

**Village of Barrington Hills
Minutes of Finance Committee
October 23, 2014**

Chair Selman called the meeting to order at 3:31 p.m. Roll Call.

Members Present

Karen Selman
Fritz Gohl
Patty Meroni
President McLaughlin (ex-officio)

Other Attendees

Robert Kosin, Director of Administration
Richard Semelsberger, Deputy Chief
Lieutenant Joe Colditz
Dan Strahan, Village Engineer
Colleen Konicek, Trustee
Alice Runvik, Asst. to Chief (arrived 3:42 p.m.)
Rosemary Ryba, Village Treasurer

MINUTES

Reviewed minutes from August 14, 2014 Finance Committee Meeting. Fritz Gohl motioned and moved for approval, seconded by Patty Meroni. All present said aye. Minutes approved.

THIRD QUARTER REVIEW

Treasurer Ryba reviewed the report provided through September 30, 2014. Property taxes were reported at 94% collected. Traffic fines were reported at 40% collected which was lower than budgeted as Deputy Chief Semelsberger explained the courts are imposing lower fines. There was a YTD variance vs. YTD budgeted surplus on expenditures in the General fund totaling \$239,479.16. All other Funds had shown a YTD surplus of \$821,188.01. The surplus across all Funds totaled \$1,060,667.17. This surplus across all Funds is mainly attributable to the Roads and Bridges (R&B) Fund's work in progress and to be expended by year end.

2015 REVENUE FORECAST

The matter of the vehicle sticker program on results of survey of walk-ins was 52% for keeping and 48% to cancel it. It was agreed to keep the program in place. Fritz Gohl asked how MFT funds are distributed – response was on a per capita basis. According to the Illinois Municipal Review's August, 2014 report on estimated stated shared revenues, it showed a projected increase in income tax revenue of 0.3%, state use tax increase of 4.3%, MFT decrease of 1.1% and the corporate property replacement tax decrease of 1.9%, which factored into the revenue projections on these line items for the 2015 proposed budget.

2015 BUDGET WORKSHEETS

Roads and Bridges. Patty Meroni stated the subject of why there are so many issues with the roads was that in 2005 there was a 10 year program adopted. A limit was set each year that could be spent and there were a lot of roads that weren't re-done because of keeping up with the increased costs of petroleum and asphalt which constrained what could get completed. Dan Strahan stated the past years' Roads and Bridges requests got cut back in order to keep the levy flat from 2008-2011 and was not able to do the projects they wanted to do road work on. There was also a drainage issue that used funds from Roads and Bridges.

2015 BUDGET WORKSHEETS (Continued)

Roads and Bridges (Continued) President McLaughlin stated the 10 year program was not followed and the residents should have been informed because the Board of Trustees wanted to not increase the levy. He suggested communicating to residents that the savings the Village have had on legal and other expenses would be utilized for Roads and Bridges. If in the future, the Village needs to raise taxes, it must be explained. Patty stated it is a maintenance issue that they did not do work on roads they had intended to do, as it is an ongoing battle to keep up with the roads' conditions.

It was agreed that the newsletter would be a good way to communicate to residents what work needs to be done for the roads according to the road study. President McLaughlin continued to state that he would like the residents to receive more communications on why the Villages holds or raises or lowers the levy and how it would be done from a budgeting standpoint. He suggested the possibility of creating a special assessment for Roads and Bridges. Patty Meroni said traffic counts and requirements differ to be able to establish a base line and is a moving target to be able to get road work completed. Options suggested were to maintain current conditions or maintain and improve the roads to a 5 year program. Next year's 1st quarter newsletter was suggested as a good time to provide an extended Roads and Bridges section.

On September 17, 2014 a meeting with Cuba Twp. Road District took place with regard to salt prices. They proposed charging an additional \$3,600 per month to provide an additional truck specifically allocated for the Village based on historical police call outs. Cuba Twp.'s new superintendent informed at that meeting that damage to their trucks due to low hanging trees occurred. Chair Selman wants to see what type of agreement the Village and Cuba Twp. regarding callouts can be made.

Buildings and Grounds/Health and Environment/Insurance. The health insurance and property/casualty were held and a conservative estimate was provided until final quotes are provided. The demolition of property on Steeplechase was questioned if it is included in the budget request. The Committee would like to add \$15,000 to outside services.

Public Safety. An increase in computer expenses was due to the server replacement/reader for the police department. Personal computers are at end of life and need replacement. Tuition increased to be sure there are enough funds budgeted if the Board of Trustees wants to hire new patrol officers that would need to be trained. President McLaughlin asked if the state mandates to have two employees at a time in dispatch, how that would impact that department's expenses. In March or April, 2015 the state will provide grid lines and the question would be addressed at that time.

Administration. Placeholder for administrative staff increases as requested by President McLaughlin at 1.5% in the aggregate to be discussed at Executive Session. Chair Selman asked if there is enough in the placeholder to cover individual employees. She then asked why the newly named position of Director of Communications was not a salaried position. The explanation provided was the Village wants to limit managerial responsibilities that salaried positions hold.

Legal. President McLaughlin stated that based on 36 meetings and preparation forecasting, the attorney fees for Village Attorney line item was submitted as \$140,000 for 2015. Litigation and Other Legal Fees were held at the 2014 level. FOIA Records Management line item was decreased for 2015 to \$40,000 vs. \$60,000 for 2014 and will be fine tuned prior to final budget worksheets submittal to the BOT at the November Meeting of BOT. A question was raised as how much of Director of Communication's pay is FOIA Records Management related. Trustee Konicek stated that it should be documented the amount of time spent on FOIA related duties by the Director of Communications. A request of the breakdown of FOIA expenses through September 30, 2014 was made and will be provided by Treasurer Ryba.

POLICE PENSION FUND

Funding Policy. As submitted, to be on the Agenda for the October 27, 2014 BOT Meeting for adoption prior to December 31, 2014, in accordance with GASB 67/68.

Pension Funding Bonds. President McLaughlin wants to do more research and see how the Board feels about the idea. Chair Selman showed concern that the burden would be put on current taxpayers. He responded that the interest only would be, and it would be good for the Village but not sure how the residents would feel. The discussion will be brought to the BOT by President McLaughlin at the November BOT Meeting.

Investment Monitoring Report. Treasurer Ryba reviewed the memo provided by Wall and Associates. President McLaughlin would like the police pension fund investments be better managed and he and Chair Selman will send a letter to the PPF Board requesting to address the investment return performance.

GASB 67 & 68 Report. A document used for presentation by Lauterbach & Amen was provided that detailed the upcoming GASB 67/68 requirements with regard to pension fund reporting that detailed new terminology, actuarial assumptions and considerations as well as disclosures and other implications effective in fiscal year 2014 for GASB 67 and fiscal year 2015 for GASB 68.

REQUEST FOR PROPOSAL (RFP) FOR AUDITING SERVICES

Based on submitted RFP's, Fritz Gohl motioned and moved, seconded by Patty Meroni to recommend Sikich, LLP to the Board of Trustees as auditors for the Village for fiscal year 2014. All present said aye.

There being no public comments, Fritz Gohl motioned and Patty Meroni seconded to adjourn at 5:46 p.m. upon the consent of those present.

Adjournment.

Rosemary Ryba
Recording Secretary