

**VILLAGE OF SOUTH BARRINGTON
MINUTES OF THE FINANCE COMMITTEE MEETING
OCTOBER 9, 2023
2:00 PM**

CALL TO ORDER

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

ROLL CALL

Members Present: Chairman Stagno, Trustee Alvarado and Trustee Abbate.
Members Absent: None.
Others present: Mayor Paula McCombie, Wayde Frerichs Finance Director, Jamie Wilkey with Lauterbach & Amen LLP and Administrator Robert Palmer.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Minutes were not available for the June 5, 2023 Finance Committee Meeting. Those minutes will be on the next Finance Committee Meeting agenda.

AGENDA ITEMS

1. Presentation of the Audited Financial Report for the Fiscal Year ended April 30, 2023 by Jamie Wilkey, Partner Lauterbach & Amen.

Jamie Wilkey guided the committee through the Annual Financial Report focusing on the following pages of the report:

- P.7 Independent Auditors Report: unmodified – clean audit opinion.
- P. 11-21 MD & A section, Wilkey referred to this part of the report as the ‘Executive Summary’ and advised the members that if they do not read anything else, this section provides a good overview.
- P. 11 Financial Highlights, net position increase of \$1,372,034. Second installment of ARPA funds received. Recognized \$530,322 in pension expense for the Village’s Police Pension and IMRF plans.

Trustee Alvarado asked about the terminology ‘deferred’ as it applies to the ARPA funds. Wilkey explained that the funds are deferred revenue to FY24.

- P. 24/25 Annual Statement, total equity or Total Net Position: \$31,430,924.
- P. 26/27 Statement of Activities – All Funds. Change in Net Position \$1,372,034.
- P. 32/33 Monthly Financial Statements – Net Change in Fund Balances \$2,206,258. Wilkey explained that this ‘profit’ is mostly from the General Fund. Excess of Revenues \$2,056,308. Wilkey also pointed out the transfers to the Capital Projects Fund and the Road Replacement Fund.
- P. 36 Wilkey highlighted depreciation of \$375,366 in the Water and Sewer Utility Fund.

- P. 37 Under the Cash Flow Statement, the Net Change in Cash and Cash Equivalents was \$178,144.

Chairman Stagno questioned the status of depreciation and using it as a guide to reinvest in capital equipment. Wilkey pointed out on page 35 the \$1,503,053 in Unrestricted – Capital Projects, in relation to the ability to fund capital items. Wilkey then directed the Committee to page 53 to review the capital assets section for sewer and water. A total of \$375,366 in depreciation expense was charged to sewer and water. Wilkey noted that sewer and water items have been half-way depreciated.

- P. 39 Police Pension Fund. Change in Fiduciary Net Position (\$114,633).

The Committee briefly discussed the impact of the Illinois Police Officers Pension Investment Fund and their taking over the pension fund from the municipality. Chairman Stagno described a previous graph that displayed how the pension fund expense has grown on the property tax bill, and how the pension is impacting the other functions of the Village. Chairman Stagno also commented on how the influx of revenue from the Arboretum has helped offset the impact of the pension expenses. Alvarado asked about the ‘Contributions – Employer’ item on P.39 and if the additional contributions the Village has made in the past would be contained in that line. Wilkey confirmed that ‘all donations’ are contained in that amount.

- P.72 IMRF, Wilkey noted the declining percentage of contributions as a percentage of Covered Payroll, down to 6.53% in 2023.
- P.73 Police Pension Fund, Schedule of Employer Contributions – Contribution Excess/(Deficiency). The Committee briefly discussed the actuary recommendation vs. the contribution to the Pension Fund made by the Village which was a lesser amount.
- P.76 Net Pension Liability (Asset) line for IMRF. Wilkey pointed out the \$179,380 liability and the 94.75% funding level.
- P.78 Police Pension Fund, 77.03% funded.

Brief discussion regarding the State requirement to have the Pension Fund 90% funded by 2040.

- P.80 Pages 80-100 are Budget to Actual Comparison Schedules. Wilkey commented that every budget exceeded the planned expectations. Wilkey also commented that what is illustrated in the report is a strong revenue performance.
- P.104-124 contains Historical Supplemental Information such as Property Tax Information.

Wilkey then reviewed the separate ‘Management Letter’ document, noting the different brief paragraphs on various GASB topics: 1) Outside Operators, 2) Subscription Leases, 3) Prior Period Adjustments – which was not a big impact to the Village, 4) Compensated Absences and 5) Pension Fund. In regard to Compensated Absences, the Committee briefly discussed pension costs. Chairman Stagno explained the problem with comp time bank where earnings are at a lower wage rate than when the time is eventually paid out at. Alvarado questioned the statement under item #5 where it was stated that “Continued underfunding will decrease the funded ratio each year...”.

Motion by Abbate to recommend forwarding the Annual Financial Report and the Management Letter for the Fiscal Year Ended April 30, 2023 to the full Village Board for review and placement on file. Second was made by Alvarado. On a voice vote the motion was unanimously approved.

2. **Review and Discuss proposal from St. Aubin Nursery & Landscape for the Purchase and Planting of Trees on Village Owned Property.**

Mayor McCombie reviewed the proposal from St. Aubin Nursery in Kirkland, IL for the purchase of 69 trees and an additional 4 warranty replacement trees to be delivered and planted on October 18th. The Mayor explained that Central Tree is also a component in the tree program and will begin cutting down the dead trees in the parkway areas on October 16th. The plan is to have the dead trees and stumps removed, just prior to receiving the new trees for planting. Mayor McCombie also reviewed a situation with one resident where two trees were removed by the resident and the resident then requested two more trees. The resident will be charged for the new trees. As part of the process with Central Tree, they will be given a specific subdivision for tree trimming to see how efficient they are in doing the job. If they can trim the trees in a timely manner, the rest of the Village areas would be made available under a contract. The standard is to raise the canopy up 13-13 ½ ‘.

Motion by Alvarado to forward the proposal from St. Aubin for the Purchase and Planting of Trees on Village Owned Property to the Village Board for consideration. Second by Abbate. On a voice vote the motion was approved unanimously.

3. **Review and Discuss proposal from Barrington Snow Solutions for Snow Removal and Ice Control Services for Village Hall and Water Treatment Plant.**

Palmer explained that the proposal from Barrington Snow Solutions was very similar to last year's proposal, only a handful of items were minimally increased.

Motion by Abbate to send the proposal from Barrington Snow Solutions to the full Village Board for consideration. Second was made by Alvarado. On a voice vote the motion was unanimously approved.

4. **Discussion Regarding Letter of Credit (Sundance Development Project).**

Mayor McCombie presented this item, noting that she has received a number of phone calls from the contractor working on the project as to the status of the LOC. The Mayor continued to explain that the engineer on the project (Jodi McCarthy, with Manhard Engineering) is reviewing the submission and will advise as to what could possibly be released at this point. Some conditions have been relayed to the developer already, such as supplying the 'as-built' drawings for the project.

Motion by Abbate to send the item to the full Village Board for consideration based on the recommendation of the consulting engineer and the Village Attorney. Second was made by Alvarado. On a voice vote the motion was unanimously approved.

NEW BUSINESS

Mayor McCombie reported on an inquiry from a developer regarding a possible gas station. The developer had initially inquired about the northeast corner of Bartlett and Higgins, but also the corner of Central and Barrington Road was suggested and discussed. The Mayor brought the item to the Committee to discuss. After a brief discussion it was determined that a presentation by the developer would be recommended.

OLD BUSINESS

No old business to discuss.

MAYOR'S REPORT

Mayor McCombie reported on union negotiations and related issues.

STAFF REPORTS

Village Administrator

Palmer reported on projects currently in progress such as a grant application for Emerald Ash Borer treatment, an opportunity for the Village to host a 'Senior Scam' program in December, and progress on the review of the proposed development at Mundhank and Freeman (15 acres).

Finance Director

No report.

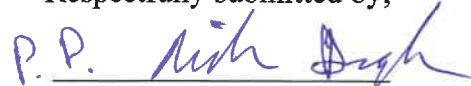
EXECUTIVE SESSION

No Executive Session was held.

ADJOURNMENT

Trustee Abbate made a motion to adjourn, seconded by Trustee Alvarado, on a voice vote the motion was approved and the meeting was adjourned at 3:41 p.m.

Respectfully submitted by,



Robert Palmer
Village Administrator

These Minutes were approved this

11th day of December, 2023