

**VILLAGE OF SOUTH BARRINGTON
MINUTES OF THE FINANCE COMMITTEE MEETING
OCTOBER 9, 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, Edgar B. Alvarado (resident), Village Engineer Natalie Karney and Administrator Bob Palmer.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Trustee Abbate made a Motion to approve the Minutes of the Open Session Meeting and Executive Session Meeting held September 7, 2017. Trustee Kerman seconded the motion. By unanimous voice vote, the Motion passed.

AGENDA ITEMS

1. Introduction of Edgar B. Alvarado – Applicant for Police Pension Fund Trustee

Treasurer Bodie introduced Edgar B. Alvarado who then provided background information on himself. Alvarado went over his background, including his retirement from Allstate Insurance after 23 years. While with Allstate, he was part of the Senior Management team, managing an investment portfolio which included the company's pension plans. Alvarado explained that his approach to investing is 'risk adverse' and that his target is an 8% return on investment. He is interested in serving on the Police Pension Board and offering his financial expertise. Chairman Stagno questioned the investment performance of the current investment advisors who have been with the Police Pension Fund over 9 years. Alvarado suggested that the Pension Board should have a policy to solicit proposals for investment advisors every 3 to 5 years. Alvarado commented that investment fees have a significant impact on investment returns and periodic review of firms helps to keep fees down. Mayor McCombie stated that she would like to appoint Alvarado to the Police Pension Board at the next Village Board meeting. Alvarado noted one of his initial questions he would like to pursue from information supplied by the current financial advisors, is the volatility in the market returns. Stagno welcomed Alvarado on behalf of the committee and thanked him for his willingness to serve on the Police Pension Board.

2. Review 2017 Road Crack Sealing bids and make recommendations to the Village Board

Stagno invited Village Engineer Karney (who entered the meeting at 2:39 PM) to answer questions about the Crack Sealing program. Karney explained that three bids were received and

the recommended low bidder was Behm Pavement Maintenance, with a bid of \$41,000. Chairman Stagno asked if the crack sealing material could be a different color to match the color of the pavement. Karney said she would check into that question. Having no further discussion, Chairman Stagno asked for a motion to recommend the low bidder to the Village Board for consideration. Motion was made by Abbate to recommend the bid of \$41,000 from Behm Pavement Maintenance for Village Crack Sealing to the Village Board for consideration. Motion was seconded by Kerman. On a voice vote motion carried.

3. Pension Fund Actuarial Report Draft and 2017 Property Tax Levy discussion.

Bodie presented the Pension Fund Actuarial Report Draft and the 2017 Property Tax Levy for discussion. Bodie noted that the Levy is to be filed in December with Cook County. Stagno noted that the report indicated assets close to \$10 million dollars and recalled that if assets were over that amount, the Pension Fund board would have fewer restrictions on its equity investments. The question was raised whether it would be advantageous to increase the amount through borrowing to reach that threshold. The amount needed to reach the \$10 million mark is about currently \$275,000. There was general agreement for the Village to consider an additional contribution to get the Pension Fund balance to the \$10 million value. Bodie noted that the annual pension payments are \$670,000 while contributions from the Village from real estate taxes is about \$800,000 and employee contributions is about \$150,000. Having no further discussion, it was noted that this item would be held for further discussion.

STAFF REPORTS

Village Administrator

IGA with Cook County Update – Going out to bid for tree trimming and tree removal along County Roads, five vendors solicited. Bid opening scheduled for October 11, 2017. County permit is required to close streets to conduct work.

Tree Trimming and Dead Tree Removal – Tree trimming started last Friday and should be completed in the next two weeks. Tree Removal is scheduled to start October 25, 2017.

Finance Officer

Employee Group Health Insurance Renewal – Health Insurance premium renewal increased 15% - 25% depending on plan. Currently we are interviewing brokers. Budgeted a 20% increase this year.

Employee Unemployment Claim Update – Hearing was held on September 11, 2017. Case was dismissed.

OLD BUSINESS

Chairman Stagno brought up the issue of Amusement Tax rates. Committee briefly discussed rates that apply to the two theatres.

Mayor McCombie brought up the issue of ‘Police Detail Rates’ and the impact on overtime.

NEW BUSINESS

No new business was presented.

CLOSED SESSION

No closed session was held.

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 3:43 p.m.

Respectfully submitted by,

Bob Palmer
Village Administrator

These Minutes were approved this

_____ day of _____, 2017