

**Minutes of the  
Finance Committee Meeting  
Of  
February 15, 2017**

Attendees:

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

Trustee Regina Miller - Member  
Trustee Linda Sittig – Member  
Sandi Pastell – Recording Secretary

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 January 18, 2017 meeting. Jon Kindseth stated there are no new updates.

**January 18, 2017 meeting minutes:**

- **DELINQUENT SEWER ACCOUNTS:** Chairman Jensen asked about the delinquent sewer accounts and Peggy McHugh said that we are down to about 15 accounts that are over \$500.00. Peggy McHugh stated that Sandi has collected approximately \$7,000.00 in the last couple of months.
- **WATER TAGGING FEE:** Chairman Jensen said that at the last meeting we did discuss adding additional fees for tagging residents whose water may be shut off, etc. and Jon Kindseth stated that will be covered with the fee schedule and if it is recommended by the Committee tonight to move forward.
- **WATER BILLING CHANGE:** Jon Kindseth stated that if we do move forward with the fee schedule we are shooting for May 1<sup>st</sup> for the water and sewer changes, along with changing the water billing to quarterly instead of bi-monthly. The rest of the fee schedule will be effective sooner.
- **SSA #1 CONNECTION FEE WAIVER:** Chairman Jensen then asked if letters have been sent out to the residents in the SAA1 district in regards to connecting to water within a specific amount of time with no connection fee. Jon Kindseth stated that will require an ordinance change and that he would like to give the residents advance notice. Mayor Hucker said that we should give them at least a year to connect with the connection fee being waived and then after that, the price goes up. More discussion was had.
- **AZAVAR AUDIT:** Chairman Jensen asked about the Azavar Audit and Peggy McHugh stated that she recently had a conference call with them and was informed that Com-Ed is going to take the longest as they have a terrible system. Also, they do not want to go back in time; they want make address corrections going forward. Peggy McHugh stated that North Shore Gas is just about finished and that Comcast is still at a standstill. Jon Kindseth advised that we have not renewed the franchise agreement with Comcast as of yet.

Trustee Miller then made a motion to approve the January 18, 2017 meeting minutes. Trustee Sittig seconded. Upon voice vote the January 18, 2017 minutes were approved unanimously.

**Monthly Finance Report:** Chairman Jensen then moved the discussion to the Monthly Finance Report. Peggy McHugh stated that if the surplus continues we could transfer some into the underfunded IMRF or to the Capital fund. Mayor Hucker stated that the state should not be touching LGDF or MFT funds. Peggy McHugh stated that everything has pretty much stayed the same and that is all she has. Chairman Jensen asked who Patriot Paving is and what they were used for. Jon Kindseth stated that they do the crack sealing; however, this expense will be moved out of MFT and moved to Streets. Chairman Jensen asked about the village wide meter replacement and Peggy McHugh advised the Committee that has been completed.

**Fee Schedule:** Chairman Jensen then moved the discussion to the Fee Schedule. Jon Kindseth stated that we did include the entire fee schedule; however, he will only be going through the items that they did not discuss at the last meeting.

- **ORDINANCE NUMBER 13.04.080** : Jon Kindseth stated that in ordinance number 13.04.080 there was preference given to multi-family homes and said he does not believe that the village intention was to do that so therefore he is eliminating it. Jon Kindseth stated there will be two classes, Commercial and Residential and that he has changed that throughout the schedule.
- **MINIMUM WATER BILL** : Jon Kindseth stated that the largest change is the water consumption rates and that he would like the Committee's support for a minimum water bill.
- **BASE WATER RATE INCREASE**: Jon Kindseth stated that staff would like to raise the water rate by \$0.13 above what Waukegan has passed onto us and advised that the rate is based on gallons used and that the minimum bill would be 4,000 gallons per billing cycle. Jon Kindseth advised that the rate will be slightly higher for commercial.
- **SEWER RATE**: Jon Kindseth stated that we will be raising the sewer rate an additional \$0.20. Jon Kindseth would like the Committees' input on how they would like us to bill for sewer, the same as the water with a minimum, or by the actual read. The Committee is in agreement that the sewer should be billed by the actual read as long as the system will allow it to be done that way. Jon Kindseth then stated that the zoning application increases are due to inflation.

**FY 17-18 Preliminary Revenue Budget (IMRF Earnings, Salary Survey)**: Chairman Jensen then moved to the FY 17-18 preliminary revenue budget.

Peggy McHugh gave an overall look at the General Fund and stated that she built in the salary adjustments and a 10% increase in liability and workman's compensation. Peggy McHugh stated they also added in tuition reimbursement. Peggy McHugh stated that the water/sewer is strictly operations and stated that the increases in the fees are included in her figures. Chairman Jensen stated that he already submitted his questions so he doesn't feel we need to go through the entire budget.

Peggy McHugh started with the Mayor and Mayor Hucker stated that we still do not have the new contract from the Sheriff's department; however, Peggy McHugh stated that she increased the amount by 5% anyway.

Peggy McHugh then walked through each category to answer any questions that the Committee had including those submitted by Chairman Jensen.

**Salary Survey**: Jon Kindseth discussed the salary survey and the health insurance and told the Committee that he found the Village is pretty average in comparison. Jon Kindseth stated that the Village is more generous with its dependent care as we cover 93% and most other communities cover 90% and that he would like to raise the amount for the employee to contribute for dependent care.

Chairman Jensen is concerned that an increase would affect the moral. Jon Kindseth gave some examples on how he will present it to the employees to get them to understand why the increase must be done. Jon Kindseth stated that he has updated the salary survey with all of the new information including additional communities. Jon Kindseth stated with upcoming increases we are comparable to other communities and reminded the Committee that this is only for the front end employees, not management positions.

Jon Kindseth then explained to the Committee that he is not looking for direction on the budget this evening. He would like them to continue to look though it and if they have any suggestions to please give them to Peggy. Jon Kindseth stated he would like their recommendation at the March meeting.

**IMRF**: Jon Kindseth then directed their attention to the IMRF insert in their packets and stated that IMRF is still underfunded; however, the investment return is 7.71% which is a .21% gain so that should chip away at the \$240,000.00 that the Village's IMRF is underfunded. Jon Kindseth stated he is not looking for anything from the Committee tonight, just wanted to bring it to their attention.

**IPBC NIHII Sub-Pool Split**: Jon Kindseth then moved to the IPBC NIHII sub-pool split and explained to the Committee that the self-insured pool is growing and that they are recommending that the districts be split in half so that the meetings are closer to home and they will need fewer bodies for a quorum. Jon Kindseth stated he just needs a recommendation from this Committee so that a Resolution can be prepared to go to the Board for approval. The Committee gave their recommendation to prepare the Resolution.

**Cell Tower Leases:** Jon Kindseth then told the Committee that staff is in re-negotiations with T-Mobile on the North Avenue Tower and that they would like the village to lower their rent and if we do not, they will be moving on. Jon Kindseth stated that the numbers are not going as low as has he thought and they are thinking that the current 4% is too high for inflation which Jon said it may be and that T-Mobile is looking for 10% over 5 years. Mayor Hucker suggested telling them that the Finance Committee would be comfortable with 12% and see what happens. Jon Kindseth told the Committee that he is working on a cell tower agreement to place one behind the Village Hall and explained to the Committee that we need to generate revenue and this will do it without having to propose a property tax. Discussion was had in regards to the pros and cons of cell towers.

**Tax Sale Properties:** Jon Kindseth stated that he would like the Committee's support to proceed in purchasing some properties within the Village that are in a tax sale. Jon Kindseth stated they are placed all around the Village and that he won't be spending very much per parcel. Jon Kindseth stated that right now we have a say as to where cell towers can go; and purchasing these properties can help; however, we have a short window of opportunity before we lose that control. The committee was in agreement to go ahead with purchasing the properties.

**Warrant List:** Chairman Jensen then moved to the warrant list. Chairman Jensen stated that he only has a few items and that he will not keep the Committee to go over them.

**New Business:** Chairman Jensen then moved the discussion to new business. Hearing none and there being no further public comment, Chairman Jensen then advised that the next meeting will be on Wednesday, March 15, 2017 at 6:00 p.m.

**Adjourn:** Chairman Jensen then asked for a motion to adjourn. Trustee Miller made the motion. Trustee Sittig seconded. Upon a voice vote, the motion was approved unanimously. The Finance Committee meeting was adjourned at 8:50 p.m.

Next Finance Committee Meeting: Wednesday, March 15, 2017 at 6:00 p.m.