



FINANCIAL AFFAIRS COMMITTEE MINUTES
MARCH 11, 2020

CALL TO ORDER

Chair Adam Borrelli called the Financial Affairs Committee meeting to order at 5:33 P.M. on Wednesday, March 11, 2020, at the Village of Frankfort Administration Building, 432 W. Nebraska Street, Frankfort, Illinois.

ROLL CALL

Financial Affairs Committee members in attendance included Mayor Jim Holland, Village Clerk Brian Feehery, Trustees Adam Borrelli, John Clavio, Margaret Farina, and Jessica Petrow; Matt Austin, Judy Hageman, Ronn Kolbash, and Jeff Slovak. Staff in attendance included Administrator Rob Piscia, Asst. Administrator Jeff Cook, Police Chief John Burica, Finance Director Jenni Booth, Supt. Terry Kestel, Asst. Director of Development Services Zach Brown, Building and Economic Development Manager Adam Nielsen, and Administrative Assistant Theresa Cork. Also present was Marcia Steward. Member Tazio Kubbs was absent.

APPROVAL OF MINUTES (NOVEMBER 13, 2019)

Trustee Petrow made a motion (#1), seconded by Trustee Farina, to approve the minutes of the Financial Affairs Committee meeting of November 13, 2019, as presented. The motion was unanimously approved.

REVIEW OF PROPOSED FY 2020/2021 BUDGET – DISCUSSION AND APPROVAL

Finance Director Jenni Booth provided a financial overview recapping fiscal year 2019/2020 and projected year-end results. She reported the Village anticipates completing FY 19/20 with the ability to transfer approximately \$5 million to the General Capital Development Fund. She further reported the Village anticipates transferring \$6.5 million to the Utility Capital Fund for funding major capital projects and Illinois Environmental Protection Agency (IEPA) loan payments. She noted the transfers will take place once final results are determined.

Ms. Booth then presented a budget summary of the proposed FY 2020/2021 budget. She reported total budgeted revenues for the governmental funds are estimated at \$20,765,800 and total budgeted expenditures are projected to be \$23,609,800. She reported the new voter approved non-home rule sales tax became effective July 1, 2019 and noted this 1% tax increase is projected to generate more than \$2.5 million annually. This new revenue source allowed the Village to fund additional police officers as well as support Frankfort's municipal operations and municipal capital funding for infrastructure improvements. Ms. Booth reported total budgeted revenues for the

utility fund are estimated at \$15,736,200 and total budgeted expenditures are projected to be \$22,009,700.

Committee members discussed police staffing and the lengthy hiring process and challenges of hiring additional officers. Staff reported the Village is currently operating with 28 full-time police officers, noting FY 20/21 budgeted 35 full-time officers. Chief Burica noted the Police Department is currently accepting applications to create a new eligibility list.

Ms. Booth presented a graph illustrating the net change in Fund Balances for all Governmental Funds and Utility Funds for FY 2016 through 2025. She noted the projected Governmental Fund balances remain above the Village's policy of 25% of annual budgeted operating expenditures, however the Utility Funds projected a flattening of revenues and increased capital expenditures. She reported the six-year utility rate (water/sewer) increase of 2% which went into effect in FY 2017 expires in FY 2022, noting rates will need to be re-evaluated in the coming years to ensure we have proper funding for our operational and capital costs.

Committee members briefly discussed ways to maximize the entire budgeted amount for infrastructure projects, in particular the water main replacement project. Members also discussed ideas for increasing economic development efforts of the Village.

Following presentation and discussion, Member Slovak made a motion (#2), seconded by Member Austin, to forward a recommendation to the Village Board to approve the fiscal year 2020/2021 budget as presented. The motion was unanimously approved.

OTHER BUSINESS

There were no other items for discussion.

PUBLIC COMMENTS

There were no comments from the public.

ADJOURNMENT

Hearing no further business, Trustee Clavio made a motion (#3), seconded by Member Slovak, to adjourn the Financial Affairs Committee meeting of March 11, 2020, at 6:41 P.M. The motion was unanimously approved.