

**VILLAGE OF SOUTH BARRINGTON**  
**MINUTES OF THE FINANCE COMMITTEE MEETING**  
**April 10, 2017**  
**2:00 PM**

**CALL TO ORDER**

The meeting was called to order at 2:01 pm by Committee Chairman Stagno.

**ROLL CALL**

Members Present: Committee Chairman Stagno, Trustee Joseph Abbate, and Trustee Bernard Kerman.

Members Absent: None.

Others present: Mayor Paula McCombie, Treasurer Michelle Bodie, Rich Stokluska and Administrator Bob Palmer (2:07 pm).

**PUBLIC COMMENT**

None.

**APPROVAL OF MINUTES**

Trustee Kerman made a Motion to approve the Minutes of the Open Session Meeting held March 2, 2017. Trustee Abbate seconded the motion. By unanimous voice vote, the Motion passed.

**AGENDA ITEMS**

2017 Village Insurance Program Renewal Proposal by Rich Stokluska, Executive Vice President, Arthur J. Gallagher Risk Management Services, Inc.

Treasurer Bodie introduced Rich Stokluska with Gallagher Risk Management Services to present the Proposal of Insurance for the Village. Stokluska guided the Committee through the proposal document and entertained questions from the Committee members. Trustee Kerman asked about the rating of insurance for Police Vehicles as opposed to standard vehicles. Stokluska explained that all vehicles are rated on a blended rate of use of the vehicles. Chairman Stagno had a number of questions regarding the proposal language legal disclaimers. Stokluska acknowledged the concern and verified that the language is traditionally used in their proposals which only include a summary of the policies. Stagno voiced his opinion that the language used in the Executive Summary should be language that the company stands by, rather than stating the coverage may be different in the actual policies which are not provided until the coverage is approved. Stokluska explained that the language used is all required language by underwriters and regulators and there is very little if any room for changes. Stagno questioned a section that referenced 'earthquake coverage' that excluded the closest fault line area. Other topics the Committee reviewed flood coverage, pollution coverage, infrastructure coverage, boiler insurance, criminal damage to property and the structure of the umbrella policy. Stagno noted a limit for 'defibulator' coverage and asked Stokluska to check on the limit. The Committee briefly discussed the listed Village equipment and property. Stagno asked if the coverage is based on replacement cost, which was confirmed. Kerman asked about reporting of changes in inventories of equipment. Bodie answered the question by noting that changes in equipment are

reported annually. Stokluska continued the review of the proposal, noting medical payments, auto policies (no changes), environmental liability and internal theft. Mayor McCombie questioned the coverage for volunteers of the Village for such events as the 'Scarecrow Walk'. Stokluska confirmed that Village volunteers are covered for such events. The overall increase in the proposed insurance premium from the prior year is an increase of \$880 of which \$600 is due to the three year pollution policy. Stokluska suggested that the Village may want to review deductibles in a future year to help keep the premiums down. According to Stokluska, cyber coverage is an item that more municipalities are adding. The Committee discussed cyber coverage and reached a consensus that it would not be considered at the present time without further information. The Village could add cyber coverage at any time. Motion was made by Trustee Abbate to recommend the approval of the 2017 Village Insurance Program Renewal Proposal provided by Arthur J. Gallagher Risk Management Services, Inc. Motion was seconded by Trustee Kerman. On a voice vote the motion was approved.

#### Ordinance reserving and authorizing the Transfer of Volume Cap in connection with Private Activity Bond Issues and Related Matters (2017)

Palmer explained the annual Transfer of Volume Cap procedure and how other municipalities have utilized their Volume Cap toward projects such as first time mortgage reductions and other housing related projects. Palmer noted that there have been far fewer opportunities to utilize the Volume Cap in recent years; however the rather simple procedure could be of benefit if the right project presented itself. Generally when Volume Cap has been utilized, the authorizing municipality is paid a nominal fee for participation. Having no other questions, Trustee Abbate made a motion to recommend the passage of an Ordinance reserving and authorizing the Transfer of Volume Cap (\$489,200 based on \$100 per capita according to State estimates of population) in connection with Private Activity Bond Issues and Related Matters (2017). Motion was seconded by Trustee Kerman. On a voice vote the motion was approved.

#### Resolution for Sewer Construction Inter-Fund Loan Payment (\$35,000)

Bodie presented the item to the Committee, stating that the inter-fund loan was originated to pay off a variable rate bond in the Bartlett Sewer Construction Fund in 2008. Sewer connection fee revenue has been used to make interest and principal payments on this loan. At this time, \$35,000 in sewer connection fee revenue is available to pay down the loan balance to \$140,000. The stated interest rate for the loan is 4.25%. Motion was made by Trustee Kerman to recommend the passage of a Resolution for a Sewer Construction Inter-Fund Loan Payment of \$35,000. Motion was seconded by Trustee Abbate. On a voice vote the motion was approved.

#### Resolution to Transfer Impact Fee Reserve

Bodie presented the Resolution to Transfer Impact Fee Reserve to the Committee and explained that the Toll Brothers Development of the Woods Subdivision included contributions to the Village to be used for municipal and police facilities. It is being recommended that a transfer be made from the Impact Fee Reserve account in the amount of \$40,000 to the unrestricted cash account in the Capital Projects Fund to reimburse the Capital Projects Fund for eligible expenditures. Trustee Kerman made a motion to recommend the adoption of a Resolution to the Village Board for the transfer of \$40,000 in Impact Fee Reserve Funds to the unrestricted cash account of the Capital Projects Fund to reimburse for eligible expenditures. The motion was seconded by Trustee Abbate. On a voice vote the motion passed.

### Analysis of Cash Reserve in the General and Utility Funds

Bodie presented an analysis of the estimated cash balance at year end, stating the Village cash reserve policy establishes a target cash balance at 40% of the budgeted expenses. Annually, the Finance committee reviews the options for cash balance in excess of the targeted balance. In prior years, the committee has recommended additional contributions toward unfunded pension liabilities, transfers to capital projects funds and established a reserve for Emerald Ash Borer treatment. Following discussion in regard to the options, the Committee's recommendation was to distribute \$600,000 to the Capital Projects Fund, \$250,000 to the Road Fund and \$50,000 to IMRF. Trustee Abbate made a motion to recommend to the Village Board a resolution authorizing the transfer of cash reserves to the Village Road Fund, Capital Projects Fund and IMRF as stated. The motion was seconded by Trustee Kerman. On a voice vote the motion passed.

### Ordinance amending Ordinance 2017-1102, entitled, "Annual Appropriations Ordinance of the Village of South Barrington for Fiscal Year 2016-2017," by providing for a Supplement (Police Pension Fund)

Bodie presented the Supplemental Appropriations Ordinance to provide an additional appropriation in the Police Pension Fund as allowed by state statute. During the year, a former police officer requested reinstatement of his pension service with the Village and subsequent transfer of the service to the Darien Police Pension Fund. This activity was not included in the original approved budget. Trustee Kerman made a motion to recommend a proposed ordinance to the Village Board, amending Ordinance 2016-1120, entitled "Annual Appropriations Ordinance of the Village of South Barrington for the Fiscal Year 2016-2017" by providing for a supplemental appropriation. The motion was seconded by Trustee Abbate. On a voice vote the motion passed.

### Review of Fiscal Year 2017-2018 Budget (to be presented at the April meeting and held over for approval at the May meeting)

Bodie explained that the 2017-2018 Village Budget will be presented at Village Board meeting and following the presentation, a 30 day review period commences. The formal approval of the budget will be on the Village Board Agenda in May. Motion was made by Trustee Abbate and seconded by Trustee Kerman to acknowledge the review of the Fiscal Year 2017-2018 Village Budget and to commence the 30 day review period prior to recommending adoption of the budget by the Village Board. On a voice vote the motion passed.

## **STAFF REPORTS**

### Village Administrator

#### a. Electric Aggregation Update

Palmer notified the Committee that he had been in contact with NIMEC in regard to renewal of the residential electric aggregation program. Part of the process is to request data from ComEd in order to go out to bid. There is a \$160 fee for the information; however the fee will be reimbursed by the accepted contractor. The Committee briefly discussed the ComEd rate vs. the NIMEC current rate and also discussed how the program would be bid out. Consensus of the

Committee was to proceed with the process and have the NIMEC representative at the next meeting.

**b. GIS IGA**

Palmer presented an intergovernmental agreement with the MWRD that would loan GIS equipment to the Village from MWRD at no cost to the Village. The equipment would be utilized for the Village's GIS mapping program. Consensus of the Committee was to forward the agreement on to the Village Board for consideration.

**c. Cricket Club License Agreement**

Palmer reviewed the agreement the Village had with the Park District which provided the Park District would maintain the 20 acres of Village property near the Park District and the adjacent Glen Subdivision berm. The Park District allowed a Cricket Club to play on the property. The Park District recently contacted the Village by letter, stating they desired to end this agreement. The Cricket Club subsequently contacted the Village to work out an arrangement to continue play on the 20 acres. In response, the Village drafted a license agreement with the Cricket Club, allowing the continuation of play with restrictions and proof of insurance, and making the Cricket Club responsible for maintaining the field for play. The Village would include the cost of maintenance of the Glen Subdivision berm in the upcoming budget. Committee consensus was to recommend the license agreement with the Cricket Club to the Village Board for consideration.

**Finance Officer**

**a. Groot Tipping Fee**

Bodie explained the proposal to amend the SWANCC charges collected by Groot, due to a decrease in SWANCC fees. The new amount for Groot to collect on behalf of the Village for SWANCC fees is \$6.40 per month, per customer, effective May 1, 2017. The change recommended maintains the total quarterly fees at a rate of \$74.04, which has been held flat since May 1, 2011. Consensus of the Committee was to authorize the change with Groot.

**b. Preliminary IMRF rate for 2018**

Bodie presented the Preliminary Notice of the IMRF Contribution Rate for Calendar Year 2018. The Total Employer Rate is quoted at 13.6% for the Regular IMRF Contribution and 10.65% for the SLEP Fund. The additional contributions the Village has made in the past have helped to keep the Employer rates down.

**OLD BUSINESS**

No old business.

**NEW BUSINESS**

No new business.

**EXECUTIVE SESSION**

At approximately 4:02 PM, a motion was made by Trustee Kerman to go into Executive Session to discuss compensation. Seconded by Trustee Abbate. On a voice vote the motion passed and the Committee went into Executive Session.

At approximately 4:17 PM, a motion was made to resume the regular Finance Committee meeting by Trustee Abbate and was seconded by Trustee Kerman. On a voice vote the motion passed.

**ADJOURNMENT**

Having no further business, Chairman Stagno 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 4:17 p.m.

Respectfully submitted by,

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Bob Palmer  
Village Administrator

These Minutes were approved this

\_\_\_\_\_ day of \_\_\_\_\_, 2017