

## Village of South Barrington

### FINANCE COMMITTEE

OCTOBER 11, 2010

### MINUTES

#### **CALL TO ORDER**

The meeting was called to order by Committee Chair Wokoun at 7:00 pm

Members present: Chair Wokoun, Trustee Merci  
Others present: Trustee Abbate  
Staff present: Administrator Pierce, new Administrator Mark Masciola, Chief Deegan,  
Finance Officer Bodie

#### **Approval of Minutes of May 3, 2010**

The Minutes of the May 3, 2010 meeting were approved as printed and distributed

#### Review of Employee Health Insurance renewal

The Committee reviewed the employee health insurance renewal. Per the recently adopted Police Union contract, the health plan deductibles and co-pays were changed. The new plan provides for a \$500 deductible and prescription co-pays of \$15/\$25/\$50. Other plan changes were also made by Blue Cross. Staff reported that the changes will result in an approximate savings by employees in total of \$3,000 in premium co-share payments that are deducted from their paychecks. The savings to the Village is approximately \$26,000. Committee discussed the impact to employees of the increased deductibles and co-pays and the savings resulting from lower premium costs. Committee suggested that the premium savings that the Village would recognize could be shared with the employees. The Committee recommended that the Village approve the new coverage with the higher deductibles/co-pays. The Committee also recommended the establishment of a new one year program to share savings with employees through a matching contribution to the employee's Section 125 Flexible Spending Account. The recommendation was to match eligible employees contributions up to an annual maximum of \$520. Committee forwarded the recommendation to the Village Board for consideration at the October meeting.

#### Presentation of Police Pension actuary results

Staff presented the police pension fund actuary report prepared by Timothy Sharpe Actuary. The report indicated that the Village needed to increase the Police Pension Fund Tax Levy by an amount of approximately \$75,000 to \$140,000, depending upon the assumptions included in the calculation. The Committee discussed the report. A final recommendation will be made at the next Finance Committee meeting when the recommended tax levy is reviewed.

## Village of South Barrington

Finance Minutes  
October 11, 2010

### Discussion of FY2009/10 tax levy

Staff presented information regarding the 2010 tax levy to be paid in 2011. Latest information from the Cook County Clerk shows that the assessed valuation of the Village did not increase as significantly as originally estimated by the Staff. The actual assessed value for 2009 is \$591,578,696 compared the Staff estimate of \$615,000,000. Staff presented information that would increase the 2010 levy paid in 2011 by less than 5%. Committee directed Staff to prepare the documents for Committee review at the next meeting.

### STAFF REPORTS

#### Village Administrator

U Administrator Pierce reported that IDOT's review of MFT fund expenditures shows that in 2001 the Village made payments from the MFT Fund that should have been made from the Road Fund. Staff is working with IDOT to correct the situation. It may require that the Road Fund refund the money to the MFT Fund. There is no question that services were provided, it only questions the fund that made the payment. There will be no loss to the Village as Road Funds paid to the MFT Fund would be available for future Village MFT road improvements.

Future water rates: Staff pointed out that the water rates had not been increased since the Village began operating the system in 2008. If the Village were to consider increasing the rates it would be best to implement the increase during the low water usage month in the winter. Currently the revenue generated from the sale of water does not cover the cost of operating the system. Toll Brothers is subsidizing the loss to assure that the Village covers costs for five (5) years. Under the current agreement with Toll, any increase in rates would offset the loss that they are required to cover. However, the subsidy ends there will be a significant increase in the water rates.

Implications of late Real Estate Tax collections: Cook County Real Estate Tax bill are not expected to be due until sometime in December This causes a problem with SSA #1 and SSA #3 because bond payments are due December 1<sup>st</sup>. Tax revenues will not be available to make the required payment. An agreement needs to be implemented regarding the bond payments so that funds are available. This needs to be accomplished at the November Village Board meeting.

NiCor Franchise Consortium: Administrator Pierce reported that there has been little progress with the negotiations. The Village should re-evaluate the benefits of continued membership with the consortium. It is anticipated that a third assessment is anticipated within the next several months.

NEXT MEETING: The next meeting is November 8<sup>th</sup>.

ADJOURNMENT: The meeting adjourned at 8:30 pm

Respectfully submitted by David Pierce