

VILLAGE OF GLENCOE
FINANCE COMMITTEE

Meeting Minutes
November 17, 2011

1. CALL TO ORDER AND ROLL CALL

The Finance Committee was called to order at 6:00 p.m. in the Conference Room at Village Hall. The following members were present:

Scott Feldman, Village President
Keki Bhote
Bruce Cowans
Andrew Hayek (electronic attendance)
Lawrence Levin

Trustees Keefe and Solomon were absent

The following Village staff was present:

Paul Harlow, Village Manager
William Jones, Assistant Village Manager
David Clark, Director of Finance
David Mau, Director of Public Works
Alan Kebby, Director of Public Safety

Also Present: Ron Amen, Village Auditor

2. CONSIDERATION OF MINUTES

The approval of minutes were deferred to the next meeting.

3. PUBLIC COMMENT TIME

There were no comments from the public.

4. DISCUSS GASB 54

Finance Director David Clark discussed briefly the background discussion previously by the Village Board and introduced Village Auditor Ron Amen to discuss implementation of GASB 54. Mr. Amen fielded questions from the Committee. Following discussion, the Committee agreed that:

1. Loan Guarantee to Women's Library Club be removed from the list of restricted assets.
2. Reserved for Fire Pension Fund be removed from committed assets.

Mr. Amen applauded the efforts of considering the implementation of GASB 54 proactively. Mr. Clark introduced the following recommendations for implementation of GASB 54:

1. Establish a procedure to evaluate items for potential fund balance classification using concepts of measurability and availability (“timing”) of the item.
2. Develop procedure to ascertain the probability of activities occurring by requiring documentation of financial condition from parties receiving potential financial consideration (such as loan guarantees).
3. Present a report with recommended fund balance classifications annually to the Village Board prior to presenting the final annual financial report.
4. Exclude the long range capital inventory from any fund balance assignment

5. ACTUARIAL VALUATION REPORT

Finance Director David Clark reviewed the recent history of actual contributions to the Police Pension Fund as compared to the annual required contribution (ARC). Since Fiscal Year 2006 the Village has contributed \$2.6 Million more than the ARC, or 132% of the ARC.

The Committee discussed their concerns about investment factors used to determine the contribution amount. Members expressed concern that assuming 6% annual investment return might be greater than what is actually possible. The Committee expressed a desire to contribute at as high a level as practical but expressed a concern about changing assumptions in a fashion that would increase fund liabilities.

The Committee agreed by consensus to include in the Fiscal Year 2012 Budget \$1,465,318 based upon 6% investment interest and 4.5% salary increase assumptions (using 1994 mortality table).

6. REVIEW 2012 IRMA CLAIM DEDUCTIBLE

Following brief discussion, the Committee agreed to remain at the \$100,000 deductible level.

7. REVIEW PRELIMINARY FISCAL YEAR 2013 BUDGET

This matter was deferred to the Village Board meeting immediately following on November 17, 2011.

8. ADJOURNMENT

There being no further business to come before the Finance Committee, upon motion made and seconded, the meeting was adjourned at 7:00 p.m.