

VILLAGE OF
FRANKFORT
EST. 1855

FINANCIAL AFFAIRS COMMITTEE MINUTES
OCTOBER 11, 2017

CALL TO ORDER

Chairwoman Cindy Heath called the Financial Affairs Committee meeting to order at 6:50 P.M. on Wednesday, October 11, 2017, at the Village of Frankfort Administration Building, 432 W. Nebraska Street, Frankfort, Illinois.

ROLL CALL

Financial Affairs Committee members present included Mayor Jim Holland, Chairwoman Cindy Heath, Trustees John Clavio, Bob Kennedy, Keith Ogle, Mike Stevens, and Dick Trevarthan; Village Clerk Adam Borrelli, Tazio Kubbs, Jeff Slovak and Michael Troc. Staff in attendance included Village Administrator Rob Piscia, Police Chief John Burica, Deputy Chief Will Dowding, Finance Director Jenni Booth, Director of Development Services Jeff Cook and Administrative Assistant Theresa Cork. Lauterbach & Amen representative Matt Beran was also present.

APPROVAL OF MINUTES (June 14, 2017)

Trustee Clavio made a motion (#1), seconded by Member Kubbs, to approve the minutes of the Financial Affairs Committee meeting of June 14, 2017, as presented. The motion was unanimously approved.

AUDIT PRESENTATION BY LAUTERBACH & AMEN, LLP

Auditor Matt Beran from the firm of Lauterbach & Amen presented the Village's *Comprehensive Annual Financial Report* for the year ended April 30, 2017. He provided an overview of the particulars of the audit and answered questions from committee members. Questions posed related to changes in net position, the Police Pension, GASB 68, IMRF, EAV values and consolidation of funds. Additional discussion focused on the current state of the Village.

Mr. Beran concluded by referring the Committee members to the Management Letter dated August 25, 2017, which provided a recommendation for informational purposes relating to Governmental Accounting Standards Board (GASB) issued Statements No. 74 and No. 75, which are applicable to the Village's financial statements for the year ended April 30, 2019.

AUDITING SERVICES EXTENSION – APPROVAL

Director Booth advised committee members that the Village Board adopted Resolution No. 15-14, "*Authorizing the Execution of a Letter of Engagement for Auditing Services between the Village of Frankfort and Lauterbach & Amen, LLP,*" for a three-year auditing services contract with the

option to renew the contract for two successive one-year terms. She reported the three-year period covered the fiscal year 2015, 2016, and 2017 audit years. The additional two years would provide auditing services for fiscal years 2018 and 2019. The fees for these additional two years of auditing services would be \$26,500 for FY 2018 and \$27,000 for FY 2019. She noted that either party may terminate the contract with written notice by the first of the year for the upcoming audit. Ms. Booth requested committee recommendation for Village Board approval to adopt a resolution to extend the contract with Lauterbach & Amen for two successive one-year terms.

Following a brief discussion, Member Slovak made a motion (#2), seconded by Trustee Kennedy, to forward a recommendation to the Village Board to extend the contract as presented. The motion was unanimously approved.

FUND BALANCE POLICY - APPROVAL

Director Booth reported that staff is in the process of establishing/updating the Village's financial policies and procedures. She noted a draft of each policy would be brought before the committee for review and consideration, as they are prepared. Ms. Booth presented a draft of a Fund Balance Policy. She reported the Fund Balance Policy establishes a minimum level at which the projected end-of-year fund balance should be maintained to provide financial stability, cash flow for operations, and the assurance that the Village will be able to respond to emergencies.

Following a brief discussion, Member Slovak made a motion (#3), seconded by Member Troc to forward a recommendation to the Village Board to adopt the Fund Balance Policy as presented.

OTHER BUSINESS

Mayor Holland stated a Committee of the Whole meeting will be held in November to evaluate the decline of overall fund balances and investigate steps to take in order to plan for the future.

Member Slovak inquired about the status of the new police radio system. Chief Burica reported the new radios have been received. The initial rollout has been delayed and the Village is waiting on Will County to get the system up and the programming information to our vendor in order to deploy them to the officers.

PUBLIC COMMENTS

None.

ADJOURNMENT OF FINANCIAL AFFAIRS COMMITTEE

Hearing no further business, Trustee Kennedy made a motion (#4), seconded by Trustee Clavio, to adjourn the Financial Affairs Committee meeting of October 11, 2017, at 7:55 P.M. The motion was unanimously approved.