

Village of South Barrington

FINANCE COMMITTEE

NOVEMBER 8, 2010

MINUTES

CALL TO ORDER

The meeting was called to order by Committee Chair Wokoun at 7:18 pm

Members present: Chair Wokoun, Trustee Merci, Trustee Guranovich

Others present: Trustee Abbate

Staff present: Administrator Masciola, Finance Officer Bodie

Approval of Minutes of October 11, 2010

The Minutes of the October 11, 2010 meeting were approved as printed and distributed.

Final Recommendation - Police Pension Fund Levy

Based upon the police pension fund actuary report prepared by Timothy Sharpe Actuary and the discussion at the October 11, 2010 Committee meeting, Staff recommended the police pension fund tax levy increase \$100,000 from \$400,000 to \$500,000 for Fiscal Year (FY) 2010/11. The Committee noted the increase is also needed due to the increase in Police staffing that was included in the current year budget. A motion was made by Trustee Guranovich and seconded by Trustee Merci to accept the Staff recommendation. Voice vote – all ayes. Motion carried.

FY 2010/11 Tax Levy

Staff presented a draft Resolution determining the estimated property tax levy for FY 2010/11. Staff recommended the General Fund portion of the levy be increased by \$105,000 from \$2,140,000 to \$2,245,000. Along with the Police pension portion of the tax levy, the total levy increases \$205,000 from \$2,540,000 to \$2,745,000. The change from the prior year tax levy extension to the proposed tax levy represents a 4.9% increase. A motion was made by Trustee Merci and seconded by Trustee Guranovich to accept the Staff recommendation. Voice vote – all ayes. Motion carried. The draft Resolution will presented to the Village President and Board of Trustees for a first reading at the November 11, 2010 Regular Meeting.

FY 2010/11 Abatement Ordinance

Staff presented a draft Ordinance authorizing and providing for the abatement of General Obligation Bond tax levies for 2010 payable in 2011. The entire tax levy required for 2010 in the amount of \$513,920 will be abated. A motion was made by Trustee Guranovich and seconded by Trustee Merci to accept the Staff recommendation. Voice vote – all ayes. Motion carried. The draft Ordinance will presented to the Village President and Board of Trustees for a first reading at the November 11, 2010 Regular Meeting. Depending upon future financial position, an additional abatement ordinance may be considered in 2011.

FY 2010/11 Annual Tax Levy Ordinance

Staff presented a draft Annual Tax Levy Ordinance for FY 2010/11 which is used to defray expenses and liabilities of the Village in the amount of \$2,745,000. A motion was made by

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Trustee Guranovich and seconded by Trustee Merci to accept the Staff recommendation. Voice vote – all ayes. Motion carried. The total appropriation for FY 2010/11 of \$11,461,790 was \$1,713,885 less than the FY 2009/10 appropriation of \$13,175,675. The Truth in Taxation Certificate of Compliance was presented for the Committee's review.

STAFF REPORTS

Village Administrator

Future water rates: A discussion was held regarding future water rates. The Committee requested Staff explore this issue in conjunction with the preparation of the FY 2011/12 annual budget. Since the revenue generated from the sale of water does not cover the cost of operating the system, it was suggested that a gradual rate increase structure be investigated. Toll Brothers is currently subsidizing the loss to assure that the Village covers costs for five (5) years. Staff was directed to explore alternative water rate increase options including the renegotiation of the Operation and Management Agreement for the Village's water treatment and distribution system with Sheaffer & Roland, Inc.

SSA #3 Bond Payment – December 1, 2010: Staff presented a spreadsheet of the SSA #3 Bond Fund Activity from inception through December 31, 2010. With the late mailing of the second installment of the Cook County Real Estate Tax bills, sufficient revenue will not be available to make the December 1st bond payment. A Tax Advance and Reimbursement Agreement will need to be implemented to meet the December 1st bond payment deadline and may be presented for consideration at the November Village Board meeting.

Northern Illinois Municipal Gas Franchise Consortium: Staff presented a draft Resolution to withdraw from the Northern Illinois Gas Franchise Consortium due to little progress with the negotiations for a new franchise agreement and an anticipated third assessment for continued membership in the consortium in the next several months. Trustee Merci inquired if we would be paying for future legal fees for a new franchise agreement and if we could re-join the consortium at a future date. Administrator Masciola stated our franchise agreement expires in 2013 and that we may incur future legal fees for a new franchise agreement and hoped that a new franchise agreement would be available by that time for municipalities to approve. Chairman Wokoun requested Staff ask the Village President for his opinion regarding withdrawing from the consortium before presenting the draft Resolution for Village Board approval. A motion was made by Trustee Guranovich and seconded by Trustee Merci to advance the draft Resolution to the Village Board for consideration contingent upon the Village President's concurrence with the action to withdraw from the consortium. Voice vote – all ayes. Motion carried.

ADJOURNMENT: The meeting adjourned at 8:30 pm

Respectfully submitted by Mark C. Masciola