

**Minutes of the
Finance Committee Meeting
Of
September 21, 2016**

Attendees:

Trustee Don Jensen – Committee Chairperson
Peggy McHugh – Finance Director
Jon Kindseth – Village Administrator

Trustee Regina Miller - Absent
Trustee Linda Sittig - Member
Sandi Pastell – Administrative Assistant

Roll call was taken and the meeting brought to order at 6:00 p.m.

Points of Action: Chairman Jensen then asked if there were any updates to the Points of Action from the August 17, 2016 meeting. Jon Kindseth stated there are no new updates.

August 17, 2016 meeting minutes: Chairman Jensen then made a motion to approve the August 17, 2016 meeting minutes. Trustee Sittig seconded. Upon voice vote the August 17, 2016 minutes were approved unanimously. Chairman Jensen just wanted to touch base on the trees in the right-of-way. Jon Kindseth stated that we now have a count of approximately 400, 200 of which are in Cambridge, which we can remove ourselves because they are relatively small in diameter; however, the other 200 will cost between \$1,000.00 to \$2,000.00 per tree to be removed. Jon Kindseth stated that Cambridge will expect the trees to be replaced and that we should discuss a cost sharing program as this expense is not covered under the SSA #6.

Monthly Finance Report: Chairman Jensen then moved the discussion to the Monthly Finance Report. Peggy McHugh said that August reflects our final numbers of the audit and that on page 5 the reserve numbers have been updated as well. Peggy McHugh stated we are still trending consistent with the previous months. Peggy McHugh stated that sales tax is still trending lower. Peggy stated that she had just compared the last 3 years and it was pretty close to the same. Jon Kindseth stated that the state is pushing to have online purchases charge sales tax as the larger companies, like Amazon are already. Jon stated they are also looking at taxing services such as haircuts, manicures, etc.

Chairman Jensen asked about the Sheridan Road expense of \$35,997.00 and was told that was the bond payment. Chairman Jensen asked what the \$60,000.00 was for in “other income”. Peggy McHugh stated that is for revenue received from Advanced Disposal, Beach Park Fire, Road Vacations, etc. It is a catch all for miscellaneous revenue that we do not have a specific fund for. Peggy McHugh stated that she received an email from Chris at RHMG on September 9th stating that the SSAs are almost complete.

FY16 Audit Report: Chairman Jensen then moved the discussion to the Fiscal Year 2016 Audit. Peggy McHugh stated that in the management letter, there are no current recommendations which is good for the Village. Peggy McHugh stated that in the GASB statement under “status” there is a typo. It reads “This comment has been implemented but will not be implemented in the future” and Peggy stated it should read, “will not be repeated in the future.” Peggy McHugh said to please go to page 1 MDNA is the financial highlights, net position, 2nd bullet point, net position of the Village has increased which shows the strength of the Village. Net position is cash, fixed assets, etc. While the governmental activities show an increased net position, business activities net position decreased. Jon Kindseth stated that we have to start discussing how to increase the capital funds in the water/sewer fund.

Peggy McHugh stated that the EAVs of the Village have gone up for the first time since 2010. Trustee Sittig asked about the pie chart and why the hotel/motel tax is zero. Peggy stated that because the amount is so small, the auditors zeroed it out. Jon Kindseth stated that the amount has gone up in the last couple of years since they had a meeting with the owner explaining the tax and who can and cannot be charged. Trustee Sittig asked if there is going to be a Committee of the Whole meeting to go over this audit. Jon Kindseth stated that he could schedule

one; however, the auditors will be at the Board meeting tomorrow night and they will go into much more detail then we are going to do at tonight's meeting. Chairman Jensen stated that the Board could approve the audit and then we could schedule a meeting to discuss the audit more thoroughly. Peggy McHugh stated that with all of the work that has been done, the numbers will not change. Chairman Jensen stated that he will mention it to the Board tomorrow night to see if there is any interest in scheduling a meeting to go over the audit more thoroughly.

Peggy McHugh stated that on MD&A page 12, reports two million in additions of capital assets. Peggy McHugh stated that infrastructure is a lot higher than the past years and that has a lot to do with the utility tax. Peggy McHugh stated there is a section in the audit that is interesting regarding IMRF and she suggested to the Committee to please take the time to read that section. Peggy McHugh stated that at the back of the audit they will find statistical information and it does show the upswing of the EAV.

Treasurer's Report: Chairman Jensen then moved the discussion to the Treasurer's Report. Peggy McHugh stated that the annual Treasurer's Report is a requirement as the Treasurer reports to the Clerk and that it must also be published in the paper. Peggy McHugh stated that the Village publishes the Treasurer's report in the News-Sun as the circulation is greater than the Zion-Benton News. Chairman Jensen said this report is pretty straight forward.

Continuing Disclosure: Chairman Jensen then moved the discussion to the continuing disclosure. Peggy McHugh stated that she and Jon met with Andrew Kim from PMA Securities to discuss our bonds and stated that he was very thorough in the discussion regarding continuing disclosure and stated that we have some discrepancies in the bond documents. Peggy stated that Mr. Kim said the discrepancies are the dates that we need to be reporting. Peggy stated that Ehlers did not use our fiscal year end, that as it reads now, we should be disclosing on December 31st and June 30th. Peggy stated that Mr. Kim will give us some direction on how to correct the error and that we can pass an ordinance stating it was a scrivener error. Jon stated that Peggy negotiated a good price with them and staff would like to switch from Ehlers to PMA Securities for continuing disclosure services. Jon Kindseth also stated they discussed the bonds and when we can recall them and how much money that would save the Village. Peggy stated that she and Jon will be meeting with him again; however, Jon stated that staff is looking for support to make this change. Jon stated that we would need to cancel Ehlers in January. Jon stated that Ehlers charges \$2,800.00 and PMA Securities would change \$2,000.00. The Committee is on board with the change.

Warrant List: Chairman Jensen then moved the discussion to the warrant list. Chairman Jensen asked again about Clarke Environmental and if they can prove that what they are spraying actually works. Jon Kindseth stated that he believes he had answered that question as Clarke stated that they will prove it to the Village; however, it will be at the Village's expense. Jon Kindseth stated we use them as the surrounding communities do as well so there is a cost savings involved as they can do the communities concurrently. Jon stated that with the Zika virus in Lake County he does not want to cancel this service. Chairman Jensen stated he wants evidence that what they are spraying is working and actually killing mosquitos. More discussion was had.

Chairman Jensen then asked about the bill from Mid-American Technologies for \$4400.00 and Jon explained that the Village has purchased a machine that Public Works can use to do our own Julie locates on electrical. Chairman Jensen asked about the village wide lighting and if we have seen a decrease yet due to the change to LED lighting. Jon Kindseth stated that we have not seen a decrease yet as Com-Ed has not changed it over as of yet. Jon stated that the Village will see a large credit once they do make the change as they will back-date to the date the lights were replaced. Chairman Jensen then asked about the bill to the Treasurer for Wadsworth/Cambridge stop light and why we are paying. Peggy explained that Wadsworth is a state road and Cambridge is a Village road; therefore, we have to pay for a 1/3 of the cost of the stop light. Chairman Jensen asked about the \$600.00 bill to Peklay and it was explained that is for plats for Road Vacations and that the residents have already paid that amount back to the Village.

Chairman Jensen then asked if we charge Benton Township for their articles in the Village newsletter and Jon stated no, we do not charge them. We only charge businesses if they want to advertise. Chairman Jensen feels we should be charging Benton Township.

New Business: Chairman Jensen then moved the discussion to new business. Trustee Sittig asked Jon if we have been paid for our construction equipment from G & S as she has heard some pretty bad things about them not paying their bills. Jon said we have not received a payment; however, we are holding some bills they have sent to us for services they provided to the Village and we will not pay them until we get paid. Jon Kindseth stated that the Village still holds the titles to these vehicles and that he has met with them in regards to the lack of payment. Jon stated they are claiming they needed the payment arrangement because the winter was not good for them. Trustee Sittig asked to please be kept in the loop as she is worried about this as she has heard their reputation is not good. Jon said he will not embarrass the Village in any way and that he is keeping an eye on this and will keep her apprised of the situation. Chairman Jensen asked if there was any more new business. Hearing none and there being no further public comment, Chairman Jensen then advised that the next meeting will be on Wednesday, October 19, 2016 at 6:00 p.m.

Adjourn: Chairman Jensen then made a motion to adjourn. Trustee Sittig seconded the motion. Upon a voice vote, the motion was approved unanimously. The Finance Committee meeting was adjourned at 7:25 p.m.

Next Finance Committee Meeting: Wednesday, October 19, 2016 at 6:00 p.m.