

**VILLAGE OF SOUTH BARRINGTON
MINUTES OF THE FINANCE COMMITTEE
HELD MAY 5, 2014**

CALL TO ORDER

The meeting was called to order by Committee Chairman Matuska at 9:09 a.m.

ROLL CALL

Members present: Chairman Matuska, Trustee Stagno.

Staff present: Mayor McCombie, Administrator Masciola, Finance Officer Bodie, Deputy Clerk Hooker, Secretary Latoria.

APPROVAL OF MINUTES

Chairman Matuska asked for a Motion from the Committee to approve the Minutes of the meeting held March 31, 2014 with the following correction: page 2, line 2, "Chairman Matuska suggested the Village should contact each Homeowner's Association to determine if they know of any current drainage issues in their individual subdivisions." Trustee Stagno made a Motion. Chairman Matuska seconded. By unanimous vote the Motion was passed.

AGENDA ITEMS

Information Technology Services - ABS Presentation

Mr. Raja Bhatthal, Chief Technical Officer of ABS Associates, Inc. presented copies of the proposal for the Village of South Barrington dated 4/17/14 for IT services for the Village. Mr. Bhatthal stated the proposal does not include the telephone system. He stated ABS would begin with a discovery phase, identify issues the Village is experiencing, design a course of action for the issues, implement the course of action, and provide continuing support. Mr. Bhatthal stated that at least during the 60 day trial period, they would recommend having their assigned person work two full days a month. A written description of tasks performed would be presented to the Village each time their engineer is on site. There would be one engineer assigned to the Village with a secondary engineer that would also be familiar with the account. Mr. Bhatthal described what will be included in the initial evaluation process and the charges for this service. He gave a brief history of ABS, which included a list of current customers for references. Trustee Stagno had asked about backup options for the system and Mr. Bhatthal described different backup options. He also stated that the current proposal does not include relocating the server due to Village Hall renovation. He concluded by thanking the Committee for their time and they are looking forward to hearing from the Village.

Deputy Clerk Hooker left the meeting at 10:10 a.m.

Final Review of FY 2014/15 Budget

Officer Bodie reviewed the adjustments that had been made to the budget since the last meeting. She stated the revenue projections have increased to \$6,775,000. Officer Bodie further stated that the changes in the General Fund expenditures included additional funds added to non-union payroll expenses of 3% or \$36,000. The Police Department computer equipment was reduced from \$11,000 to \$7,500 after discussing the number of replacements needed and computers that can be repurposed. The budget includes purchase of three new police vehicles, but it is not binding. Chairman Matuska asked if we could look into a system that would allow police vehicles to utilize their electrical systems without leaving the vehicles engines continuously running. Mayor McCombie stated that she will ask the Police Chief to look into the matter.

Trustee Abbate arrived at 10:25 a.m.

Trustee Abbate stated that they will be having a meeting on Wednesday with Tri-Tel to discuss a proposal for moving the server, wiring connections and security cameras. Trustee Abbate stated he will ask Tri-Tel for a recommendation for an IT company for an additional quote.

Chairman Matuska asked Trustee Abbate if they need to budget to replace three vehicles in the upcoming year? Trustee Abbate stated he will discuss with the Police Chief.

To accommodate an increase in Computer Network Maintenance budget of \$14,000, the Committee agreed with Mayor McCombie's suggestions to decrease the following Public Works Department budgeted expenses: Ash Tree Borer Program by \$5,000 to \$95,000, Storm Sewer/Drainage Maintenance by \$2,000 to \$18,000 and Engineering Services by \$5,000 to \$45,000. Officer Bodie stated that she will incorporate the changes into the budget. The Committee suggested the Village employees maintain a log of resident requests for tree replacement. After no further discussion, Chairman Matuska asked for a Motion from the Committee to recommend approval of the amended FY 2014/15 Budget and to bring it to the Board of Trustees for the May meeting. Trustee Abbate made a Motion. Trustee Stagno seconded. By unanimous vote the Motion was passed.

FY 2014/15 Annual Appropriations Ordinance

Officer Bodie stated this is the budget in a different format. She further stated it will be presented at the May meeting and will be held over until the June Board meeting for approval. Officer Bodie will amend it with the agreed upon budget changes. Chairman Matuska asked for a Motion from the Committee to recommend the Ordinance be presented to the Board of Trustees for the May Board meeting. Trustee Abbate made a Motion. Trustee Stagno seconded. By unanimous vote the Motion was passed.

FY 2013/14 Supplemental Appropriations Ordinance

Officer Bodie stated two funds were over budget for Fiscal Year 2014. The December retirement of Police Chief Deegan resulted in additional pension expense in the Police Pension Fund. The Water Operation Fund was over budget due to unplanned water plant equipment maintenance and engineering expenses. This Ordinance will allow the Board to amend the budget to include the unanticipated expenditures in the Pension and Water Operations Fund. Chairman Matuska asked for a Motion from the Committee to recommend approval of the Ordinance to the Board of Trustees. Trustee Abbate made a Motion. Trustee Stagno seconded. By unanimous vote the Motion was passed.

Resolution to Transfer Impact Fee Reserve

Officer Bodie recommended the Village apply the Toll Brothers donation per the developer agreement in the amount of \$1,200,000 toward the construction expenses for the Village Hall expansion. Chairman Matuska asked for a Motion from the Committee to recommend approval of the resolution to the Board of Trustees. Trustee Stagno made a Motion. Trustee Abbate seconded. By unanimous vote the Motion was passed.

Resolution to Transfer Cash Reserves - General Fund

Officer Bodie explained the General Fund cash reserves policy allows for funds in excess of 40% of budget expenses to be allocated to capital projects, used to reduce the levy or remain in the General Fund. She stated the General Fund has about \$900,000 as excess cash balance at year end. Officer Bodie recommended the \$900,000 be transferred effective April 30, 2014 to the Capital Projects Fund due to the ongoing Village Hall expansion and renovation project. Chairman Matuska asked the Committee for a Motion to recommend approval of the Resolution to the Board of Trustees. Trustee Abbate made a Motion. Trustee Stagno seconded. By unanimous vote the Motion was passed.

Discussion of Utility Fund Cash Reserve Policy

Officer Bodie explained the Utility Fund cash reserves policy allows for funds in excess of 50% of budget expenses to be allocated to the Utility Capital Projects Fund or remain in the Utility Operation Fund. She stated that the Utility Fund is comprised of two internal funds for Water Operations and Sewer Operations. These two funds will be merged together for Fiscal year 2015 into one Utility Operation Fund. Although the Water Fund has excess cash, the Sewer Fund does not, primarily due to maintenance issues over the past few years. Officer Bodie recommended not making any transfers at this time because the combined Utility Fund cash balance does not meet the target. The Committee agreed to make no changes at this time. Officer Bodie stated the Village reviews Utility rates by municipal survey about every two years. Our rate continues to be neither the highest nor lowest of surveyed municipalities. The Village allocates 30% of water and sewer revenue to Utility Capital Project reserve for future utility improvements and has a current cash balance of approximately \$400,000. Being no further discussion, the Committee moved to Staff Reports.

STAFF REPORTS

Village Administrator - Electric Aggregation Update

Village Administrator Masciola distributed a bid comparison report from Mr. David Hooper of NIMEC dated 4/30/14 to the Committee. Administrator Masciola stated that they received bids from six different vendors for the upcoming renewal of the Village Electric Aggregation. Administrator Masciola stated that after reviewing the bids, First Energy was the recommended choice with a three year contract at a cost of .666 cents per kilowatt hour. He stated the Village Attorney has reviewed the initial agreement and it has been sent it to First Energy. First Energy is the only bid that would allow the Village to opt out of the agreement at any time. Officer Bodie stated all proposals allow for individual resident opt out from the program. The residents will be notified of the upcoming changes. Administrator Masciola informed the Committee that in the First Energy contract there is a provision for a onetime fee to purchase energy from another source in the case of a catastrophic event. All of the bids received had this new provision. Chairman Matuska asked if this was a onetime fee for the entire length of the contract. Administrator Masciola stated that he thought it was once a year but will verify the information. Administrator Masciola stated the contract would be going before the Board of Trustees at the May meeting.

Chairman Matuska asked the Committee for a Motion to move to a Closed Session. Trustee Abbate made a Motion. Trustee Stagno seconded. By unanimous vote the Motion was passed and the meeting went into Closed Session.

Administrator Masciola, Officer Bodie, and Secretary Latoria were excused from the meeting at 11:32 a.m. Trustee Abbate agreed to record the Minutes for the remainder of the meeting.

Respectfully Submitted,

Christine Latoria, Secretary

These Minutes were approved this _____
day of _____, 2014.