

MINUTES OF THE FINANCE COMMITTEE MEETING OF THE VILLAGE OF METTAWA, ILLINOIS, HELD AT THE HOUR OF 6:30 P.M. ON JANUARY 15, 2019 IN THE MAPLE ROOM OF THE HILTON GARDEN INN HOTEL, 26225 N. RIVERWOODS BOULEVARD, METTAWA, ILLINOIS

A. CALL TO ORDER

Chairman Maier called the meeting to order at 6:30 p.m.

B. ROLL CALL

Upon a call of the roll, the following were:

Present: Chairman Maier and Trustees Brennan

Absent: Trustee Towne

Chairman Maier declared a quorum present.

Also present: Village Administrator, Bob Irvin; Village Treasurer, Pam Fantus; Financial Consultant, Dorothy O'Mary; and Village Clerk, Sandy Gallo

C. APPROVAL OF THE MINUTES

Chairman Maier requested a motion to approve the December 18, 2018 meeting minutes. It was moved by Trustee Brennan and seconded by Chairman Maier that the minutes be approved and be placed on file. The motion was carried.

D. REVIEW OF INVOICES PRESENTED FOR PAYMENT

Financial Consultant O'Mary said three invoices are being added to the report. The invoices include; Howe Security for \$7,773.98, ComEd SSA#4 for \$117.98 and ComEd acct 2015 for \$91.40.

Chairman Maier said the new unpaid bills amount is \$1,013,730.64.

Chairman Maier added this month's activity includes SSA#2 P&I 2006 bond payment in the amount of \$925,928.13 due February 15th. This bond payment is the last SSA#2 payment and it will be completed as a wire transfer.

E. REVIEW OF THE TREASURER'S REPORT FOR DECEMBER 2018

Trustee Brennan asked if the Costco current year sales tax amount of \$253,027.00 was correct. Financial Consultant O'Mary said this amount is only an estimate, until the true tax amount is received.

Village Administrator Irvin stated the Oasis current tax estimate amount could be increased from \$26K to \$33K as the estimated amount comes from an older report. Chairman Maier said he would like the new average to reflect as \$33K.

Trustee Bohm inquired if Grainger's sales tax to be received would also be reflected as a separate line item. Chairman Maier confirmed yes. Village Administrator Irvin confirmed Grainger's sales tax payments will be public information since the Village has a tax sharing agreement.

Chairman Maier added the sales tax numbers included on the report are correct. However, the breakdown of those amounts is received in a 3-month lag.

F. REVIEW OF THE CANCELLED TAX REBATE CHECKS

Chairman Maier said he had asked Financial Consultant O'Mary to provide a listing of the last two years cancelled tax rebate checks to determine if there was a trend. The listing indicated no trend. Village Treasurer Fantus said she emailed the remaining few residents who had not deposited their tax rebate check, to confirm they received a check. Village Treasurer Fantus said only one resident needed to be reissued a check.

Chairman Maier asked the Committee if any feedback was received regarding the tax rebate program. No comments had been heard.

Village Administrator Irvin said the Committees will begin their budget reviewing process at the February meeting. The proposed draft will be presented to the Board in March.

G. REVIEW AND RECOMMENDATION OF A REVISED AGREEMENT WITH JAMES ANDERSON ENGINEERING

Village Administrator Irvin said he met with Village Engineer Scott Anderson in December to discuss JACO's agreement. The newly proposed agreement is a good blend of prior year agreements with the current needs for the Village. The proposed agreement would be a flat retainer of \$10,000. The monthly amount breakdown consists of \$6,000 for building related services such as, FOIA's, questions, Around the Town meetings, and a few other items. The remaining amount of \$4,000 would be permit revenues. Once the revenues exceed \$60,000, 80% will be charged of the amount over and 60% will be charged over \$100,000.

Village Administrator Irvin provided an illustration of how the new proposed building permit revenue and fees formulas had been already used in the years of 2015-2018. Please see Village Administrator Irvin's memo dated January 9th for further details.

Village Administrator said the Village does not want to overpay for the public service work; therefore, the new hybrid agreement is a good contact for both parties. This agreement will be effective January 1, 2019. Village Administrator Irvin said once the Village reaches \$60,000 the monthly amount would be calculated based on revenues.

Chairman Maier mentioned to Financial Consultant O'Mary she will need to keep track of the JACO revenues and would like a follow up in March to see how these amounts are moving along in the year.

H. UPDATE ON CAPITAL ASSET BALANCES RECONCILIATION FROM FY 2017-18 AUDIT LETTER

Village Administrator Irvin read the Management Letter from Sikich regarding the Village assets reconciliation and the statements having been modified. Financial Consultant O'Mary said the listed fixed asset indicating the construction in progress did not belong on the records, this item was cleaned up. Village Administrator Irvin inquired during the September audit presentation to the Finance Committee why Financial Consultant O'Mary did not correct the auditors indicating the fixed asset recording issue having been resolved. Financial Consultant O'Mary stated this matter is considered a journal class distribution. Financial Consultant O'Mary said nothing was given nor taken for the fixed asset reallocation. Financial Consultant O'Mary stated that the management letter comment is a repeat and those issues were addressed. Chairman Maier stated this is the first year the audit was completed under the new financial software. Chairman Maier said this is the first year the fixed assets were reconciled. Chairman Maier added we can reply to the auditors that the Village documents have been submitted based on the new financial software, the auditors and the Villages fixed assets amounts did balance, the fixed assets items have been placed in their proper asset category and the Committee considers this section reviewed. Financial Consultant O'Mary stated the auditors would like a fixed asset policy in a book. Village Administrator Irvin stated the auditors did not make that request in this management letter. Chairman Maier suggested we should print out each asset, print the fixed asset policy and provide them this detail. Village Administrator Irvin said another capital asset comment included in the letter was that the Village did not utilize interactive account groups on general ledgers for long term debt. Financial Consultant O'Mary stated during the audit report, the auditors indicated this grouping worked well. Financial Consultant O'Mary said the capital debit will be added onto the Balance Sheet, so yes it will be completed.

Village Administrator said the other two matters on this letter included segregation duties and the Financial Reporting having a reduction of journal entries changes. Financial O'Mary said she owns the journal entries for the property tax. Chairman Maier said the journal entries being made do not include a large amount of changes. Village Administrator Irvin suggested that during the upcoming April meeting with the Sikich auditors these items should be further discussed. Chairman Maier said during the April Financial meeting the committee will take some additional time to review the financial statements to ensure the itemization has been coded and captured as needed for the audit. Chairman Maier asked Financial Consultant O'Mary to run a fiscal year Trial Balance for the April Finance meeting to review the listed items in preparation for the audit.

I. UPDATE ON OASIS BUSINESSES AND WALKTHROUGH

Chairman Maier asked if Village Administrator Irvin completed a walkthrough at the Oasis. Chairman Maier specifically asked where was Popeye's captured on the listing of businesses located at the Oasis. Village Administrator Irvin said Popeye's is located at the old Gyros location. Village Administrator Irvin said he has accounted for every business

listed in the Oasis. Some businesses own two or more businesses and they use one sales tax account for all their stores. In addition, Village Administrator Irvin said he connects with the real estate agent a couple times a year regarding any new businesses and vacancies that have occurred.

J. ANY OTHER ITEMS THAT MAY APPEAR TO THE COMMITTEE FOR CONSIDERATION, AND IF APPROVED, BE RECOMMENDED FOR APPROVAL TO THE BOARD OF TRUSTEES

Chairman Maier said he would like to discuss the Northern Trust deposit box. Chairman Maier inquired who was the keeper of the Letters of Credit (LOC) for the Village. Village Administrator said the Village retains these letters in the deposit box. Currently only one LOC is active, the Crest subdivision. The LOC is for the road to be asphalted. Financial Consultant O'Mary stated she reflected Sanctuary Lane having a LOC and a balance on the books. Village Administrator Irvin stated Sanctuary Lane's letter expired a few years ago. Sanctuary Lane repaved their road. Financial Consultant O'Mary said she would need to receive the document in order to remove the amount reflected on the statements. Chairman Maier asked the Village Administrator Irvin if he could obtain the call of money details to remove the amount from the Balance Sheet. Chairman Maier asked Financial Consultant O'Mary to contact David Lee regarding this matter.

Trustee Bohm asked if the Village knew the occupancy of the hotel. Village Administrator Irvin said the occupancy has been estimated at 75%. The hotel room rates have been reduced to continue to be competitive with surrounding hotels.

Financial Consultant O'Mary said she is currently reviewing the 1099's and issuing one to any vendor over \$600. Village Clerk Gallo appeared on the list due to some Village expenses that were captured. Chairman Maier stated no 1099 will need to be issued to the Village Clerk due to the expenses being Village related.

K. ADJOURNMENT

With no further business to conduct, it was moved by Trustee Brennan and seconded by Chairman Maier that the meeting be adjourned at 7:20 p.m.

Sandy Gallo, Village Clerk