

Village of Barrington Hills
Minutes of Finance Committee meeting of August 14, 2014

Chair Selman called the meeting to order at 2:04 p.m. Roll Call.

Members Present

Karen Selman
Fritz Gohl
Patty Meroni
President McLaughlin (ex-officio) arrived 2:09 p.m.

Other Attendees

Robert Kosin, Director of Administration arrived 2:06 p.m.
Michael Murphy, Chief of Police
Richard Semelsberger, Deputy Chief
Rosemary Ryba, Village Treasurer

MINUTES

Reviewed minutes from April 17, 2014 Finance Committee Meeting. Fritz Gohl motioned and moved for approval, seconded by Patty Meroni. Minutes approved.

SECOND QUARTER REVIEW

Treasurer Ryba reviewed the report provided through June 30, 2014. Property taxes were reported at 50% collected vs. 51% for the same period ended in 2013. Traffic fines were reported lower than budgeted as Chief Murphy explained the courts are imposing lower fees. The collection agency that started collecting past due C-Ticket fees have helped the Village collect on money that was due but not paid. A question of what percentage the agency takes as their fee was reported at 28%. There was a YTD variance vs. YTD budgeted surplus on expenditures in the General fund totaling \$203,215. All other Funds had shown a YTD surplus of \$495,409.76. The surplus across all Funds totaled \$698,624.76. This surplus across all Funds is mainly attributable to the Roads and Bridges (R&B) Fund's work to begin in September/October 2014. The drainage surplus portion in R&B Fund is due to a resident that is refusing to sign off on an easement release. Lake County ordered the Village to repair the drainage problem with a due date of November. Patty Meroni will reach out to Curt Wolford to assist in getting compliance with the Order.

REQUEST FOR PROPOSAL [RFP] FOR AUDITING SERVICES

President McLaughlin requested that any responding firms disclose any affiliations with Board Members of the Village, if applicable. He also stated that a local firm would be a benefit to help the local economy. The Firms chosen to receive the RFP were Baker, Tilly, Virchow Krause, LLP, Wolf & Company, LLP, Sikich and Eder Casella and Co. with a submission due date of September 30, 2014. The Committee is to review and make a recommendation at the next Finance Committee Meeting to award the contract by November 1, 2014.

VEHICLE STICKER PROGRAM SURVEY RESULTS

The results of the survey showed 2,890 vehicle stickers were sold through August 5, 2014 vs. 3,124 for 2013. While selling vehicle stickers at the window, residents were asked if they were for or against paying \$10.00 per vehicle for vehicle stickers. The results were 41 for and 25 against. Approximately 175 hours have been dedicated to vehicle sticker processing. The matter will be deferred until further information becomes available.

INVESTMENT POLICY

A revision to Resolution 99-19 was presented that included procedures for short term investing, a credit worthiness minimum rating schedule and laddering of certificates of deposit to go up to five (5) years. For reporting purposes, it was requested of the Village Treasurer to separate the long term investment reserves vs. short term reserves up to \$1.2 million. Treasurer Ryba asked if the Committee will allow to further increase the Reserve Fund. Patty Meroni motioned, Fritz Gohl seconded. All in favor said aye with no nays. The Committee authorized the Treasurer to ladder the investments to maximum allowable maturity within the Investment Policy not to exceed 20% of the total value of reserve fund annually.

POLICE PENSION

Funding Policy. President McLaughlin wants the policy to be clearer to reflect that the Village will comply with state guidelines. Discussed was also the contributions should be managed so that employer costs remain in a consistent range of a percentage of payroll over time. Under the proposed Village Annual Required Contribution (ARC) section of the Policy, a change requested to the amortization to be fully funded in 2040 vs. 100% funding level language in draft document. Fritz Gohl inquired about the Police Pension Board's input on the Policy. Treasurer Ryba will interact with them in the process of the document being finalized for adoption.

Pension Funding Bonds. President McLaughlin stated the Village should consider bonding out the funding of the Police Pension Fund. Eighty four percent (84%) of municipalities who have issued Pension Funding Bonds in 2004 were profitable to their issuers as well as labor relations benefits by them being issued according to a study conducted, reported in the informational material authored by the chair of the Public Finance Department at Orrick, Herrington & Sutcliffe, LLP. If it is the belief that interest rates are going up in the next thirty (30) years it would be advantageous.

The Village may initiate a public process by providing information to residents. The discussion on if a referendum is needed will be further researched and brought to the Committee in the future. The Committee requests the Village President and Treasurer Ryba to provide scenarios/projections and bonding requirements.

VENDOR INFORMATION

Through the Freedom of Information Act (FOIA) Officer, Robert Kosin brought to the Committee's attention that a request came in for a vendor list. There was personal information for volunteers and employees that was redacted in the response and will be done so in the same manner with any future FOIA requests of this nature.

There being no public comments, Fritz Gohl motioned and Patty Meroni seconded to adjourn at 3:32 p.m. upon the consent of those present.

Adjournment.

Rosemary Ryba
Recording Secretary