

**MINUTES OF THE WARREN-WAUKEGAN FIRE PROTECTION DISTRICT  
SPECIAL MEETING**

Wednesday, October 27, 2004

Phillip DeRuntz, Trustee, called the meeting of the Board of Trustees of the Warren-Waukegan Fire Protection District to order at 7:30 p.m.

Trustees Present: John Badtke, Phillip DeRuntz, Marty Klauber

Other Officials Present: Linda E. Spring, Attorney

Others Present: Marsha Baker, Recording Secretary  
Bob Ells  
Steve Carlson  
Al Oller

**\*\*THESE MINUTES ARE NOT A VERBATIM ACCOUNT, EXCEPT WHERE  
OTHERWISE NOTED\*\***

Attorney Spring reported that since the District has their own pension fund, it would clearly allow them to add the levy over and above their regular levy. Gurnee does not have a tax levy, but districts like ours could due to the fact that they are contracted. Attorney Spring reported that there wasn't a specific decision. With regard to whether or not the action would be legal, Attorney Spring informed us that the county tax extension, the individual that actually sends out the levy, said that if a levy was received from us, he would extend the levy and we would get the money. The question then is, would it be open to all these challenges that President Badtke listed.

President Badtke reported that the District gives the village of Gurnee \$498,000 which is used for benefits. The levy will be to specifically cover the portion of the contract that we're currently paying the village of Gurnee.

President Badtke indicated that we're currently charging our residents a levy that gives us money from which we'll pay for benefits. This increase in tax levy would allow us to charge over and above what we're currently charging specifically to cover this item. He added if Gurnee decided to double the amount of benefits and pensions they give to its fire fighters we could double this amount to the residents because it is not bound by a tax gap.

Attorney Spring offered background regarding the fact that with a tax cap, every time the pension fund goes up, and it goes up without anyone having control of it, it is due to statutory actuarial reasons. No one decides why or when a pension fund raises but there are legal reasons. Every time the pension fund goes up, if that body is under a tax cap, it means there is less money to spend on other items which is what this amendment is addressing.

The village has reported to the board that it wants to use the money we are paying this year, almost \$500,000, for the pension fund which certainly is a legal argument that we could levy for separately.

Attorney Spring reported that she was not aware of any positions of other districts either way, that clearly address what a fire protection district in a situation such as ours could do. She added that many fire protection districts operate full-fledged fire departments themselves, not by contract. Attorney Spring knows of several fire districts that are in the process of amending their budget to levy separately from the pension fund so they can be done by the end of the year. It is a multi-step process that has to be gone through.

Attorney Spring did not know that if numerous fire districts were to go through this process at the same time, that it would lessen any flack from residents. She felt that if there was going to be a challenge it would come from the large tax payers and taxing bodies, or someone will challenge it constitutionally statewide.

In her opinion, Attorney Spring believes that what would happen is District would levy, the tax would go out, and the time for people to challenge would be when they get their tax bill. Taxpayers would pay their taxes under protest and then challenge the whole process. Within a year District would see law suits arriving out of those challenges and no closure for longer than a year. If District decides not to do it this year, District could certainly consider doing it next year. Assuming that they don't rescind the amendment.

President Badtke recommended that Board members each state their opinion and thoughts on the matter.

Trustee DeRuntz reported that after reviewing and considering some background information, that District should entertain the levy, but felt overall that District should wait and see what happens. Currently, District is desperately trying to build support from the community and felt that being one of the first Districts to attempt this would draw a lot of criticism. There are a number of variables to consider. One is that the Attorney General is thinking about giving a legal opinion on this. The state legislature is thinking about giving their legal opinion on this. Then there is also the other fire protection districts currently going through this process that will take the brunt of the criticism. If we wait a year, we'll not have the \$500,000 we could have this year, but if we act too quickly, we could build ill-will in the community, a lot of bad publicity, a lot of legal fees if challenged, and then lose the property hike we asked for. Trustee DeRuntz' position is to wait another year and let things settle before we take this next step.

Trustee Klauber began by asking how much it would cost for a \$200,000 house for the additional \$500,000 tax. The amount was approximately \$60, which Trustee Klauber felt would be a significant amount to residents. A more acceptable amount would be \$20-\$30. If the amount was \$30 or less, he didn't think residents would take note of it. People would be more likely to notice a \$60 increase especially if other referendums went through at the same time. He added that he was thinking as a homeowner and how he would feel and wondering what would be the benefit to the increase. Trustee Klauber

reported that in looking at the balance sheet the district is solvent and felt it was not necessary at this time.

President Badtke restated Trustee Klauber's concern regarding the benefit the residents would get if charged more by enacting this opportunity felt there would not be a change services.

President Badtke stated it would be wonderful to have the \$500,000; it could be used to add cutting edge technology and the Board is aware that Gurnee is starting to talk about perhaps having a third fire station. Although it was tempting, President Badtke thought more of the potential down sides. As he sees it, there is a tax levy cap for a purpose and that is so the residents have some control when there is an increase and as to what and where it will go. His standing is to put it on the shelf and to reconsider it next year.

The District's current amount targeted for ambulance fees is \$230,000. President Badtke indicated the ambulance fees, as of last month, were an average of \$380 per resident, per transport, whether they have insurance or not. As of today, District bills every resident's insurance \$880. Whatever insurance pays is all that District receives. If a resident doesn't have insurance they still get billed the \$880 but if they pay nothing, District does not send to collection because the resident is paying taxes.

Al Oller supported the wait and see attitude to see how everything shapes up. He liked District's thought process.

Bob Ells felt that at this point, there is no long range financial planning. District is subject to what is left over from the previous board which had some problems several months ago when there were a lot of questions asked that could not be answered and there is still the issue of no contract. After listening to comments in the last meeting, Bob thought that when it all said that District needs to see what the financial status is before it can go asking for more money.

Steve Carlson reported that in view of legal ramifications or political ramifications, the uncertainty is the financials. His advice would be keep a close eye on this and position ourselves to do it if we ever have to.

President Badtke ventured a summation that all seemed to be of the mind that this is something District needs to be aware of and needs to make sure is available in its arsenal to view for challenges in the future. However, the current state is District is looking to define the financial position before we come up with what our needs are. Does the District have a problem or not, what is the direction District wants to go, what will the next contract be and what will it be committing us to. Based on that, President Badtke sees no other discussion points unless someone had other information.

President Badtke made a motion for adjournment, there is no action being taken, and he accepts that District is going to file away some understanding and information gathered.

Attorney Spring will publish the previous notice received for the levy. District will have

the levy hearing next month at the November board meeting at 7:15 and will plan to pass the levy at that time.

Having no further business to come before the Board, President Badtke moved to adjourn the meeting. Trustee Klauber seconded the motion

AYES: Badtke, DeRuntz, Klauber

NAYES: None

Motion Carried

The meeting was adjourned at 8:45 p.m.

---

Secretary/Treasurer of WWFPD

---

Date Minutes Approved