

**MINUTES OF THE COMMITTEE OF THE WHOLE MEETING
OF THE GURNEE VILLAGE BOARD**

**GURNEE VILLAGE HALL
JUNE 25, 2018**

Call to Order	Mayor Kovarik called the meeting to order at 7:02 p.m.
Other Officials in Attendance	Patrick Muetz, Village Administrator; Brian Gosnell, Finance Director; Tom Rigwood, Director of Public Works; Jack Linehan, Assistant to the Administrator; Erica Wells, Assistant to the Finance Director
Roll Call	PRESENT: 6- Thorstenson, Jacobs, Ross, Garner, Balmes, Hood ABSENT: 0- None
Pledge of Allegiance	Mayor Kovarik led the Pledge of Allegiance.
A. DISCUSSION ITEMS	<p>1. Presentation of Citizen Self-Service online customer portal available through the new finance software.</p> <p>Director Gosnell introduced the topic noting the Finance Division has been working through the replacement of the current financial software over the last 2 years and was nearing the completion with the Utility Billing module set to go-live July 2nd and Business Licenses around November. Director Gosnell introduced Assistant to the Finance Director Erica Wells and noted her work as project manager of the software conversion.</p> <p>Assistant to the Finance Director Wells reviewed a PowerPoint regarding the new Citizen Self-Service portal that will be used by utility customers after July 2nd. Wells noted the current and future processes for making online payments, the communication plan for rolling out the portal to customers and provided a brief demonstration of the software.</p> <p>There was brief discussion regarding the Auto Debit program and the timing of the availability of the new portal and a link on the current portal.</p> <p>Director Gosnell noted the software allows for greater functionality particularly for businesses and at some point in the future will allow for a "one-stop" to pay for Village bills and licenses.</p> <p>2. Presentation of the FY 2017/2018 4th Quarter Financial Status Report.</p> <p>Director Gosnell reviewed the FY 2017/2018 4th quarter financial report noting the following:</p> <ol style="list-style-type: none">1. Cash & Investments<ol style="list-style-type: none">a. Total \$31,229,204b. General Fund 72%c. W&S 14%d. 42% Checking/Money Market – First Midweste. 32% Short-Term Fixed Income – Schwabf. 26% in Money Markets - IL Funds2. Yield vs. Benchmark<ol style="list-style-type: none">a. Village Portfolio – 1.634%b. 91 Day T-Bill – 1.627%3. Major Revenues<ol style="list-style-type: none">a. Finished the year 0.07% behind the seasonally adjusted budget and 1.93% behind of last year.b. Sales tax is our biggest concern and finished 2.4% off of budget and 2.5% off last year. The general trend is downwardc. Telecom taxes are down 0.67% compared to budget and down 7.68% from last year, the Village budgeted a 7% drop.d. Hotel taxes are down 45.46% from last year missed

- budget estimates by 6.39%. Impact of the closure of KeyLime Cove.
- e. Building permits finished 2.75% ahead of budget and 24.21% ahead of last year.
4. General Fund
- a. General Fund revenues in total finished the year 0.27% behind budget
 - b. General Fund expenditures finished the year 3.17% under budget
 - i. Salaries & Benefits - Vacancy savings
 - ii. Professional Services – Planning & IT consulting services
 - iii. Supplies – Fuel and building Maintenance savings
 - c. The Village budgeted a \$871k deficit and finished with a small \$289k surplus, with revenues coming in slightly under
5. Water & Sewer Operating Fund
- a. Water & Sewer Fund revenues finished the year at 96.23% of budget.
 - i. Charges for service finished at 96.22% of budget water consumption down 5.41% from last year which was up almost 3%
 - b. Water & Sewer Fund expenditures finished the year at 98.69% of budget.
 - i. Salary & benefit savings from Part Time & Sick Leave Buyback and Workers Comp offsets
 - ii. Professional & Technical lower finance consulting fees
 - c. Budgeted a \$344k deficit, but with revenues missing the mark due to lower consumption ended with a \$556k deficit
6. Police and Fire Pension
- a. Police Pension
 - i. Pension investments on the Police side had an avg portfolio balance of \$46.8m
 - ii. The fund had investment income through the quarter of \$5.2m
 - iii. For an annualized and 12 month return of 11.18% and a 36 month rolling of 6.66%
 - b. Fire Pension
 - i. On the fire side an avg portfolio of \$35.7m
 - ii. The fund had investment income through the quarter of \$2.7m
 - iii. For annualized and 12 month rolling for 7.44% and a 36 month rolling of 6.47%
7. Internet Sales Tax
- a. South Dakota vs. Wayfair
 - i. States Can Require Collection
 - b. Illinois
 - i. Marketplace Fairness Act – FY19
 - ii. Remit Use Tax
 - c. Still Outstanding
 - i. Size of Retailer
 - ii. Federal/State Legislation
 - iii. Municipal Rates
 - d. Director Gosnell walked through the calculation of potential revenue to be collected due to the additional Use Tax from internet sales, noting the total would be between \$80 and \$90 thousand annually.
3. Discussion of proposed updates to financial policies, (follow-up from 12/4/17 discussion).

Director Gosnell discussed the policies to be updated, including:

- Accounts Receivable Policy – Last Update 7/10/06
- Debt Policy – Last Update 12/19/05
- Fixed Asset Policy – Last Update 6/4/07
- Fund Balance Policy – General Fund – Last Update 3/7/11
- Pension Funding Policy – Created 7/11/16
- Purchasing Policy – Last Update 12/19/05

He noted there were draft policies included in the packet and two changes to the recommended updates from the meeting in December include;

- Accounts Receivable Policy
 - Distinguished between Adjustments and Write-Off
 - Write-off authority remains at \$5,000 for Administrator
- Fixed Asset Policy
 - Assets over \$1,000 inventoried and submitted to Finance Annually

Administrator Muetz noted any proposed changes from the Board should be directed to himself or Director Gosnell by the end of July. Director Gosnell will consolidate the policies and add to a Village Board agenda in August.

Trustee Garner inquired how the Village's assets were valued.

Director Gosnell noted that in conjunction with the implementation of GASB Statement 34, the Village had a professional assessment and valuation performed to establish initial values, and used the cost method and depreciation schedule outlined in the Village's fixed asset policy.

Adjournment

It was moved by Trustee Garner, seconded by Trustee Jacobs to adjourn the meeting.

Voice Vote: **ALL AYE:** **Motion Carried.**

Mayor Kovarik adjourned the meeting at 7:29 p.m.

**Andrew Harris,
Village Clerk**