

Finance Committee Minutes  
January 27, 2015  
Campton Hills Village Hall  
40W270 LaFox Road Suite B  
Campton Hills, Illinois

The meeting was opened by Chairman Manser at 6:36p.m.

Roll Call: Those present in person included Chairman Manser, Interim Village Treasurer Jill Long, Diane Broecker, Kevin Pretet, Tom Rieger, Timothy Pearce (arrived at 6:37pm) and President Smith.

There was a motion by Diane Broecker and a second by Tom Rieger to approve the October 30, 2014 minutes. A voice vote was unanimous to approve the October 30, 2014 minutes as amended.

Interim Village Treasurer Jill Long gave the December's Treasurer's Report. Ms. Long reported that since the December's Treasurer's Report, \$16,809 in Sales Tax was posted, and \$19,907 in Local Use Tax. She also reported that several of the vouchered amounts had cleared the bank. There was a discussion related to legal fees and year-end projections for that account.

Village Administrator Johnsen presented her revenue estimates for Fiscal-Year 2016 (FY16) and noted that the Village historically used 95% of the Income Tax and Local Use tax from the estimates provided by the Illinois Municipal League (IML). Ms. Johnsen estimated \$218,000 in Sales Tax for FY16. There was a discussion, and the consensus was to prepare two different versions of the budget due to the pressures on the state budget and the likelihood that there would be a reduction in the state shared revenues. One version of the budget is to use 95% of the IML projections for shared income tax and the other version is to be adjusted downward by another 30%.

Administrator Johnsen reviewed the two Actuarial Valuation Reports for the Police Pension Fund prepared by the State of Illinois' Dept. of Insurance and Lauterbach & Amen, LLP (L&P). L&P used an assumption of a 4.5% rate of return on investment (ROI) for a twenty-year period; the historical ROI for the fund is 2.2%. Once the Police Pension Fund has assets of \$2.5M, 35% of the funds are eligible to be invested in equities, until that time, the Police Pension Fund can only invest up to 10% in equities. Both reports assumed only five full-time Police Officers and the Village now has six full-time officers on duty. The L&P Report estimates the 6<sup>th</sup> Police Officer assigns 39.93% of payroll costs, which translates to the need for an additional \$16,000 to cover the extra officer. It was also discussed that there were different tiers in pension system based upon the number of years of service and that retired officers, Tier 2 Officers, don't earn a full pension (2.5% of salary) versus Tier 1 Officers who can ear up to 75% of salary as a pension. It was determined the Committee needed to request the Police Pension Fund to provide annual net rates of returns since inception, which would include investment fees. The consensus of the Committee was also to plan for the Village to pay off the unfunded portion quickly and aggressively budget to pay down any remaining portion to be fiscally responsible.

There was a discussion related to signatories for various Village bank accounts. It was determined that one person should be in control of Petty Cash with the Village Treasurer auditing the Petty Cash records each month, that all signatories should abide by all policies including state statues (full bonding) and recommend the Board have three or four people be on every account.

There was also a discussion related to purchasing policies and spending limits and whose responsibility it was to draft those policies.

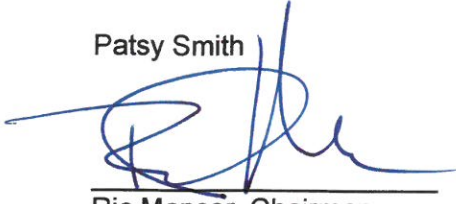
**Public Comment**

Michael Turgeon provided a comment thanking the Committee for their work and fiscal responsibility.

Diane Broecker moved to adjourn the meeting; Timothy Pearce seconded the motion to adjourn. The motion was unanimous approved to adjourn at 8:28p.m.

Respectfully submitted,

Patsy Smith

A handwritten signature in blue ink, appearing to be 'Ric Manser', written over a horizontal line.

Ric Manser, Chairman