

VILLAGE OF
FRANKFORT
EST. 1855

FINANCIAL AFFAIRS COMMITTEE MINUTES
JUNE 13, 2018

CALL TO ORDER

Chairwoman Cindy Heath called the Financial Affairs Committee meeting to order at 7:15 P.M. on Wednesday, June 13, 2018, 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 Bob Kennedy, Keith Ogle, Mike Stevens, and Dick Trevarthan; Village Clerk Adam Borrelli, Judy Hageman, Tazio Kubbs, Jeff Slovak, Mark Springer, and Michael Troc. Others in attendance were Administrator Rob Piscia, Police Chief John Burica, Finance Director Jenni Booth, and Administrative Assistant Theresa Cork.

APPROVAL OF MINUTES (March 19, 2018)

Trustee Kennedy made a motion (#1), seconded by Mayor Holland, to approve the minutes of the Financial Affairs Committee meeting of March 19, 2018, as presented. The motion was unanimously approved.

APPROPRIATION ORDINANCE APPROVAL

Finance Director Jenni Booth provided an overview pursuant to her memo of the Appropriation Ordinance for FY 18/19. She reported the total proposed appropriation for the 2018/2019 fiscal year is \$65,813,672, which is \$6,234,272 higher than last year's appropriation of \$59,579,400. Ms. Booth explained this increase mainly relates to the increased appropriated amount for the Village's Wastewater Treatment Plant Consolidation Program as work continues on the second phase of the program. She directed attention to the appropriated and budgeted figures for each department and the various funds. She pointed out the salaries for the Law Enforcement Department were broken out in more detail this year as requested by the Police Pension attorney, noting the salary line items are the same amount as the budgeted amount and have not been increased by the five (5%) percent. Ms. Booth reported the total appropriation of \$65,813,672 is \$12,516,888 (23.49%) over the total budgeted amount of \$53,296,784.

Following brief discussion of the appropriation document, Member Slovak made a motion (#2), seconded by Member Kubbs, to forward a recommendation to the Village Board to adopt the Appropriation Ordinance as presented. The motion was unanimously approved.

LONG RANGE PLANNING - DISCUSSION

Mayor Holland referenced his recent Villager article regarding the sustainability of the Village's revenues to meet future obligations. He reported, while the Village's fund balances are currently healthy, they decline each year due to the need for investment in capital infrastructure. He stated in the past, surpluses from the Village's operations were used to fund capital reserves, but recognized an increasing need for capital investments to maintain the community. Mayor Holland noted existing pressure on operating revenues threaten to reduce or eliminate the Village's annual transfer to capital, concluding the Village cannot continue to sustain its long-term capital needs without additional revenue sources. He further reported the Village currently has the same number of police officers we had in 2001, although the population and size of the Village is much larger today. He noted Chief Burica proposed expanding patrol and crime prevention programs, but such programs require additional officers to implement.

Mayor Holland stated staff was directed to explore placing a measure on the November ballot to authorize the Frankfort Village Board to implement a Non-Home Rule sales tax of one percent. If approved by the voters and the board, the sales tax in Frankfort would increase from 7% to 8% on currently taxable items, except it would remain at 7% on titled goods, and would remain the same as it is now on qualifying food and drugs. Revenue from the increase in sales tax is estimated at \$2.8 million per year.

Mayor Holland opened the floor for discussion regarding the ballot measure. Committee members discussed the summary pamphlet and frequently asked questions provided. Members expressed their views and offered suggestions on methods to convey facts to the public about the proposed Non-Home Rule Sales Tax referendum initiative.

OTHER BUSINESS

None.

PUBLIC COMMENTS

None.

ADJOURNMENT OF FINANCIAL AFFAIRS COMMITTEE

Hearing no further business, Trustee Stevens made a motion (#3), seconded by Trustee Trevarthan, to adjourn the Financial Affairs Committee meeting of June 13, 2018, at 5:45 P.M. The motion was unanimously approved.