

Village of South Barrington

FINANCE COMMITTEE

FEBRUARY 14, 2011

MINUTES

CALL TO ORDER

The meeting was called to order by Committee Chairman Wokoun at 7:05 p.m.

Members present: Chairman Wokoun, Trustee Merci, Trustee Guranovich
Others present: Trustee Abbate
Staff present: Police Chief Deegan, Finance Officer Bodie, Administrator Masciola,

Approval of Minutes of November 8, 2010

The Minutes of the November 8, 2010 meeting were approved as printed and distributed.

Review of FY 2010/11 Year-to-date Revenue and Expenditures

The FY 2010/11 Year-to-date Revenue and Expenditure report for the General Fund was reviewed. This report is provided to the Village Board on a monthly basis and it was for the period closing on January 31, 2011. Revenues are performing well and expenditures are under budget.

Review of FY 2011/12 General Fund Revenue Projections

Staff presented preliminary General Fund revenue projections for the upcoming FY 2011/12 budget year. Based upon current trends, Staff estimates General Fund revenues will increase by approximately 7% in the next budget year. Trustee Merci inquired if there were any comparisons of Commercial and Residential property tax collections due to tax objections and reductions in the value of property. Staff stated there has been a shift in the burden between Commercial and Residential properties due to some successful tax appeals and that the burden has shifted slightly to the Residential properties. Chairman Wokoun noted we need to look at the Village Hall Expansion revenues and expenditures by April.

FY 2011/12 Budget Schedule

The FY 2011/12 Budget schedule was reviewed. The schedule outlines key deadlines for the Committee budget submittals, the Draft budget submittal to the Village Board and the date for adopting the Final budget.

Police Pension Reports for Fiscal Year Ended 4/30/09 and 4/30/10

Staff presented the Police Pension Board Reports for the Fiscal Years that ended 4/30/09 and 4/30/10 for the committee's review and approval. Staff stated these reports will also be presented to the Village Board and in the future, the report will be presented when the Village Board considers the adoption of the annual tax levy. Trustee Merci asked if there was a long term plan to fund the Police Pension Fund obligations. Staff and Chairman Wokoun responded that an Actuarial Report is provided each year and contains recommendations of the upcoming year suggested contributions. The current plan is to fund what we can within current fiscal restraints.

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Staff noted investment earnings have improved due to the market recovery. Chairman Wokoun stated it would take ten years to significantly improve the percent of the funded liability. Trustee Merci asked how the rate of return is being met. Chairman Wokoun responded through Index Funds and retaining current earnings.

Police Pension Fund – Statement of Investment Policy

The Police Pension Fund Investment policy adopted on May 6, 2008 was reviewed. Staff noted the investment policy would be presented to the Village Board for the first time. Staff also noted, Mitchell, Vaught, and Taylor, Inc. was the Police Pension Fund investment counselor.

Police Pension Fund Actuarial Valuation Report for the year Beginning May 1, 2010

The Police Pension Actuarial Valuation Report prepared by Timothy W. Sharpe was discussed. Staff noted the percent of the unfunded accrued liability had increased from 43.2% in 2009 to 48.0% in 2010. Staff stated the current State law requires the percent of the unfunded accrued liability needs to increase to 90% by the year 2043. Trustee Merci asked what the current unfunded liability was and Staff responded \$4.7 million dollars.

STAFF REPORTS

Village Administrator

SSA #3 Bond Payment – December 1, 2010: Staff stated the SSA #3 Bond Payment was made by the December 1, 2010 deadline. Trustee Merci asked who paid The Arboretum and Staff replied it was unknown.

Water Treatment Agreement – Sheaffer & Roland: Staff stated a contract extension proposal for the Water Treatment Agreement from the current operator, Sheaffer & Roland, was received. The proposal included a reduced monthly rate and a five year rate freeze. Staff suggested an informal inquiry to other water treatment plant operators be made to determine how their proposed monthly rates compare to the current extension proposal. Trustee Abbate suggested Staff also find the monthly rate the former operator, American Water, was charging. The Committee also suggested Toll Brothers be contacted to determine their future involvement with the water treatment plant. A motion was made by Trustee Merci and seconded by Trustee Guranovich to direct Staff to make informal inquiries to other water treatment plant operators to obtain comparison monthly rates to operate the water treatment plant. Voice vote – all ayes. Motion carried.

Water Rate Comparisons: Staff provided the Committee with a Water and Sewer Rate Comparison of ten other municipalities. The combined quarterly water and sewer bill comparison indicated the South Barrington rates were lower than the average of the ten communities examined. The Committee requested Staff continue to explore this issue in conjunction with the preparation of the FY 2011/12 annual budget. Staff has suggested that a gradual rate increase structure be investigated. A minimum water bill structure may need to be implemented.

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ADJOURNMENT: A motion for adjournment was made by Trustee Guranovich and seconded by Trustee Merci. Voice vote – all ayes. The meeting adjourned at 9:05 p.m.

Respectfully submitted by Mark C. Masciola