

VILLAGE OF
FRANKFORT
EST • 1855

FINANCIAL AFFAIRS COMMITTEE MINUTES
MARCH 8, 2017

CALL TO ORDER

Chairwoman Cindy Corso Heath called the Financial Affairs Committee meeting to order at 7:00 P.M. on Wednesday, March 8, 2017, at the Village Administration Building, 432 W. Nebraska Street, Frankfort, Illinois.

ROLL CALL

Financial Affairs Committee members in attendance included Mayor Jim Holland, Chairwoman Cindy Heath, Trustees Bob Kennedy, Mike Stevens, and Dick Trevarthan; Treasurer Judy Hageman, Jeff Slovak, Mark Springer and Michael Troc. Also in attendance were Administrator Jerry Ducay, Asst. Administrator Rob Piscia, Police Chief John Burica, Finance Director Jenni Booth, Director of Community Development Jeff Cook, Utilities Director Tony Minette, Community Relations Manager Mary Canino, Public Works Crew Leader Cesar Mireles and Administrative Assistant Theresa Cork.

APPROVAL OF MINUTES (November 9, 2016)

Member Springer made a motion (#1), seconded by Trustee Trevarthan, to approve the minutes of the November 9, 2016 Financial Affairs Committee meeting, as presented. The motion was unanimously approved.

REVIEW OF PROPOSED FY 2017/2018 BUDGET

Finance Director Jenni Booth reported that beginning with the FY 17/18 budget, the following funds were incorporated into the General Fund and are now separate departments within the General Fund: Police (Fund 11); Civil Defense (Fund 12); Public Works (Fund 13); and Garbage Disposal (Fund 15). The Vehicle Tax Fund (Fund 14) expenses are now included within the Public Works department and IMRF (Fund 16) and Social Security (Fund 17) expenses are located within their respective department. Prior to FY 17/18, Funds 11 through 17 were all separate Special Revenue funds. Ms. Booth then presented a synopsis of the proposed fiscal year 2017/2018 budget, highlighting some of the changes in revenues and expenses. Several questions pertaining to the budgetary line items were discussed and answered by staff following the presentation.

Following discussion, Mayor Holland made a motion (#2), seconded by Member Troc, to forward a recommendation to the Village Board to approve the fiscal year 2017/2018 budget as presented. The motion was unanimously approved.

FINANCIAL TRENDING ANALYSIS

Director Booth and Administrator Ducay provided the committee with an overview of the future municipal and utility funding analysis. They noted the dichotomy of the exceptional financial condition of the Village against the real likelihood that the next few years present serious challenges. Most notably discussed was the capital spending trend resulting in ongoing fund balance declines. When these spending concerns are coupled with flat revenue projections, an exhaustion of fund balances is possible as soon as the year 2022.

Following presentation and discussion, Administrator Ducay offered several options for consideration to increase future cash balances including, but not limited to, home rule sales tax; bond issues for road projects; garbage fees; and vehicle stickers. It was the consensus of the committee to be proactive and begin exploring measures to increase revenue and decrease expenditures.

T3IP NEW CONSTRUCTION GRANT: ADHESIVE SYSTEMS – 9001 FEY DRIVE

Director Cook provided a brief overview of Graefen Development's request for a new construction grant in connection with a proposed ±58,000 square-foot industrial building at 9001 Fey Drive in the East Point Park. Mr. Cook reported the building is being constructed for the expansion of an existing Frankfort firm, Adhesive Systems, Inc (ASI), who was acquired last year by the global manufacturer and marketer Royal Adhesives & Sealants. He noted ASI moved to Frankfort over 20 years ago and today employs 64 while operating from multiple buildings in the Airport Industrial Park. He further noted the relocation and expansion of ASI is expected to create 25 new jobs and expand production capacity by consolidating operations into a single larger facility. The Committee noted the project fell within the parameters of the Target Industry and Industrial Incentive Program (T3IP) guidelines and was eligible for a new construction grant of \$25,000.

Following brief discussion, Mayor Holland made a motion (#3), seconded by Trustee Stevens, to forward a recommendation to the Village Board authorizing a new construction grant in the amount of \$25,000, for the proposed ±58,000 SF building at 9001 Fey Drive, under the Target Industry and Industrial Incentive Program. The motion was approved unanimously.

OTHER BUSINESS

None.

PUBLIC COMMENTS

None.

ADJOURNMENT

Hearing no further business, Trustee Trevarthan made a motion (#4), seconded by Trustee Kennedy, to adjourn the Financial Affairs Committee meeting of March 8, 2017, at 8:17 P.M. The motion was unanimously approved.