

Finance Committee
Thursday, October 8, 2015
7:00 a.m.
Village Hall Conference Room

In attendance: Joel Gesky, Tim Boyce, Tim Nugent, Diane Dole, Wendell Phillips, Bernie Thompson, Chris LaRocque, Janice Schulteis, and Dale Gerretse (Groskreutz, Abraham, Eshleman & Gerretse LLC).

Draft Village Audit – FY 2014-2015

Dale Gerretse presented the draft financial audit for fiscal year 2015. The information is condensed in front, and is more detailed further into the document. Although the police pension is audited by another firm, the information is referenced in the Village audit. Pages 15-16 show combination of all funds on accrual basis, which is not the same basis as monthly reports that are generated by the treasurer. Assets are capitalized and borrowing is a liability. Pages 17-19 show information under modified cash basis—closer to cash flow information we are accustomed to. General Fund revenues are comparable to last year, and expenses are higher due to increase in tax rebates. Prior year adjustment was made to combine financial information of two agency funds—Community Fund and Impact Fee Fund—with the General Fund since those funds are designated for nothing specific and basically have no limitations on use. Pages 21-22 show proprietary funds—Waterworks & Sewer and Golf Course—both having positive cash flow. There is also increased reserve for future upgrades of the sewer system.

This year, the methodology and assumptions have been changed by the state for reporting police pension information. Actuarial data now shows how much is required to fully fund the pension (about \$8.6 million). Current balance of the fund is approximately \$5.9 million, leaving unfunded \$2.7 million. Using these numbers, our fiduciary net position as a percentage of total pension liability is 68.42%—quite a drop from last year’s funded rate of 84%, which was calculated using different assumptions. The Village continues to contribute more than the actuarial recommended annual amount to fund the pension. We will research other communities’ contribution status for comparison purposes.

The final financial audit document will be presented at the October 19th board meeting to be accepted and placed on file.

Webfoot Designs Website Hosting/Maintenance Agreement

Review of a proposed website hosting/maintenance agreement with Webfoot Designs which would cover hosting, CMS upgrades and CMS security for \$80 a month. This relates to behind the scenes language required for running our website, and watching for viruses or hacks. Webfoot has had to update 3 times over the last 2 months while working on our new website. Cost would be \$75 per hour for updates or security clean up if we are not under this agreement. Current charges of \$120 for annual hosting would be replaced by this agreement. Response was positive from the board members present—we will move forward with the agreement.

Federal Seizure Monies

We have received \$255,000 for our share of federal seizure money. Use of the money is restricted to law enforcement purposes. We intend to spend \$100,000 for 25 portable radios and accessories. Units have list price of \$7,000 each, but we will pay about \$3,800. A new digital fingerprint machine would be \$17,000 including training, and a machine with software to download cell phone information would cost another \$20,000. (We may utilize drug seizure funds for this purchase.) Other purchases being considered are new car radios (\$39,000) and additional updated tasers (\$20,000). Current tasers are expiring and cannot be serviced anymore. More research is being done on the car radios and repeaters necessary in schools for any school related incidents where police are called in.

Economic Alliance

Kankakee County is requesting a 2-year financial commitment from local communities to help fund the Economic Alliance department. Contributions would be based on population, with Manteno giving \$4,602 a year for two years. They do provide a service, have met with potential investors and did all work necessary to renew and administer our Enterprise Zone. The county is hoping that once the Enterprise Zone gets going, they will be able to utilize permit fees to replace the money from the communities. The Mayor has committed to two years financial assistance from the Village.

Swart Property

Property is located to the north of the school district office, across the street, and east of the Metro bus station. The owner has told Chris LaRocque that he has been unable to obtain an appraisal on the property and that the soonest it could be done would be November. He has lowered his price from \$200,000 to \$170,000. The assessed value of the property is under \$130,000. The property continues to be an eyesore in that area due to maintenance issues and would need to be demolished. What is this property worth to us? If we are not required to pay appraised value, what would we be willing to pay? The lot is 50 x 160 and could be improved into an 18-stall parking lot. Trustee Dole is against paying more than appraised value and wants to stay consistent in our property assembly process. Mayor Nugent stated that it certainly is an option to do nothing, and he encouraged trustees to decide exactly how they would like to proceed.

Invenergy Discussion

Invenergy, a world-wide business in energy has shown interest in the possibility of constructing a natural gas-to-electricity conversion facility in Manteno. They have an option on 40 acres north of the KVCC asphalt plant (TIF3 district), and have started the application process with the state. If they decide to move forward, it would take 2 years for the approval process and another 2 years for construction of the \$500 million to \$1 billion facility.

Oktoberfest Manpower

Review of Village personnel support for Oktoberfest this year. Police contributed 272 regular and 204.5 OT hours—for value of \$17,716.43. Public works contributed hours for total value of \$10,813.61. Although the Village assists in Oktoberfest, it is a Chamber of Commerce event. All proceeds go directly to the Chamber.

Month End Financial Reports

One more month until we are at the half-way point in the budget. Due to no budget for the state yet, we are not receiving some monthly intergovernmental payments—Local Use Tax, Video Gaming Revenue. Sales tax numbers are also behind anticipated amounts. Because of this, General Fund revenues are lagging. Some expenditure line items—such as police pension contribution—have the entire budgeted amounts paid out early in the fiscal year, and are therefore close to 100% now, slightly skewing our percentage ratios for those lines. We will look more closely at all the factors affecting the state of the budget next month.

Miscellaneous

Other items discussed were Midtown Liquor considering a relocation from Second Street to Locust St; Rosenbloom is interested in buying Raphaelo's; Adam Baumgartner owes us \$2,750 in fines and owes his landlord Mike Nelson several thousand dollars and is probably going to be evicted from the building on Locust; Frank's Appliance is looking at opening a store in the old Dollar General on Main Street; Chief Thompson is reviewing applications to fill the open police position—three additional officers will also be retiring within 18 months.

The meeting adjourned at 8:53 a.m. The next regularly scheduled meeting will be Thursday, December 10, 2015, at 7:00 a.m. in the Village Hall conference room.

Submitted by Janice Schulteis