

PROCEEDINGS FOR THE PUBLIC MEETING FOR COMMENT ON
THE PROPOSED 2011 NSMAD BUDGET FOLLOWED BY
THE REGULAR MONTHLY BOARD MEETING OF THE
NORTH SHORE MOSQUITO ABATEMENT DISTRICT
BOARD OF TRUSTEES

On Saturday, December 4, 2010 at the North Shore Mosquito Abatement District Office, 117 Northfield Road, Northfield, Illinois, the public meeting of the Board of Trustees held to discuss the proposed budget was called to order by Board President Zimmer at 9:04 a.m.

ROLL CALL

Trustee Nelson HowardPresent
Trustee Otto CesarioPresent
Trustee Carol BlusteinPresent
Trustee John ZbeskoPresent
Trustee William Zimmer.....Present

OTHERS IN ATTENDANCE

Superintendent Robert Berry
Attorney Norman Rosen
Office Manager Jennifer Zimmer

No member of the public was in attendance. Trustee Zimmer asked for confirmation that the public had been notified of the meeting. Superintendent Berry said this had been done by publication in newspapers, as required. Office Manager Zimmer had received no inquiries from the public about the meeting. Trustee Howard moved to close the public meeting at 9:05 a.m. Trustee Cesario seconded. All ayes.

Board President Zimmer called regular meeting to order at 9:06 a.m. All of the persons listed above remained in attendance.

I. MINUTES

Minutes of the regular board meeting Nov. 7, 2010, were approved with one typing correction. Motion made by Trustee Zbesko and seconded by Trustee Howard. All ayes.

II. REPORT FROM BOARD OFFICERS

1. President: None.
2. Vice President: Trustee Blustein commented on the annual IMVCA meeting in Champaign that she recently attended. She found the meeting valuable and

commented on the “super” job that Dave Zazra did in organizing and moderating the meeting in his role as the new President of the IMVCA.

3. Treasurer Trustee Zbesko read financials as well as October bills and payrolls. Total receipts were \$2,885 total disbursements were \$86,094 and total reserves were \$1,287,161 (all figures rounded to nearest dollar). Motion to approve financials made by Trustee Howard and seconded by Trustee Blustein. All ayes.

Trustee Zbesko then presented a line chart showing the simultaneous fluctuations between the district’s revenue, expenses and reserves from April 2008 to November 2010. He pointed out the upward trend of the district’s reserve funds. Trustee Howard asked if February 1 would be a good date to get the best picture of the district’s reserve situation since most tax revenue would be in by then. Superintendent Berry said April 1 is a better date for making a judgment because virtually all revenues are in and it is just prior to major mosquito season expenditures. Trustee Zbesko agreed that April 1 is a good benchmark. Trustee Blustein asked if we presently have reserves slightly lower than the year’s budget. Superintendent Berry said this is the case but the district is still owed planned revenues that would bring numbers into line.

Trustee Howard moved to accept the November financial report. Trustee Blustein seconded. All ayes.

4. Secretary: None
5. Vice Treasurer: None

III. REPORT FROM LEGALCOUNSEL

Attorney Rosen reminded the board that once the board approves the tax levy he will file the levy with the County on the third Tuesday of December.

IV. SUPERINTENDENT’S REPORT

Action Items:

- Superintendent Berry asked for approval of a payment of \$17,631 to Ace Underwriters for the district’s 2011 Workers Compensation insurance. Trustee Zimmer moved to approve the action. Trustee Zbesko seconded. All ayes.
- Trustee Cesario moved that all officers of the board continue in their present roles for the upcoming year of 2011. Trustee Howard seconded. All ayes.
- Trustee Cesario moved that Robert Berry be retained as NSMAD Superintendent for the upcoming year of 2011. Trustee Zbesko seconded. All ayes.

- Trustee Cesario moved that Norman Rosen be retained as NSMAD attorney for the upcoming year of 2011. Trustee Howard seconded. All ayes.
- Trustee Blustein asked that the proposed 2011 calendar scheduling board meetings be revised to change the April 2 meeting date to April 9. Trustee Zimmer moved to accept the proposed calendar with that revision. Trustee Zbesko seconded. All ayes. Attorney Rosen reminded the board that the calendar must be published for the general public.

Info items:

- Superintendent Berry reported that the district has already received two bids on the district truck that is about to be replaced by a new truck equipped for snow plowing. The new truck has not yet been delivered. So far, the top bid for the old truck has been \$1800. Mr. Berry noted that the new truck will save the district money because it is equipped with a winch and a snowplow so third party contractors for towing or plowing will not be needed.

V. LAB REPORT -- None

VI. OLD BUSINESS: -- None

VII. NEW BUSINESS:

President Zimmer Zimer opened discussion of the proposed 2011 budget. Trustee Zbesko asked if the district expects a number of new or unusual expenditures for 2011, pointing out that the district spent only 1% more in 2010 than in 2009 but is requesting 3% more for 2011. Superintendent Berry explained that the district had a carry over of larvacide supplies purchased in 2009 which kept 2010 expenses lower than they would otherwise have been. The district will not have that asset advantage for 2011. Trustee Zbesko said he was aware that in 2010 the Northwest Abatement District spent more money than they had appropriated. Superintendent Berry said that was probably because they had 3 floods while we had only one. Trustee Zbesko said that, nevertheless, he commended Superintendent Berry on keeping the district's expenses under control.

Trustee Zbesko then referred to the 2009 financial statement, comparing that year's budget to actual expenses -- \$1.4 million was budgeted, \$1.6 million was received, and the district spent slightly under \$1.26 million. Superintendent Berry said some of the reason for the lower than planned expenditure was because 3 years ago the district released the budgeted lab ecologist and then didn't immediately find a replacement. The ecologist position was temporarily filled by an unbudgeted consultant. A full-time ecologist is now on staff and reflected in the 2011 budget.

Trustee Zbesko then reiterated that the district is adding a 3% increase to the 2011 budget request that does not reflect how past annual expenses have trended. He advocated reexamining the proposed amount requested. Trustee Howard then informed President Zimmer that he would like to introduce a motion that might address some of the budgeting concerns.

Trustee Howard stated that he believed all of the discussion concerning excess reserves was valuable and it had really gained the board's attention thanks to Trustee Zbesko's advocacy for some method to redirect excess reserves to benefit taxpayers. Trustee Howard added that he felt this moment in time was unfortunately not the moment to make a radical reduction in reserves. The worst economic situation since the Great Depression, the new regime in County government, the expected rise in the cost of abatement chemicals, the unpredictability of next year's mosquito season weather, plus the ever-present possibility that new mosquito borne health threats could appear all advise against reductions now. However, he also said that the board should follow the principle urged by Trustee Zbesko that the district should not be accumulating reserves funds without limitations. Trustee Howard then made the motion to establish the following policy:

1. On April 1 of any calendar year, if the cash reserves of the NSMAD exceed 150% of the average of the past three years of district expenditures, the district will take action to reduce the reserves to a level not below 120% of the prior year's total expenditures.
2. The process chosen to reduce the surplus will be determined within 6 months of this policy's adoption upon completion of a thorough investigation of options by a task force appointed by the NSMAD board president.
3. At any future date, the level of the reserve level triggering the surplus reduction may be amended up or down if future operational experience or other unforeseen factors recommend such action.
4. The stated purpose of this policy will be to prevent excessive accumulation of unused tax dollars while maintaining a prudent level of reserves to meet any unforeseeable public health emergencies.

Discussion followed. Superintendent Berry said that such a policy will give the district management more flexibility to deal with excessive reserves. Trustee Howard said the primary purpose of the proposed policy is to create a mindset in this and future boards to stay sensitive to the accumulation of unnecessary reserves and to the board's responsibility to taxpayers. Responding to Trustee Howard's earlier comment about new diseases, Trustee Zbesko said the district has shown it has a handle on dealing with the unexpected. Trustee Blustein said that another variable is economic conditions. Business failures and foreclosures could impact district revenue. Trustee Cesario commented that several years ago the county did reduce allowed budget increases from 5% to 3%. Attorney Rosen said he had heard a rumor that allowed increases could be lowered to 1%. Superintendent Berry said that last year the South Cook abatement district had to take out a loan to operate at 5% interest. Trustee Zbesko noted that since 2003 the NSMAD has been staying under budget. He commended the board and Superintendent Berry for holding down costs. President Zimmer then moved to accept the proposed policy. Trustee Cesario seconded. All ayes.

At 10:12 am, President Zimmer moved that the board go into executive session to discuss employee compensation. Trustee Howard seconded. All ayes.

At 11:09 President Zimmer reopened the general board meeting and entertained motions concerning employee compensation.

Trustee Blustein moved that all employees except those on Medicare receive a \$1250 one-time reimbursement to compensate for new potential co-payment costs under the district's new health insurance coverage. Trustee Howard seconded. All ayes.

Trustee Howard moved that district employees receive a 1.5% raise for the coming year. Trustee Zbesko seconded. Zimmer, Howard, Zbesko, Cesario ayes; Blustein Nay. Motion passed.

Trustee Blustein moved that in recognition of the outstanding job done by district employees in an exceptionally difficult "mosquito year," all employees, with the exception of Superintendent Berry, receive a lump-sum 1.3% end-of-year bonus to be distributed at the start of calendar year 2011. Trustee Zimmer seconded. All ayes.

Trustee Zimmer moved that in recognition of Superintendent Berry's outstanding job performance and also to bring Superintendent Berry's salary more in line with managers with comparable responsibilities, Robert Berry receive a 3% raise for the coming year. Trustee Blustein seconded. All ayes.

Trustee Zbesko asked whether the board might further review the budget. Trustee Blustein moved to close discussion. Trustee Zimmer seconded. Zimmer, Blustein, Howard, Cesario ayes. Zbesko no. The motion was passed.

Trustee Zimmer moved that the board accept the budget as amended to reflect the employee compensation actions for 2011. Trustee Howard seconded. Zimmer, Blustein, Howard, Cesario ayes. Zbesko no. The motion was passed.

Trustee Zimmer moved to approve the proposed tax levy as submitted. Trustee Blustein seconded. Zimmer, Blustein, Howard, Cesario ayes. Zbesko no. The motion was passed.

President Zimmer moved to adjourn meeting. All ayes. Meeting adjourned 11:33.

ATTESTED
President, William Zimmer

SUBMITTED
Secretary, Nelson Howard