

VILLAGE OF
FRANKFORT
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FINANCIAL AFFAIRS COMMITTEE MINUTES
MARCH 19, 2018

CALL TO ORDER

Chairwoman Cindy Corso Heath called the Financial Affairs Committee meeting to order at 6:00 P.M. on Monday, March 19, 2018, 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 John Clavio, Keith Ogle, Mike Stevens, and Dick Trevarthan; Tazio Kubbs, Jeff Slovak, and Michael Troc. Also in attendance were Administrator Rob Piscia, Asst. Administrator Jeff Cook, Police Chief John Burica, Finance Director Jenni Booth and Administrative Assistant Theresa Cork.

APPROVAL OF MINUTES (November 8, 2017)

Trustee Stevens made a motion (#1), seconded by Member Slovak, to approve the minutes of the November 8, 2017 Financial Affairs Committee meeting, as presented. The motion was unanimously approved.

REVIEW OF PROPOSED FY 2018/2019 BUDGET

Finance Director Jenni Booth provided a brief financial overview of fiscal year 2017/2018 and projected year-end results to the committee members. She reported the Village anticipates completing FY 17/18 with the ability to transfer approximately \$2,500,000 to the General Capital Development Fund mainly due to the new revenue sources (utility taxes, increase to telecommunications tax and newly imposed garbage fee) that were implemented during the fiscal year and as a result of conservative spending. She further reported the Village anticipates transferring \$4,100,000 to the Utility Capital Fund for funding major capital projects and IEPA loan payments, noting this large transfer is mainly due to FY 17/18 budgeted operating surplus, implementation of sewer rate increases, and conservative spending.

Ms. Booth then provided a synopsis of the proposed fiscal year 2018/2019 budget, highlighting total budgeted revenues and expenditures for the Governmental Funds, Enterprise (Utility) Funds, and the Fiduciary Fund. She reported expenditures for road salt was moved from the Motor Fuel Tax (MFT) Fund to the Public Works department within the General Fund for the new fiscal year. She also reported expenditures for the ongoing street resurfacing program also was moved from the MFT Fund to the Capital Fund, noting \$1.8 million is budgeted this year for improvements to

the Village's aging subdivision streets. She stated the movement of these expenses was done in an effort to free up dollars to use for the Village's local match of grant related road projects.

Director Booth concluded with personnel costs, noting while approved staffing for FY 17/18 was 90 full-time employees, the Village is currently operating with 81 full-time employees. She reported six vacancies are yet to be filled, two in the police department, two in the utility department, and two in the public works department. She continued on to explain the FY 18/19 budget reflects a reduction in staffing of three full-time positions due to the elimination of one position in the administration department, a customer service representative in the utility department, and an IT person. She further reported despite the decrease of three full-time employees, increases in total personnel costs from year to year still exist mainly due to increases in salaries, health insurance costs, and pension costs.

Following presentation and brief discussion, Member Slovak made a motion (#2), seconded by Trustee Trevarthan, to forward a recommendation to the Village Board to approve the fiscal year 2018/2019 budget as presented. The motion was unanimously approved.

SALARY COMPENSATION

Administrator Piscia presented a graph illustrating the Village's salary compensation pool percentages for the past five years. He requested the setting of the salary compensation pool percentage for the upcoming fiscal year, noting senior staff will allocate the available funds based on performance evaluations for all non-union employees once the percentage is set. He further noted in addition to the average pay increase, a merit pool has been established in the past to reward those for exceptional performance and also to help create parity in the salary classification.

Mayor Holland opened the discussion of employee salary compensation and members shared their views of varying merit pool percentages.

Following discussion, Trustee Clavio made a motion (#3), seconded by Mayor Holland authorizing an overall salary pool of three percent (3%) for non-union employees to be allocated for both CPI and merit adjustments based on evaluations. The motion was unanimously approved.

Trustee Stevens made a motion (#4), seconded by Trustee Trevarthan authorizing a \$35,000 merit pool for salary grade adjustments while considering performance standards. The motion was unanimously approved.

The FY 18/19 budget that was recommended for approval includes funds sufficient to cover the salary pool and salary grade adjustments.

OTHER BUSINESS

None.

PUBLIC COMMENTS

None.

ADJOURNMENT

Hearing no further business, Trustee Ogle made a motion (#5), seconded by Member Slovak, to adjourn the Financial Affairs Committee meeting of March 19, 2018, at 6:57 P.M. The motion was unanimously approved.