

**MINUTES
CITY OF DEKALB
FINANCE ADVISORY COMMITTEE MEETING
APRIL 24, 2018**

1. CALL TO ORDER

The Finance Advisory Committee held a meeting on April 24, 2018, in the Police Training Room, at the DeKalb Police Department, 700 W. Lincoln Highway, DeKalb, Illinois.

The meeting was called to order at 5:01 p.m. by Chair Peddle.

2. ROLL CALL

Account Technician Carri Parker called roll, and the following members of the Finance Advisory Committee were present: Tom Teresinski, Lynn Neeley, Steve Parker, Ron Partch and Chair Mike Peddle.

Also present were: Finance Director Molly Talkington, Assistant Finance Director Robert Miller, Account Technician III Carri Parker and Customer Service Representative Amy Frantz.

3. PUBLIC PARTICIPATION

Chair Peddle asked if there was anyone from the public present who wished to speak.

No one from the public was present.

4. APPROVAL OF MINUTES

a. Minutes of the Finance Advisory Committee of March 27, 2018

MOTION

Committee Member Neeley motioned to approve the minutes of March 27, 2018; seconded by Committee Member Parker.

VOTE

Motion carried on a 5-0-1 voice vote. Aye: Teresinski, Neeley, Parker, Partch and Peddle. Not Present: Conlin.

5. FINANCIAL POLICY REVIEW AND RECOMMENDATION

Budget Policy

Chair Peddle explained the two changes in the Budget Policy.

Committee Member Teresinski questioned the statement “ability to pay” in the first paragraph of the policy. He stated that it is based on a balanced budget. He is questioning if the verbiage should be changed.

The Committee and staff discussed the “ability to pay” statement within the policy.

Committee Member Teresinski asked about the action items needed for item #4 of the Budget Policy. He stated that there are not any actions listed within the policy.

Committee Member Parker asked about the monthly financial reports.

Finance Director Talkington stated that there are reports available on monthly basis for review.

Chair Peddle stated that he is concerned with Item #4. He stated staff should add the following:

Variances from annual budgeted amounts should be reconciled and remediated as soon as possible and no less frequently than on a quarterly basis.

A discussion ensued between the Committee and staff on the appropriate wording needed in the policy and items being looked at that are variances from the current budget.

MOTION

Committee Member Teresinski motioned to approve the addition to the Budget Policy as stated above; seconded by Committee Member Partch.

VOTE

Motion carried on a 5-0-1 roll call vote. Aye: Teresinski, Neeley, Parker, Partch and Peddle. Nay: none. Absent: Conlin.

MOTION

Committee Member Teresinski motioned to approve the Budget Policy with said changes; seconded by Committee Member Partch.

VOTE

Motion carried on a 5-0-1 roll call vote. Aye: Teresinski, Neeley, Parker, Partch and Peddle. Nay: none. Absent: Conlin.

Fund Balance Policy

Chair Peddle explained the Fund Balance Policy and how the pension obligation is recognized as an expenditure. He added that the Fund Balance would need to remove the pension expenditure. Chair Peddle stated that just under \$500,000 is coming from the General Fund to fund the pension obligation. He added that staff wanted to keep the fund balance the same, if the new method of calculating would require a fund balance of 30%.

Finance Director Talkington stated that property taxes have remained steady. She added that by increasing the fund balance from 25% to 30%, the amount will remain the same as the amount is calculated differently for the pensions. She added that the City will need to find additional revenue to pay for services.

Committee Member Teresinski explained the history of the policy development. He questioned which communities are using this type of calculation.

The Committee and staff discussed the calculations and the purpose of the policy change.

Committee Member Parker agrees that the change makes sense.

Committee Member Partch agreed that the policy change is good.

Committee Member Neeley stated that she agrees with the change suggested.

The Committee discussed the revenue collections and pension obligations on the department level.

The Committee went through the remaining changes.

Chair Peddle introduced the Revenue and Expenditure Policy. He added that there are minimal changes made.

The Committee discussed the verbiage under item 1a relative to property taxes to edit the verbiage to may.

MOTION

Committee Member Partch motioned to approve the changes to the Revenue and Expenditure Policy presented; seconded by Committee Member Parker.

VOTE

Motion carried on a 5-0-1 roll call vote. Aye: Teresinski, Neeley, Parker, Partch and Peddle. Nay: none. Absent: Conlin.

MOTION

Committee Member Teresinski motioned to approve the Revenue and Expenditure Policy with said changes; seconded by Committee Member Neeley.

VOTE

Motion carried on a 5-0-1 roll call vote. Aye: Teresinski, Neeley, Parker, Partch and Peddle. Nay: none. Absent: Conlin.

6. CONFIRM NEXT MEETING DATE AND TIME

Chair Peddle confirmed the next Finance Advisory Committee meeting on Tuesday, May 15, 2018 at 5:00 p.m. at the Police Department Training Room, 2nd Floor.

Committee Member Teresinski asked about the Five-Year Financial Plan.

Finance Director Talkington stated that the Management Interns are working on the information. She stated that the plan should be available at the June meeting.

Committee Member Parker commented that Casey's sales tax should be good, and we should see a bump in the sales tax from Carson's.

Finance Director Talkington stated that will be discussed at the meeting when the quarterly reports are discussed.

Chair Peddle asked if Bessie Chronopolous had any comments. She stated that it was difficult to understand and that she praised the Committee on a great job that they are doing.

7. ADJOURNMENT

Chair Peddle asked for a motion to adjourn.

MOTION

Committee Member Parker motioned to adjourn the meeting; seconded by Committee Member Neeley.

VOTE

Motion carried by a 5-0-1 voice vote. Aye: Neeley, Teresinski, Parker, Partch, Peddle. Nay: none. Absent: Conlin.

The Finance Advisory Committee adjourned at 6:15 p.m.

CARRI PARKER, Account Technician III