

**VILLAGE OF SOUTH BARRINGTON
MINUTES OF THE FINANCE COMMITTEE MEETING
MAY 9, 2016
2:00 PM**

CALL TO ORDER

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

ROLL CALL

Members Present: Trustees Bernard Kerman, Trustee Joseph Abbate
Members Absent: Committee Chairman Stagno
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 Open Session Meeting held April 11, 2016. Trustee Abbate seconded. By unanimous voice vote, the Motion passed.

AGENDA ITEMS

Fiscal Year 2016-2017 Operating Budget

Treasurer Bodie noted some minor adjustments to the operating budget were made and the proposed budget reflects \$6,822,000 in revenue and \$6,822,000 in expenditures, the same as the previous fiscal year. Trustee Kerman stated that it was his understanding that the general fund revenue was down due to the Allstate property tax protest. Treasurer Bodie confirmed the Allstate property tax refunds had a significant impact on property tax collections in prior years, but is not expected to affect the current year. Bodie noted that the repair of the Covered Bridge roof is an expense item in the current year budget due to the approved contractor being unable to meet the prevailing wage requirement. Staff is getting new proposals for the work; however the cost of the job will be higher than the previously obtained quotes. Mayor McCombie explained that the Village is currently working on a prevailing wage survey at the request of the Illinois Department of Labor. A Motion was made by Trustee Kerman to recommend to the Village Board to adopt the Fiscal Year 2016-2017 Operating Budget. Trustee Abbate seconded. By unanimous voice vote, the Motion passed.

Annual Appropriations Ordinance for Fiscal Year 2016-2017

Treasurer Bodie presented the Annual Appropriations Ordinance for the committee to consider, describing the ordinance as similar to the budget in a different format. Bodie also explained that the appropriations ordinance would be presented to the Board in May and held over until the June meeting for consideration by the Village Board. A Motion was made by Trustee Kerman to accept the proposed Annual Appropriations Ordinance for Fiscal Year 2016-2017 and forward it on to the Village Board for consideration at the next Village Board Meeting. Trustee Abbate seconded. By unanimous voice vote, the Motion passed.

Repeal O-2001-642 titled, "Establishing Requirement for Financial Impact Statements"

Treasurer Bodie explained the Village Attorney discovered the requirement for a financial impact statement in the Village Code while in the process of researching another matter. Bodie further

explained that to the best of her knowledge, this provision has not been followed explicitly by the Village although financial analysis is typically prepared for new initiatives. Trustee Kerman described the provision of the ordinance as being an 'extra' step. Trustee Abbate commented that it was surprising that there would not be a designated dollar amount for the provision to be instituted. Trustee Abbate made a motion recommending the repeal of O-2001-642 titled "Establishing Requirement for Financial Impact Statements" to the Village Board. Trustee Kerman seconded. By unanimous voice vote, the Motion passed.

Cash Reserve Discussion

Treasurer Bodie reminded the committee that the Board approved a transfer of reserve funds at the last meeting, specifically \$300,000 to the capital fund, \$300,000 to the pension funds, \$200,000 to the road fund and \$124,000 to the reserve account for treating infected ash trees (emerald ash borer infestation). Bodie estimated about \$200,000 to \$300,000 in additional excess funds that can be transferred per the Village reserve policy. Mayor McCombie commented that the funds discussed, are due to the success of the Arboretum Shopping Center. Related to the police pension and police in general, Trustee Kerman asked about police staffing and why the Deputy Chief position is still shown in the budget. Trustee Abbate commented that the position is vacant, but is included in the budget if determined to be needed by the Village President and Public Safety Committee. Bodie added that a staffing study is under consideration. In terms of the fund transfer being discussed, Trustee Abbate recommended half of the funds be allocated to the police pension fund and half be allocated to the capital project fund. Bodie suggested that \$150,000 be allocated to the police pension fund and the remaining amount be allocated to the capital project fund. The thought behind the suggestion was that the amount may not be an even amount and this would allow for an easier transfer of the funds. Trustee Kerman made a motion to allocate \$150,000 in cash reserves to the police pension fund and the remainder be transferred to the capital projects fund. Trustee Abbate seconded. By unanimous voice vote, the Motion passed.

STAFF REPORTS

Electric Aggregation & Electric Supply Contract

Administrator Palmer reported on quotes received from Rock River Energy for electric accounts servicing the Village's four lift stations. Palmer explained we are nearing the end of a three year contract with Rock River as the current broker. Prices quoted were lower than the current contract, but the current vendor Constellation New Energy, has provided the lowest quote for the next 3 year term. A question had been investigated as to whether the Village has to go through a broker to make the purchase and the answer was that the Village could deal directly with the supplier. The direct quotes from Constellation New Energy are lower than the quote from the broker. Trustee Abbate made a motion to recommend to the Village board that a contract be executed directly with Constellation New Energy for a three year term to serve the electric accounts for the Village's four lift stations. Trustee Kerman seconded. By unanimous voice vote, the Motion passed.

Palmer also reported on the latest development in regard to NIMEC and electric aggregation. The Village received information that the ComEd summer electric rate would be significantly lower than the aggregation rate. NIMEC reported that the aggregation contract states that the supplier can match the ComEd rate or release the village from its contract for the last year. The Village will be anticipating the decision from the electric supplier, but in either case the rate will be lower. The committee requested that Palmer contact NIMEC to request an explanation on why rates are going down.

OLD BUSINESS –

None

NEW BUSINESS –

Treasurer Bodie reported she had received an inquiry from the developer of Village Enclave regarding the length of time the Village would hold escrow funds. Minutes of a past committee meeting were researched and it was found that this question was to be posed to the Village Attorney by the Village Administrator. Administrator Palmer explained that he had contacted Attorney Storino who explained that there is no definitive time when escrow funds are to be released short of completion of the development. The Village Attorney also explained that it is early in the development process and maintaining an escrow account for incidental items is consistent with past Village practice.

Palmer also commented on seeking a quote from the Intergovernmental Risk Management Agency (IRMA), explaining that IRMA has contacted the Village and both parties are exchanging information.

Treasurer Bodie mentioned that contact has been made with the Village health insurance broker to find out more about the feasibility of an employee assistance program. Mayor McCombie commented that counseling services may be useful to the employees and some local resources may be checked into.

ADJOURNMENT

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

Respectfully submitted by,

Bob Palmer, Village Administrator

These Minutes were approved this

_____ day of _____, 2016