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**VILLAGE OF SOUTH BARRINGTON
MINUTES OF THE FINANCE COMMITTEE MEETING
APRIL 11, 2016
2:00 PM**

CALL TO ORDER

The meeting was called to order at 2:00 pm by Committee Chairman Stagno.

ROLL CALL

Members Present: Chairman Anthony Stagno, Trustees Bernard Kerman,
Trustee Joseph Abbate

Members Absent: None

Others present: Mayor Paula McCombie, Administrator Bob Palmer,
Treasurer Michelle Bodie.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Trustee Kerman made a Motion to approve the Minutes of the Meeting held March 3, 2016. Trustee Abbate seconded. By unanimous voice vote, the Motion passed.

AGENDA ITEMS

Review of 2016 Village Insurance Program Renewal with Arthur J. Gallagher Risk Management Sevices, Inc.

Treasurer Bodie presented the Proposal for Insurance submitted by Arthur J. Gallagher & Company for the Village's coverage. Lines of insurance include package-property, automobile, umbrella, equipment breakdown, and crime. Members of the committee briefly discussed the various coverage categories including earthquake coverage and coverage for the computer system. A Motion was made by Trustee Abbate to recommend to the Village Board accept the Proposal for Insurance presented by Arthur J. Gallagher effective May 1, 2016. Trustee Kerman seconded. By unanimous voice vote, the Motion passed.

Ordinance reserving and authorizing the Transfer of Volume Cap in connection with Private Activity Bond Issues and Related Matters (2016)

Administrator Palmer presented the Ordinance Reserving and Authorizing the Transfer of Volume Cap, explaining that the Volume Cap Ordinance is an annual item for the Village Board to consider. The State of Illinois determines on an annual basis the amount per capita to be made available via a bond issue issued by the State. This year the Village of South Barrington is allocated \$482,200 as a Home Rule entity. By passing the proposed ordinance, the Village can utilize the allocation through a Private Activity Bond or transfer the authority to a requesting project usually for a negotiated fee. A Motion was made by Trustee Abbate to recommend to the Village Board, adoption of the proposed Ordinance Reserving and Authorizing the Transfer of Volume Cap in connection with Private Activity Bond Issues and Related Matters 2016. Trustee Kerman seconded. By unanimous voice vote, the Motion passed.

1 Resolution for Sewer Construction Inter-Fund Loan Payment

2 Treasurer Bodie presented a proposed Resolution Authorizing Payment of \$50,000 from the Bartlett
3 Sewer Construction Fund to the Performance Deposit Fund on the Principal of the Inter-Fund Loan.
4 Treasurer Bodie explained that the original amount of the inter-fund loan was \$600,000 at 4.25%
5 interest and after this payment from sewer connection fees, the balance would be \$250,000. A
6 Motion was made by Trustee Abbate to recommend to the Village Board, adoption of the proposed
7 Resolution Authorizing Payment of \$50,000 from the Bartlett Sewer Construction Fund to the
8 Performance Deposit Fund on the Principal of the Inter-Fund Loan. Trustee Kerman seconded. By
9 unanimous voice vote, the Motion passed.

10
11 Resolution to Transfer Impact Fee Reserve

12 Treasurer Bodie explained that as part of the developer agreement with the Woods of South
13 Barrington development, that a voluntary contribution of \$5,000 per house is made to the Village to
14 offset expenses for municipal and police facilities. It is proposed that \$80,000 in the Reserve-
15 Impact Fee Account be transferred to the unrestricted Capital Account of the Capital Projects Fund
16 and to use these funds to reimburse the Village for expenditures regarding the expansion of the
17 Village Hall and Police Department, effective April 30, 2016. Motion was made by Trustee Abbate
18 to recommend to the Village Board, adoption of the proposed Resolution Authorizing and Directing
19 the Transfer of Certain Contributions made pursuant to the Woods of South Barrington Annexation
20 Agreement in the Capital Projects Fund of the Village of South Barrington, Cook County, Illinois.
21 Trustee Kerman seconded. By unanimous voice vote, the Motion passed.

22
23 Analysis of Cash Reserve in the General and Utility Funds

24 Treasurer Bodie presented background regarding a Resolution Authorizing the Transfer of Cash
25 Reserve Funds from the General Fund. The recommended transfers are \$300,000 to Road Fund for
26 expanded road projects, \$300,000 to Capital Projects Fund, and \$124,147 to Emerald Ash Borer
27 Reserve to maintain \$300,000 reserve for treatment, removal and replacement of diseased trees.
28 Additionally, \$200,000 is recommended to be contributed toward the Village's unfunded pension
29 liability as \$150,000 to the Police Pension Fund and \$50,000 to IMRF. The committee briefly
30 discussed the proposed transfers and the impact on the prescribed funds. Motion was made by
31 Trustee Abbate to recommend to the Village Board, adoption of the proposed Resolution
32 Authorizing the Transfer of Cash Reserve Funds from the General Fund, a total of \$924,147.
33 Trustee Kerman seconded. By unanimous voice vote, the Motion passed.

34
35 Amend Ordinance 2015-1074, entitled, "Annual Appropriations Ordinance of the Village of South
36 Barrington for Fiscal Year 2015-2016," by providing for a Supplemental Appropriation (Police
37 Pension Fund)

38 Treasurer Bodie presented to the Finance Committee the proposed ordinance amending the Annual
39 Appropriation Ordinance accounting for adjustments necessary to the Police Pension Fund and
40 Audit/Accounting Services due to retirement of personnel and subsequent expenditures for pensions.
41 The Finance Committee briefly discussed the overall Village budget and uncertainty regarding
42 potential actions by the State of Illinois that would impact municipal revenue. Motion was made by
43 Trustee Kerman to recommend to the Village Board that the Ordinance Amending Ordinance 2015-
44 1074, Entitled "Annual Appropriations Ordinance of the Village of South Barrington for the Fiscal
45 Year 2015-2016" by providing for a Supplemental Appropriation, be adopted. Trustee Abbate
46 seconded. By unanimous voice vote, the Motion passed.

1 Review of Fiscal Year 2016-2017 Budget (to be presented at the April meeting and held over for
2 approval at the May meeting)

3 Treasurer Bodie presented an overview of the proposed Village Budget for FY 2016/17. The
4 proposed budget is presented and held for thirty days and then proposed for passage in May. Total
5 Proposed Village Budget for 2016/17 is \$14,376,140, including \$2,940,905 in the General Fund.
6 The Finance Committee briefly discussed the proposed budget, including the timing of passage.
7 Chairman Stagno questioned the budgeted amount and how it compares year to year and the varying
8 levels of expenditure from year to year. Trustee Kerman commented that many government entities
9 he has dealt with operate at the end of their fiscal year by expending available budgeted funds with
10 the idea that if the funds are not spent, the following year would mean a lesser appropriation.
11 Treasurer Bodie assured the Finance Committee that the operationally the Village has and will
12 always be very prudent with expenditures. Revenues remain more of a concern in the current
13 statewide climate. Motion was made by Trustee Kerman to recommend passage of the proposed
14 Resolution Approving the FY 2016/17 Operating Budget to the Village Board, presentation of the
15 FY 2016/17 Operating Budget to be made at the April Village Board Meeting and formal
16 consideration at the May Village Board Meeting. Trustee Abbate seconded. By unanimous voice
17 vote, the Motion passed.

18
19 **STAFF REPORTS**

20 Administrator Palmer gave an update on the Electric Aggregation program. Referencing a chart
21 provided by NIMEC and First Energy Solutions, it was noted that the ComEd rate had dipped below
22 the aggregation rate of 6.6 cents per kilowatt hour, seven of the last twelve months. The Finance
23 Committee discussed the rate and the fluctuation, noting that the electricity under the aggregation
24 program was from renewable energy sources. Palmer will contact David Hoover and invite him to a
25 Finance Committee meeting in the future to further discuss.

26
27 Treasurer Bodie presented a Resolution Authorizing Investments through PMA Financial Network,
28 Inc. and PMA Securities, Inc. Bodie reminded the Finance Committee that a representative from
29 PMA had made a presentation at the last Finance Committee meeting, describing their services and
30 methods of operation. The Village was interested in laddering some investments with PMA to
31 maximize return. Bodie had contacted other municipalities who have utilized PMA and received
32 favorable feedback. Trustee Abbate made a motion to recommend to the Village Board, the
33 adoption of a Resolution Authorizing Investments through PMA Financial Network, Inc. and PMA
34 Securities, Inc. Trustee Kerman seconded. By unanimous voice vote, the Motion passed.

35
36 Treasurer Bodie presented a letter that she had sent to Groot Recycling and Waste Services in regard
37 to SWANCC charges to be collected by Groot for solid waste pickup service to residential
38 customers. Bodie explained that SWANCC fees had decreased and the letter requests that Groot
39 collect \$6.85 per month from each customer for SWANCC charges, effective May 1, 2016. While
40 SWANCC fees have decreased, Groot has increased their fee pursuant to the contract with the
41 Village, which allows Groot to add a CPI adjustment this year. Between the Groot increase and the
42 SWANCC decrease the Village is able to keep the resident rate the same. The Finance Committee
43 briefly discussed a recent proposal by Groot to offer electronic waste curbside pick-up and/or an
44 electronic waste pick-up day in exchange for a contract extension. The Committee discussed options
45 that currently exist through SWANCC for this type of disposal. Consensus was to not pursue the
46 proposal for electronic waste curbside pick-up.

1 Treasurer Bodie presented notification from IMRF in regard to next year's 2017 Employer Rate.
2 The 2017 IMRF Employer Rate is projected to be 13.16%, an 8.38% reduction from the 2016 rate of
3 21.54%. For SLEP the difference is minor, from 11.08% in 2016 to a projected 10.93% in 2017, a
4 change of 0.15%. The Finance Committee discussed the impact of additional deposits into IMRF
5 that assists in keeping the rate down. Bodie state the Village's IMRF fund is 48% funded which is
6 considered a good level in terms of the short history involved.

7
8 Treasurer Bodie presented an outstanding check list with eight items on it. One IDOT check on the
9 list had recently cleared, leaving seven items with a total amount of \$1,794.35. Checks on the list
10 were being further reviewed for final action. Bodie reported that it is a requirement to report on
11 outstanding checks on an annual basis, which this report serves.

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13 **OLD BUSINESS** – None

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15 **NEW BUSINESS** – None

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17 **ADJOURNMENT**

18 Having no further business, Chairman Stagno asked for a Motion from the Committee to adjourn the
19 meeting. Trustee Abbate made a Motion and Trustee Kerman seconded. By unanimous voice vote,
20 the motion passed, and the meeting was adjourned at 3:44 p.m.

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Respectfully submitted by,

Bob Palmer, Village Administrator

These Minutes were approved this

_____ day of _____, 2016