20,000 is proposed for highway responses and that is something that will go back to each of the four communities. It is allowed under State Statute that the Fire/EMS can collect for highway responses, spills, fires, etc., on State highways. They would have to bill the insurance company and if it is not paid by the insurance, the State guarantees a \$500 payment on it. There are a couple of changes in expenses accounts—the fire volunteer reimbursement and EMS volunteer reimbursement—have not used a portion of what

was proposed for 2006. The main reason is because the interns have been utilized in filling shifts and he explained how the intern program works. It is being proposed to use the monies not spent in 2006 to have a fire crew on call so it is guaranteed to have a 4-person engine. That is proposed at a \$2.00 per hour pager amount for each of the 4 people. In addition it is proposed to increase the intern's monthly rate from \$100/mo. to \$125/mo. The ambulance purchase is the big item and that has been discussed quite a bit. The ambulance committee has investigated the specing of the ambulance and is suggesting ordering it later in 2007 with delivery in 2008—that would allow the expense to be split over a two-year period. The Commission, however, has approved leaving it in the 2007 since it is shown as being borrowed for. Hoeft noted that it is not hitting the annual contribution coming from the municipalities because it is \$175,000 for the purchase of an ambulance offset by \$120,000 loan, \$20,000 for the sale of the existing ambulance and \$40,000 would come from sinking fund set aside for apparatus replacement. Consequently it would have a zero impact on the contribution unless the Committee or the Board wants to make a recommendation to the Fire/EMS District Commission that part of it is funded in 2007. There was discussion including whether or not ambulance vehicles can be leased for 4-5 years, the Board approved adopting the resolution for the regionalization study, the life span of an ambulance, efforts gone into designing and specing the ambulance, two cots being purchased which would lift patients, whether just getting one new cot was viable, the safety issues involved when lifting patients, and so forth.

Luebke pointed out that the populations of Town of Dunn and Town of Rutland went down, the Town of Oregon is taking a larger hit this year. The total payments column on the first page sets out each municipalities' portion. Lourigan asked (on pg. 5) about the high fire truck insurance. Hoeft stated they are having problems getting the allocation numbers for the insurance. In total the insurance is correct, but until the allocation numbers are received it is not in the right spot in the 2006 column. Rather than providing a breakdown the insurance lists it as "package", so when that detail is received, the insurance individual lines will change. Bollig asked about the administrative services cost and what line item that is under—Acct #210 (pg. 4) and #210 (pg. 8). Hoeft noted that it's higher on pg.8 because it also includes the amount billed from the Town of Madison for the EMS billing services. There was some discussion. When asked if this budget includes the ambulance, Hoeft stated this budget is prepared based on the borrowing for any funds not covered in the apparatus fund balance or that is not received through the sale of the vehicle. Discussion continued regarding Hoeft's services and whether that is included in the budget, etc. and it was noted there needs to be a discussion with the Commission regarding what involvement it wants from the Village staff. It was noted these issues will be discussed at the next Personnel Committee meeting. Bollig asked what services are included in the District's payment to the Village. Hoeft went over the 2005 actual amounts spent which included looking at the 2004 audit, finishing the 2004 audit and things that would not need to be done again. The total spent in 2005 totaled \$12,600 for the Village and the Town of Madison. In 2007 it is proposed to spent \$15,500 and it is felt that will be enough. It includes continuing to do what is currently being done and attending one Commission meeting per month.

Noeldner questioned the bad debt expenses (pg. 2). Hoeft explained in detail noting that Medicare and Medicaid have set amounts they pay no matter what the charge for services is. Rates have been adjusted somewhat but even though the fees are being increased to cover the costs, Medicare and Medicaid do not necessarily pay those charges; i.e. the District is not receiving the full amount charged. The difference between that amount is written off and that is in the bad debt expense. The vast majority of the monies written off is Medicare and Medicaid and it is projected at \$100,000 in 2006. There was discussion. Bloom advised that it is possible the State will allow the assignment of these types of bad debt to personal tax returns. Hoeft advised that is under the TRIP program and the Village just started doing that for its Court. She advised that if the District is not allowed to do it, they could make a motion that one of the municipalities collect it on the District's behalf.

Bollig thanked Chief Bloom for taking such an active role this past year. He thanked Hoeft and Gracz for taking a more active role and they have done an excellent job. The Board was appreciative of their involvement as well.

Staton moved, second by Bollig, to direct the Fire/EMS District Commission Village Board representatives to recommend approval of the Fire/EMS District budget as presented. Motion carried 6-0.

7. **TIF #3 BUDGET.** Gracz stated this goes back to Noeldner's question under item #1 above and noted that there is money in the budget to start the engineering for the downtown area. There is also money for the planner. Noeldner stated that one of the things that came out of the listening sessions was that people felt there should be a traffic analysis. There was some discussion. It was suggested that Noeldner and Lourigan make a recommendation to the Board as to which downtown concept is preferred and have a cost analysis done on that concept as well as follow through on the proposal from the DOT. There was some discussion. Gracz noted there is \$100,000 estimated to start with the design work in 2007 for 2008. Discussion continued included what was included in the budgeted amount, the need to do an RFP, the possibility of having a public forum, having the engineer start the project beginning next month and conclude by the first quarter in 2008, whether the Board can make a decision on which of the alternatives to go with and so forth. Regarding the TE grant, staff is waiting to hear from the appropriate person at the State to set up a meeting. The TE grant is not available until July 1st, 2007. Following discussion, **Noeldner moved to approve the budget for TIF #3. Second by Bollig.** There was further discussion. It was concluded that Noeldner and Lourigan would bring a concept recommendation back to the Board. **Motion carried 6-0.**
8. **REVIEW OF SEWER RATES AND UPDATE REGARDING OAKHILL AGREEMENT.** [The sewer budget was distributed at this time (the pink pages).] Hoeft noted that a sewer rate review is being conducted and it will be sent to the auditors for review. It will be at the next Finance Committee meeting to discuss it. That meeting is scheduled for November 13th and all Board members are encouraged to attend. It was noted they could approve the budget tonight but that there could be changes after the November meeting. There was some discussion. It was noted there is a slight increase in residential revenue. Hoeft noted the increase would be approximately \$12.00 per year. Discussion continued. **Bollig moved to approve the sewer budget draft as presented. Second by Harms. Motion carried 6-0.**
9. **WATER AND SEWER UTILITY BUDGETS.** Hoeft advised that the Public Service Commission regulates water rate increases. The Village does not qualify for any increase and is not looking at an increase at this time. The 2007 budget reflects salary adjustments and energy billing increases. **Bollig moved, second by Staton to approve the water utility budget.** There was some discussion regarding what bulk water sales are. Following discussion, **motion carried 5-0. [Trustee Bollig had briefly left the room and was not present for the vote on the motion.]**
10. **OTHER OUTSTANDING BUDGETS TO REVIEW.**
 - a) Crossing Guards (pg 46)
 - b) Med Assistance (pg 61)
 - c) Meal Site (pg 63)
 - d) Outreach (pg 64)
 - e) Adult Day Program (pg 65)
 - f) Animal Control (pg 66)
 - g) Senior Center Matson Fund (pg 89)
 - h) Explorers Post (pg 93)
 - i) Library Wackman Trust Fund (pg 121)

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Gracz noted that these budgets for the most part reflect salary adjustments, with no change to animal control, an interest income adjustment to item g and i. **Staton moved to approve budgets item a through i. Second by Noeldner. Motion carried 6-0.**

11. **ADOPTION OF 2007 PRELIMINARY BUDGET AND SET NOVEMBER 20TH AS PUBLIC HEARING DATE.** Bollig moved to adopt the 2007 preliminary budget as presented and set November 20th as the public hearing date. Second by Lourigan. There was some discussion. **Motion carried 6-0.**
12. **CONSIDERATION OF BANK LOAN FOR RED BRICK PROJECT—GARY GORMAN LLC.** Reference as made to the bank proposals received regarding this project for Gorman & Company. They will have to make a decision what route they want to take. They plan to start work on the inside of the building shortly. This will come back to the Board.
13. **APPROVAL OF VOUCHERS.** There were no vouchers.
14. **ADJOURNMENT.** Bollig moved, second by Staton, to adjourn at 7:10 p.m. Motion carried 6-0.

Respectfully submitted,
Georgia Johnson,
Village Clerk