

**VILLAGE OF SOUTH BARRINGTON
MINUTES OF THE FINANCE COMMITTEE MEETING
APRIL 8, 2019
2:00 PM**

CALL TO ORDER

The meeting was called to order at 2:05 pm by Committee Chairman Stagno.

ROLL CALL

Members Present: Chairman Stagno and Trustee Bernard Kerman.

Members Absent: Trustee Abbate.

Others present: Mayor Paula McCombie, Trustee Steve Guranovich, Trustee Edgar Alvarado, Treasurer Michelle Bodie, Executive Assistant/Deputy Clerk Melissa Moeller and Administrator Bob Palmer.

PUBLIC COMMENT

No public present for comment.

APPROVAL OF MINUTES

Trustee Kerman made a Motion to approve the Minutes of March 11, 2019. Chairman Stagno seconded the motion. By unanimous voice vote, the Motion passed.

AGENDA ITEMS

1. Presentation from Yasmin Kinton of a Marketing Proposal for the Village of South Barrington

Ms. Yasmin Kinton was introduced to the Committee and she proceeded to provide an overview of her background and previous employment. Kinton distributed a handout outlining a marketing plan for the Village. The presentation focused on visioning, surveying and conducting a SWOT analysis among other strategy development and goal setting initiatives. Kerman noted the difference between marketing in the private sector vs. the public sector. Kinton emphasized attracting businesses to the Village and also the surrounding area to attract executive level homebuyers. Mayor McCombie commented on a suggestion of visiting existing retail stores, noting that she has done that in the Arboretum to get input, in many instances the corporate offices are controlling the input from individual locations making it difficult to gauge input. Chairman Stagno commented on the difficulty in communicating with residents via email from his experience with his HOA. Mayor McCombie summarized the efforts regarding communication and the various channels that are available, as focusing in on what makes life in general easier for our residents. Alvarado noted the difference between passive and active marketing and what the Village approach should be. Kinton suggested a Village wide survey to find out such things as the best way to communicate with residents and estimated the time involved to develop and distribute a survey would be two months. Target return on a survey would be 30-40%. The Committee thanked Ms. Kinton for her time and presentation and will further review and discuss the proposal. Ms. Kinton then left the meeting.

2. Resolution for Sewer Construction Inter-Fund Loan Payment of \$60,000

Bodie presented the Resolution for the final payment on the Sewer Construction Inter-Fund Loan Payment of \$60,000. Motion was made by Kerman to forward the proposed Resolution for Sewer Construction Inter-Fund Loan Payment of \$60,000 to the full Village Board for their consideration. Second was made by Stagno. On a voice vote the motion was approved.

3. Ordinance to Approve Sheaffer & Roland Water and Sewer Operator Agreement

Bodie presented the proposed agreement with Sheaffer & Roland to continue as the Village's Water and Sewer Operator. Bodie noted that there had been a question from Sheaffer & Roland in regard to the amount of insurance they were being required to carry. Sheaffer & Roland had requested a lower amount, however in consultation with the Village's insurance carrier and the Village Attorney, the Village is maintaining the established higher level of insurance requirement in the agreement. The primary reason for the higher level is that being in Cook County the claim amounts and awards tend to be higher. The Committee discussed the terms of the agreement and the built in increases. The Committee expressed their overall satisfaction with the job that Sheaffer & Roland has done for the Village. Motion was made by Kerman and seconded by Stagno to send the Ordinance to Approve the Sheaffer & Roland Water and Sewer Operator Agreement to the full Village Board for consideration.

4. Preliminary Notice of IMRF Contribution Rate for 2020

Bodie presented the Preliminary Notice of IMRF Contribution Rate for 2020 noting that the 2020 rate is 11.28% however IMRF is also providing a 2020 optional phase-in rate of 11.20%. The contribution rate is incorporated into the Village budget. Bodie also noted that IMRF had a negative 4% return last year. Bodie also presented the past contribution rates, that have decreased significantly over the past few years. Recommendation is to make an additional contribution to IMRF. No action necessary, IMRF notification will be kept on file.

5. Review of Fiscal Year 2019/2020 Budget (to be presented at April Board meeting and held for approval at May Board meeting)

Bodie presented the proposed Fiscal Year 2019/2020 Budget, commenting that it is pending some payroll components. Input from Chief Roman in regard to payroll for the Police Department is one pending item. Bodie stated the budget is balanced and also highlighted some of the impacts such as in the retail sector with, for example, the CVS Drug Store closing its doors in the Arboretum. Kerman asked about sales tax revenue. Bodie explained that the sales tax revenue has been flat. No action necessary at this time from the Committee, this item will be presented at the April Board meeting and held for approval at the May Board meeting.

6. Discussion of and General Fund Cash Reserve

Bodie presented the cash reserve item for discussion. Policy has been to maintain 30% of the Village's budget in cash reserve. Funds above the 30% reserve mark would be allocated to the Capital Fund. It is anticipated that there will be between \$400,000 and \$500,000 in cash available to allocate towards a capital project. Bodie recommended that funds be used to replenish the Emerald Ash Borer Treatment Program (including tree removal) in the amount of \$104,348 to bring it up to the level it had been previously budgeted for. Another recommendation was to allocate \$100,000 to IMRF which was down due to a recent retirement that required a sizeable contribution (\$200,000). For the Police Pension, an additional

contribution of \$100,000 was recommended. The Committee briefly discussed treatment of the Village Ash Trees. Stagno asked about the impact of the previous contributions to the Police Pension Fund in terms of reducing the unfunded liability amount. Alvarado noted that the Police Department has added staff which impacts the unfunded liability of the fund. Chairman Stagno called for a motion on the Resolution Authorizing the Transfer of Cash Reserve Funds from the General Fund to the Ash Tree Program Reserve (\$104,348), the Police Pension Fund (\$100,000) and IMRF (\$100,000). Motion was made by Kerman and seconded by Stagno to forward the proposed resolution to the full Village Board for consideration. On a voice vote the motion was approved.

STAFF REPORTS

Mayor

Mayor McCombie reported that a meeting had been held recently with Arboretum staff regarding their schedule of upcoming events at the Arboretum. The subject of liquor licenses for some of these events had come up and the Village will be reviewing the requests. The Mayor gave a brief update on discussions in regard to the proposed Plum Farm development in Hoffman Estates, specifically the proposed berm development along Rt. 59. Mayor McCombie also gave an update on matters relating to the proposed columbarium by the Veterans Administration. A second environmental assessment is being conducted by the Veterans Administration on their proposed site. The site at the corner of Mundhank and Freeman has two vacant homes on the property which are in the process of being condemned with the intention that they will be torn down.

Village Administrator

Palmer presented a proposal that has previously been in place where individual subdivisions and HOA's that have ROW ash trees and want to treat those trees on a two year cycle rather than a three year cycle, be allowed to do so with the Village paying for the treatment and then billing back a third of the cost to compensate for the more frequent treatment. The Committee briefly discussed this arrangement and confirmed continued support for this arrangement. Palmer then reported that the Cricket season is about to begin again and the Cricket Club would like to once again utilize the Village property west of the Tennis Club for their pitch. Palmer reminded the Committee that the Cricket Club has been allowed to use through grounds through an annual license agreement. The Committee concurred that the arrangement for the Cricket Club continue and if necessary to have the full Village Board consider the license agreement for this year, then it should go to the Village Board agenda. Motion was made by Kerman and seconded by Stagno. On a voice vote, motion carried. Palmer brought up the issue of the Simple Recycling Agreement that would allow a company to pick up unwanted clothing and other cloth items on the same day as garbage pickup. The program has been endorsed by SWANCC. The program had been previously discussed, however a decision had not been made as to whether the Village would move ahead to implementation. The Committee directed Palmer to refer the proposed agreement to the Village Attorney to review and recommend back to the Village.

Finance Officer

Bodie brought to the Committee the issue of the Police Pension Fund and the Finance Committee working together to establish an expected rate of return. Bodie suggested that this discussion be handled jointly. The Committee had no objection regarding this recommendation. Alvarado

brought up the different compositions that could be put together, however he noted that one test that had been put together was back tested 20 years and produced a 6.5% return, which could be considered a starting point. This test gives support for the 6.5% figure (which is also at the low end in comparison to other pension funds). Bodie added that there is an upcoming meeting of the Pension Fund Investment Committee and participation with the Finance Committee would be recommended for wider input. The Committee briefly discussed the firm managing the Police Pension Funds and also the Pension Board election.

OLD BUSINESS

SSA 3 Bond Refinancing – Bodie presented the issue noting that the SSA 3 Bond is in association with the Arboretum. Stagno noted the current term on the bond and the proposed term request. Bodie explained that the shopping center understandably would prefer the longer term to keep payments down, however it would seem that it is in the Village's best interest to have a reasonable refinancing term on the bond so it is not too far out in the future on an aging shopping center. The future of any retail center has to be brought into question. Bodie had discussed this matter with the Village Attorney's office and the recommendation was to go for approximately a sixteen year term on the refinancing, to the address the stated issue of aging infrastructure. Bodie asked the Committee for a recommendation to consider the SSA 3 Bond Refinancing and to recommend consideration by the Village Board. The Committee concurred with the refinancing of the SSA 3 Bond. Kerman made a motion to have the Village Board consider the proposal to refinance the SSA 3 Bond, seconded by Stagno. On a voice vote the motion carried.


NEW BUSINESS

No new business.

ADJOURNMENT

Having no further business, Trustee Kerman made a motion to adjourn the meeting. Chairman Stagno seconded the motion. By unanimous voice vote, the motion passed, and the meeting was adjourned at 3:57 PM.

Respectfully submitted by,


Bob Palmer
Village Administrator

These Minutes were approved this

6 day of May, 2019