

**VILLAGE OF SOUTH BARRINGTON  
MINUTES OF THE SPECIAL FINANCE COMMITTEE MEETING  
MARCH 11, 2019  
2:30 PM**

**CALL TO ORDER**

The meeting was called to order at 2:40 pm by Committee Chairman Stagno.

**ROLL CALL**

Members Present: Trustee Joseph Abbate and Trustee Bernard Kerman.

Members Absent: Chairman Stagno.

Others present: Mayor Paula McCombie, Trustee Steve Guranovich, Treasurer Michelle Bodie and Administrator Bob Palmer.  
Representing the Arboretum/Starwood: Cory Born and Justin Menze.

**PUBLIC COMMENT**

No public present for comment.

**APPROVAL OF MINUTES**

Trustee Abbate made a Motion to approve the Minutes of February 6, 2019. Trustee Kerman seconded the motion. By unanimous voice vote, the Motion passed.

**AGENDA ITEMS**

**1. SSA 3 Bond Finance Discussion**

Bodie introduced Cory Born and Justin Menze to the Committee members and explained that they were present representing the Arboretum Shopping Center and Starwood Management, the owners of the center. The refinancing of the SSA 3 Bond that is being proposed would address a large “balloon” or “bullet” payment that would be due in 2027. Menze explained some of the terms of the bond and how it would be of benefit to refinance. The main benefit is that the lowered property tax cost would help keep the Arboretum’s lease rates competitive. The Committee members discussed the structure and the tenant leases to further understand the restructuring proposal. Born explained how the leases are structured and addressed the fact that on some of the vacant properties, Starwood would benefit from the refinancing. Bodie explained that refinanced bonds would be issued in the Village’s name and all expenses to issue the bonds would be made a part of the refinancing. Menze stated that the expenses for the bonds in 2007 were approximately \$300,000. The estimate for refinancing the bonds today is \$140,000. Abbate inquired about refinancing but keeping all the current payments the same and stretching the bond term. Kerman asked about vacancies at the center. Born said that the center is 85% occupied. Guranovich asked about rents at the neighboring shopping center anchored by Target. Born explained that rent there is twenty four dollars per square foot (\$24/sq.ft.) and taxes are seven dollars and fifty cents per square foot (\$7.50/sq.ft.). Bodie explained that the Village’s financial advisor on a matter such as this would most likely be Speer Financial. Bodie also suggested and the Committee concurred, to revisit the issue in April. Born was asked about new businesses at the Arboretum. Xsport Fitness is expanding their space in the Arboretum, the Arboretum is

hosting their “Pop-up” store program once again, Charles Schwab is under construction and is projected to open in June. The Arboretum is looking for a tenant for the building that was to be the “Rascal Flatts” restaurant. Hampton Social restaurant is expected to be open in late June or early July. Mayor McCombie mentioned that CVS will be closing. Born reiterated that the closing was a surprise and the store will shut its doors at the end of the month. The Committee members made some suggestions for possible tenants and Born explained their process for finding tenants. Born and Menze thanked the Committee and left the meeting.

## 2. Fiscal Year 2020 Budget Preparation Review

Bodie reported on progress in preparing the 2020 Budget noting that personnel costs need to be added in. Capital items for the Police Department were highlighted, including the anticipated acquisition of Starcom Radios. Bodie reviewed the benefits budget and noted a reduction due to a number of former employees that were on COBRA and are now no longer taking that benefit. An estimated savings of \$80,000 looks to be realized in this area, due also in part from moving from a composite rate for retirees to a full rate for those former employees. Bodie explained that preparation of the budget would continue and the Committee will be updated at the next meeting.

## 3. IMRF Employer Retirement Reserve Statement for Regular and SLP Accounts

Bodie reviewed the IMRF Employer Retirement Reserve Statement for Regular and SLP Accounts, noting that IMRF posted a 4% decrease. Bodie recommended increasing the balance in the account to avoid being negative. The IMRF account will be credited with interest if there is a positive balance, however if the balance is negative, a 7.25% interest charge is added. Bodie noted that the statement reflects a former employee’s pension funding. The Committee had no further discussion regarding the agenda item.

## STAFF REPORTS

### Mayor

Mayor McCombie reported on an upcoming meeting with the Homestead HOA in regard to the issue with the Veterans Administration’s proposed columbarium. The Mayor reported on contacts she had made locally, who have contact with the Veterans Administration in Washington D.C. Kerman reported on his letter to the editor on this subject and how it is to be slated to appear in the Barrington-Courier Newspaper. The Mayor reported on other contacts she is making locally with VFW members. Mayor McCombie also reported on the Plum Farm development, noting an upcoming meeting with the owner/developer. The Mayor is working to get the attorney for the Regency residents together with the owner/developer to try and come to an agreement. Guranovich asked about the status of the school district aspect of the issue, and whether further consideration had been given to transferring from the existing school district to the adjoining district further west. The Mayor explained that issue is between the school districts. The Mayor also reported that the Village has a new handyman for Village Hall repairs and that there would have to be action by the Village Board to extend the Police Chief’s tenure. Further actions to take for the Police Department, is the appointment of a Deputy Chief and the promotion of a new Sergeant; filling both of these positions is currently being worked on.

Village Administrator

Palmer reported on some ComEd tree trimming in the area, clean-up along the County Road R.O.W.'s by Care of Trees and completion of electrical work around Village Hall.

Finance Officer

Bodie reported on the Printer/Plotter maintenance agreement and a maintenance agreement with Tri-Tel on the Village's telephone equipment. Both contracts will be terminated in favor of going to a time and materials arrangement, which is anticipated to be a cost savings measure.

**OLD BUSINESS**

Abbate questioned the SSA item in terms of why the Village would object to a longer term. Bodie explained that the reality is the shopping center may have a limited useful life and the future of shopping centers in general is an unknown. Going out longer term on the debt could be an impediment to future development or redevelopment of the shopping center. Ideally the improvement to the property for the shopping center, financed by the bond, should be paid for by the shopping center.

**NEW BUSINESS**

No new business.

**ADJOURNMENT**

Having no further business, Trustee Abbate made a motion to adjourn the meeting. Trustee Kerman seconded the motion. By unanimous voice vote, the motion passed, and the meeting was adjourned at 3:56PM.

Respectfully submitted by,



Bob Palmer  
Village Administrator

These Minutes were approved this

8 day of April, 2019