



FINANCE

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Finance Committee - Meeting Minutes Thursday, July 9, 2015 4:00 pm

Call to Order: 4:00 by Trustee

Pledge of Allegiance

- **Roll Call:** Trustee Guzzo, Trustee Jim Addington, Village Manager Steve May, Finance Director Spencer Parker, Clerk Szymiski, Mayor Ron Gunter, Trustee Bruce Barker, Trustee Harold Barry, Chief Tom Mulhearn, Chief Dave Weiss, Acting PW Director Mike Ramsey, HR Director Cathy Crane, and CD Director Jill Ziegler (late arrival)

Minutes approved June 11, 2015 Regular Meeting Minutes - Addington 1st/Barker 2nd/all ayes

Unfinished Business: None

New Business: Investment Broker/Advisor - Director Parker reviewed the financial accounts that are currently in use and the interest rates that are earned. Director Parker explained there are two different models that can be used for investments. Most municipalities use an advisor for pension related investments; our pension board has an advisor. A broker is used for investing on a shorter-term basis, to provide for the day to day cash flow needs. They are similar, with different levels of service. Brokers provide the suitability standard, selling you an investment that suits your portfolio. The higher level of service is the advisor, a fiduciary of the Village, will charge a higher fee. A broker's fees will fluctuate, an advisor will have a set fee usually done through an RFP. What we found is entities that can do both, and one that is more of a hybrid between the two, PMA Financial Advisors Network. In review of the bids the hybrid seems to be the best fit: lower fees, municipal experience, a member of IGFOA, with the fees that they quoted, should have a gain of \$10,000.00 after their fees. On the next board agenda will be an item to approve a contract.

Mayor Gunter asked if this firm had a great deal of municipal experience, Finance Director Parker stated that PMA had the most experience in non-pension advice. Trustee Guzzo asked if there were term limits in the contract for the investments? Director Parker responded that the first step in reviewing with PMA will look at the cash flow and set up the various length of investments to make sure everything is staggered. Mayor Gunter asked what the commitment to PMA will be? Director Parker replied that we could pull out of it when we need to. Trustee Addington remarked that this is how the Lion's Club Endowment Fund works, and this is what we need to do. Trustee Guzzo thanked Director Parker for his research.

Overview of Appropriations Ordinance & Timeline: Director Parker showed the ordinance,

the legal limit of what the Village can spend. The budget is what the Village plans to spend and the appropriations ordinance is the legal limit of what the Village can spend. The notice has been posted in the newspaper announcing that the ordinance can be viewed at Village Hall. On the next agenda there will be a public hearing for the residents to come and give their opinion; the adoption of the ordinance will be on the agenda. Trustee Barker asked if the ordinance and budget were available on the website? Director Parker said that it can be put online. Trustee Barker stated it would make more sense than having people come in and ask to view it.

Mayor Gunter remarked that this is no different than any other year, we build in an amount over the budget for emergency purposes. Trustee Guzzo said this would be on the 23rd agenda.

Reports:

Chair/Trustee Guzzo: Thanked Director Parker for his assistance in bringing her up to speed as she became the chairperson of the Finance Committee.

Finance Director Parker: The proposed overtime rule that has been in the news lately is the federal government discussion on changing the Fair Labor Standards Act, overtime eligibility. The current standards for exemption will only be changed by the increase of the dollar amount in ratio to the poverty rate. The proposed increase will not have any impact on the current staff, with only a few exempt employees close to the margin. When/if the federal government begins discussing altering the position responsibility requirements, then the Village could be affected. Mayor Gunter stated that exempt employees at the Village are department heads and supervisors, Director Parker stated that it was also some administrative staff that had responsibilities that applied. Mayor Gunter stated that if a person was not eligible than we would have to pay time and half.

Purchasing cards are in process, with vendor proposals being reviewed. This should make payments more effective and receiving the bonus points to have rebates earned with purchasing. Mayor Gunter stated that the Park District has been using PCards for years, you can have different credit limits for different departments/employees as needed.

The Health & Wellness Program is being worked on by the Wellness Committee and the Insurance Committee. Our insurance pool, IPBC, has set up a tiered system to contribute to wellness programs in the belief that wellness programs will cut down the cost of claims. We are waiting for the state budget crisis to be resolved before moving forward. The insurance reserves with IPBC will cover the cost, estimating \$1,000-\$6,000 depending on contribution covered by IPBC. The costs will not affect the budget or funds of the Village, we are only waiting to move forward as to any decisions, not just budgeted ones. Mayor Gunter remarked that HR Director Crane stated that this should reduce our rates.

Trustee Addington let Director Parker know that the BBQ wrap meeting will be on Monday, and he will have paperwork for him after that.

Adjourn: 4:25pm Trustee Addington 1st/Trustee Barker 2nd