

**Minutes of the
Finance Committee Meeting
Of
February 19, 2014**

Attendees:

Trustee Don Jensen – Committee Chairperson
Trustee Linda Sittig – Member
Jon Kindseth – Administrative Services Director
John Hucker - Mayor

Trustee Regina Miller – Member
Peggy McHugh – Finance Director
Sandi Pastell – Administrative Assistant

Roll call was taken and the meeting brought to order at 6:03 p.m.

Chairperson Jensen opened the meeting by asking for a Motion to approve the minutes from the January 15, 2014 Finance Committee Meeting. Member Sittig made the motion. Chairperson Jensen seconded the motion. By voice vote, the motion was approved unanimously.

Chairperson Jensen asked for an update regarding the Continuing Agenda Items from the January 15, 2014 meeting. Jon stated that it is a possibility to hire a different engineering firm for specific projects, such as the 2015 MFT project. Jon Kindseth stated that staff is allowed to receive proposals from engineering firms that they have previously worked with, without going out to bid, for the 2015 MFT project.

Chairperson Jensen then asked about the old public work site, and if staff has considered listing the property. Mayor Hucker explained to the Committee that recently Jon Kindseth spoke with a Beach Park businessman, in which Jon Kindseth put him in contact with Craig Bricco of 1st Class Firearms. Mayor Hucker gave the Committee some background on the potential TIF project that Craig Bricco brought to the TIF Committee, which involves the old public works site. Mayor Hucker explained that the site would be the TIF incentive for Craig Bricco, and that Craig Bricco reached out to staff today to state that he has found an investor and want to be sure the Village was still on board with his project. Mayor Hucker stated that Craig Bricco has now gone back to Bridgeview Bank to secure the financing.

Chairperson Jensen then moved to the next item on the agenda, the Revenue List. Jon Kindseth stated that staff was not quite sure about the direction given. Jon Kindseth did state that the increase of the State Income tax rate of 2% will expire in January 2015 and reducing the Villages' share of this tax revenue is back up for discussion. Jon Kindseth stated that he and the Mayor have drafted letters to our representatives opposing this action, the Mayor has signed them, and staff will be mailing them. Chairperson Jensen stated staff can remove the revenue from the agenda as staff is staying on top of the issues.

Chairperson Jensen then moved the discussion to the IPAD cost analysis. Jon Kindseth stated that the reason staff is looking at IPAD's for the Trustees are the delivery of meeting packets. Jon Kindseth stated it would take 48 Board meetings to pay for the IPAD's; however, if we use it for delivering both the Board meeting packets as well as the Committee meeting packets, it would pay for itself within a year.

Jon Kindseth stated that there would be policy decisions that would have to be made. Jon Kindseth stated that the Village could pay for the IPADS for the Trustees; however, he would propose an allowance of \$300.00 to each elected official, they could chose the options they would like on the IPAD, or a different tablet, and if the elected official does not run for office again, or does not get re-elected, they would take the IPAD with them. Chairperson Jensen stated he has no interest in one; however, if everyone is going to receive one, there must be commonalities within the software. Chairperson Jensen then asked why the packets cannot be put on the Village server where they would be accessible to all. Jon Kindseth stated that the IPAD's will hold up to two (2) years of packets, and you can edit, highlight, annotate, cross out, etc. Mayor Hucker stated that if we have a completed version of the IPAD, maybe the Trustees could take it home and test it out to see how they like it.

Chairperson Jensen then moved to the next item on the agenda, IDROP. Sandi Pastell advised the Committee that the Village is now live with IDROP and that they have already notified 5 residents that they will not be receiving their state income tax refund due to their debt with the Village.

Chairperson Jensen then moved the discussion to the monthly report. Peggy McHugh stated that the trends are continuing, and after 9 months into the year, the Village is doing well. Peggy McHugh stated that the water/sewer fund as well as the general fund is in the black. Chairperson Jensen asked about the review of the Water/Sewer Ordinance, and was advised that it is with legal and should go to the Board within 2 to 3 months. Chairperson Jensen asked if it was coming back to this Committee or going straight to the Board. Chairperson Jensen stated he is still concerned that the Village is not covering their costs. Jon Kindseth explained that the Ordinance is independent of the fee schedule. Chairperson Jensen reiterated that it is imperative that the Village cover their costs with the fees.

Jon Kindseth stated that there are a number of fees that have to be looked at and adjusted; however, they have to be analyzed, not just compared on paper. Chairperson Jensen stated that on the Variance Report given to them, he really likes to see the percentages as he finds that quite helpful to him. Peggy McHugh stated she will add the percentages to the report. Jon Kindseth asked the Committee if they would like to see any graphs, etc., added to the reports and Chairperson Jensen stated percentages would be fine. Chairperson Jensen that asked if Peggy McHugh could please provide a chart of accounts with the bill runs. Peggy McHugh will be sure to distribute that to them.

Chairperson Jensen asked about the project funds under water/sewer (various projects), and Jon Kindseth stated it's basically engineering for water/sewer projects (SSA, IEPA). Chairperson Jensen then asked about the sewer backflow. Jon Kindseth explained that the Village has a program for its residents that if they install sewer prevention, the Village will reimburse them a percentage of the costs (check valves, etc.).

Member Miller asked if we have budgeted for website improvements and was told no, we have not; however, we have for software and could use those funds. Member Miller stated that she had a conversation with Mayor Hucker in regards to the difficulties of locating information and that they would like to see it more "virtual". Member Sittig stated that the font is hard to read as it is very light. Jon Kindseth said staff would continue to look at ways to improve the website.

Chairperson Jensen moved to the FY2015 Budget. Peggy McHugh corrected the Chairperson that we need to discuss the SSA financing options. Jon Kindseth stated that staff needs some direction as to the financing for the SSA's as we could go IEPA loan, bonds. Jon Kindseth stated that we could do a short term operating capital loan through Bridgeview. Jon Kindseth also stated there is a large amount of reporting requirements for an IEPA loan. Jon Kindseth also stated that the Villages contribution could come out of the water/sewer capital. Mayor Hucker asked what percentage of the SSA is the Village going to recoup, and Chairperson Jensen stated that until we bid it we're are not going to know what the costs are, and what the Village will recoup.

Chairperson Jensen then moved the discussion to the FY2015 Budget. Peggy opened the discussion on the budget stating staff is constantly updating; however, as of right now, the general fund and water/sewer are pretty much finalized. Peggy McHugh stated that there is a surplus from last year that could be transferred to the capital fund and gave the Committee more explanation.

Member Sittig asked about the replacement truck for public works, and Peggy McHugh directed her on where to find it in the budget. Jon Kindseth stated to the Committee that the Village has not been budgeting enough for vehicle replacement; however, staff did double it this year (approximately 40%). Member Miller asked if there is a budget for roads and Jon Kindseth stated no, the closest we have is the capital fund. Jon Kindseth stated that staff would like to start a road fund; however, it is difficult to sustain it.

The Committee discussed roads further as well as Village Hall improvements. Mayor Hucker asked how cooperation from staff was with the budget and Jon Kindseth reported that it has gone very well, and what they see in their packets is pretty close to the final budget, and that there have been no serious increases or decreases. Chairperson Jensen asked what the timeline is for approval. Peggy McHugh stated that there will be a workshop before a Board meeting and depending on any changes; the budget should be ready for adoption by the first Board Meeting of April. More discussion was had in regards to the budget for the Sheriff's department and consultants.

Chairperson Jensen moved the discussion to the new business on the agenda, impact of the priority session. Jon Kindseth stated he has put this item on the agenda; however, staff has not completed what they wanted to discuss. Jon Kindseth did state that they have identified the 5 priorities and 3 initiatives; however, he's still working on this and will bring it back to a future Finance Committee Meeting.

Chairperson Jensen then moved to discuss the date for the next Finance Committee meeting as he will not be in town on March 19th and asked the Committee to move the meeting to either the 12th or the 27th of March. There is a conflicting Committee meeting on March 12th, so the Finance Committee meeting has been scheduled for March 27, 2014 at 5:30 p.m.

Chairman Jensen then asked the Committee if there was any more new business. Hearing none, Chairman Jensen asked for a motion to adjourn. Member Miller made the motion to adjourn. Member Sittig seconded. Upon a voice vote, all members present voted in favor of the motion. The Finance Committee meeting was adjourned at 7:30 p.m.

Next Finance Committee Meeting: Thursday, March 27, 2014 at 5:30 p.m.

POA (Points of Action):

Staff

- I. Water Rate Study;
- II. Engineering Proposals from other engineering firms.
- III. Prosecution
- IV. Flagging properties with the County where there is a lien or recapture or other water/sewer obligations.