



## Village of Lincolnwood Finance Committee

*Meeting*  
**Wednesday, October 12, 2022**  
**6:00 PM**

*in the*  
**Village Board Council Chambers**  
**Lincolnwood Village Hall**  
**6900 Lincoln Avenue**

### Meeting Agenda

1. **Call to Order/Quorum Declaration**
2. **Minutes Approval**
  - a. *Minutes of March 17, 2022 meeting*
  - b. *Minutes of August 23, 2022 meeting*
3. **Intergovernmental Risk Management Agency Excess Surplus**
4. **Other Business**
5. **Public Forum**
6. **Adjournment**

Date Posted: October 9, 2022



Finance Committee Meeting Minutes  
March 17, 2022  
Village Hall Council Chambers  
6900 North Lincoln Avenue  
Lincolnwood, Illinois 60712

**Committee Members Present**

Craig Klatzco, Chair  
Atour Sargon  
Mohammed Saleem (Virtually 4:05 p.m.)

**Committee Member Absent**

**Others Present**

Anne Marie Gaura, Village Manager  
Denise Joseph, Finance Director  
Charles Meyer, Assistant to the Village Manager  
Nadim Badran, Public Works Director  
Karen Hawks, Parks and Recreation Director  
Scott Mangum, Community Development Director  
Jay Parrott, Police Chief  
Bryan Pierce, Deputy Fire Chief  
Maria Martinez, Accountant

**I. Call to Order/Quorum Declaration**

- a. Trustee Klatzco called the Finance Committee to order at 4:04 P.M, Thursday, March 17, 2022, in the Council Chambers of the Municipal Complex, 6900 North Lincoln Ave, Village of Lincolnwood County of Cook and State of Illinois A quorum was present.

**II. Continued Discussion on Fiscal Year 2023 Draft Budget**

Director Joseph noted that there were changes to the draft Fiscal Year 2023 General Fund budget. During the February 22, 2022, budget workshop, revenues were presented at \$26 million and expenditures at approximately \$26.6 million. Modifications were made and revenues were reduced to \$25.6 million, and expenditures were decreased by \$26.1 million. It should be noted that \$2.2 million budgeted for capital investment is being offset by the Village's Fund Balance reserves.

Parks and Recreation Director Hawks stated that due to the shortage of staff, taking on Lincolnwood Fest, and preparing for the pool season to be up and running, the possibility of having the Triathlon for Fiscal Year 2023 would be challenging and recommended that it be deferred to the next budget year.

In addition, a bid process was done for annual apparels and the budget proposed was \$10,000 less than the budgeted amount. This was mostly attributable to inflation and other factors, such as, supply chain issues. Director Hawk anticipates that revenue from Turkey Trot will exceed expenses. In addition, the quotes received for the concession stand equipment is \$2,000 more than budgeted. This request is now over \$21,000. Due to the dollar amount, this item will be presented to the Village Board at the April 5, 2022, Board meeting for the Board's consideration.

Director Hawk stated that they received notice from the Illinois Department of Natural Resources that they would not be announcing the recipient of the OSLAD awards until late summer or early fall 2022. The budgeted expense of \$850,000 has been removed from the expenditure budget, in addition to the \$400,000 in corresponding revenue.

Lastly, Director Hawk stated that the Parks and Recreation Department is having a difficult time attracting summer employees due to the hourly minimum wage rate. To attract more summer employees, she recommended an hourly wage increase. Village Manager Gaura indicated that the compensation schedule will be presented at the April 5, 2022, Village Board meeting for the Board's consideration.

Trustee Klatzco asked what the recommendation for compensation is and indicated that several businesses are offering \$18 or \$19 an hour. He also asked if there has been discussion with the Park Board on increasing the non-resident pool pass rate to cover the cost of wages.

Trustee Sargon asked Trustee Klatzco if he was proposing to increase the rate for pool passes. She indicated that pool prices for non-residents were increased last year. Trustee Klatzco said that he does not want to see the pool operate at a deficit and we should be considering increasing the cost. Director Hawk explained that a change to the Village Ordinance would have to be made to increase the price for non-resident pool pass.

Trustee Sargon requested that an analysis be done to attract more summer employees. She would like to see more Lincolnwood youth residents involved. Director Hawk stated that advertising has been promoted through social media, library, and other resourceful avenues. Trustee Klatzco requested Director Hawk to provide a recommendation to the Village Board on what the increase for pool passes should be to cover expenses at a future meeting.

Moving on to Public Works, Public Works Director Badran indicated that several facility improvements have been included in the Fiscal Year 2023 budget. This includes new chairs and lighting for the Council Chambers, as well as carpet for the Community Development offices, council chambers, and the administration offices. Additional \$63,000 has been budgeted in the building improvement budget. Trustee Klatzco requested that the projects be prioritized in the event the current economy will impact the Village's day-to-day operations. Director Badran stated that the carpet project will be a high priority due to the poor conditions of the carpet. They would then replace the chairs.

Trustee Klatzco asked if the Village is bidding the carpet project along with other projects to ensure we are getting a fair bid price by doing a larger project. Village Manager Gaura

provided background on the replacement of the carpet and indicated that replacing the Community Development carpet was necessary due to the department moving into the new location.

Director Joseph indicated that should the Finance Committee be in support of these updates that were included with the Parks and Recreation and Public Works Department budget, staff will present it as part of the Fiscal Year 2023 Recommended Budget.

Trustee Sargon asked if recommendations impact the memorandum that was presented earlier with the budgeted revenue and expenditure. Director Joseph indicated that the recommendations are included, in addition to the increase in the Paramedic Services contract.

Trustee Klatzco asked Director Hawk if the OSLAD grant is not being budgeted in Fiscal Year 2023, and if the funds are received, how long do we have to use the funds. Director Hawk stated that we have two years to complete the project.

Trustee Sargon suggested having a strategic plan in place when funds are received. Director Joseph indicated if the funds are received earlier than anticipated, a budget amendment will be needed to include the OSLAD Grant.

Finance Director Joseph indicated that the Finance Committee had requested continued discussion on the cannabis dispensary revenue.

Trustee Sargon stated that she is in support of removing the revenue entirely from the budget until the dispensary opens.

Trustee Klatzco asked Community Development Director Mangum when the new cannabis dispensary is scheduled to open. Director Mangum indicated that doors are anticipated to be open in June of 2022. Trustee Klatzco stated that the Village may not see any potential revenue from the new cannabis dispensary until December 2022.

Trustee Saleem and Trustee Klatzco stated that they were in support of removing the budgeted amount entirely.

### **III. Recommended Fees and Fines for Violation of Parking Regulations**

Director Joseph stated that recommendations were made at the February Budget Workshop for staff to review the fees and fines for violation of parking regulations

Police Chief Parrott indicated that the Police Department writes approximately 1,000 parking violations a year and looked at the fees assessed by surrounding communities. He indicated that most violations are in the \$50 range, and after 10-14 days the fees increase from \$75 to \$100. Staff's recommendation is to increase the fees from \$30 to \$50.

Trustee Sargon thanked the Chief and stated that the recommendations were reasonable compared to our neighboring communities.

The Finance Committee was in support of increasing the fees and fines. Director Joseph stated that this item will be included in the April 5, 2022, Village Board meeting as part of the budget presentation.

#### **IV. Finance Department Staffing**

Director Joseph indicated that at the February 22, 2022, budget workshop funds were included for an additional staff member in the Finance Department. At the request of the Village Board additional information was provided concerning the auditor's recommendation as it relates to the Finance Department. The Village Board's recommendation was to realign some of the responsibilities within the department and not include an additional staff member in the Fiscal Year 2023 budget.

Trustee Sargon stated that she understands the auditor's recommendation, however, she would like for the Finance Department to realign some of the responsibilities prior to adding an additional staff member to the department.

Village Manager Gaura indicated that this change may affect service first. The Finance Department will not be able to provide high level customer service if the department is short staffed. Village Manager Gaura stated that she understands the Board is not in support of adding a new position, however, segregation of duties will need to be implemented at the front counter.

Director Joseph stated that there was a request from the Board to track front counter activity to satisfy that request from the Board, the Finance Department staff will keep a daily log.

Trustee Klatzco asked if the Finance Department was still planning on hiring a college student as an intern. Director Joseph stated yes, an intern will be hired during the summer months to assist with vehicle stickers.

Director Joseph stated that staff will encourage residents to sign up for automatic ACH for water bills to reduce the number of customers that come into Village Hall to pay their water bills.

Trustee Klatzco asked that staff promote the drop box located outside of the Village Hall.

In addition, Mayor Patel recommended that staff should promote using the Village's app for transactions to limit cash transactions. He also recommended that follow the auditor's recommendation and segregate the duties within the department.

Director Joseph stated that she will evaluate each staff members job responsibilities and see where certain job functions and responsibilities can be shifted.

Trustee Sargon stated that she agrees with Mayor Patel's recommendation regarding trying to move away from cash transactions and pushing residents to use the online options to avoid longer lines at Village Hall.

Trustee Saleem indicated that he does not want to compromise service first and was in favor of adding an additional staff member in the department based on the auditor's recommendation.

Trustee Sargon stated that she had some concerns regarding this new position and would like to see how realigning job responsibilities in the Finance Department will impact the department before adding an additional head count.

Trustee Klatzco stated that his recommendation is to realign the functions of the Finance Department first. Should this create an issue and service level drops, then his recommendation is to bring this item back to a future Finance Committee. Additionally, he stated that he understands there is a need for segregation of duties. However, he would like to see if the realignment of job responsibilities within the department would work first.

Trustee Saleem stated that he does not agree with the realignment, but if the majority is in favor, then he had no concerns.

Mayor Patel wanted to clarify that the Finance Department is still going to follow the auditor's recommendation as it relates to the segregation of duties, which means less staff to cover the front counter.

Trustee Klatzco requested that Director Joseph draft a job description for the new staff member to justify the new position. Director Joseph stated that this person would be processing payroll, review of the daily cash transactions, reconciliation, review of all our utility bills prior to them being mailed out, including the review of our delinquent, and shut off notices. This person will assist with budget development, accounts payable and serve as a back up to the accountant.

Trustee Klatzco asked if the Community Development Department is going to have the same problem when it comes to segregation of duties.

Director Joseph stated no, the daily deposits for the Community Development Department, in addition to the Parks and Recreation Department are reconciled by Finance Department staff. Both departments accept cash, but the Finance Department is reconciling the cash against the reports and posting the transactions to the general ledger.

## **V. Other Business**

Trustee Sargon stated that she noticed there was an increase in the Parks and Recreation personnel budget and requested some additional information.

Director Hawk stated that this is the first year the Village has seen an increase in cost for seasonal staff since the pandemic. This is mainly due to the minimum wage requirements.

Trustee Sargon asked Director Mangum if the amount of the PEP grant needed to be adjusted. Director Mangum stated that staff would monitor the PEP grant and see if an adjustment is needed in future years.

Trustee Sargon asked Chief Parrott on the status of the red-light camera revenue.

Chief Parrot stated that during the pandemic, revenue was lower than normal. The lease for the red-light camera is \$4,400 a month in addition to a collection fee that is associated with that. Staff budgets around \$54,000 in revenue. Additionally, Chief Parrott stated that once the temporary lighting goes up due to the development on Lincoln and Touhy, IDOT will be deactivating the red-light camera.

Trustee Sargon asked if we would still need to pay for the lease of the camera when it is deactivated. Chief Parrott stated that the Village would not have to pay the monthly lease, or any other fees associated with the camera.

Trustee Klatzco asked Chief Parrott if the red-light camera would be activated after the development has been completed. Chief Parrott stated that IDOT may require the Village to re-apply for a new permit because of the reconfiguration of the intersection. If there was no reconfiguration of the intersection, they would just reactivate the light.

Director Joseph stated that revenue from the red-light camera has been removed from the Fiscal Year 2023 budget since the camera will be removed by May 1, 2022.

Trustee Sargon thanked Director Hawk for including harassment training to the Fiscal Year 2023 budget. Village Manager Gaura stated that all seasonal employees will go through the harassment training prior to being employed by the Village.

Director Joseph concluded by saying that the April 5, 2022, Committee of the Whole meeting will include a formal presentation on the Fiscal Year 2023 Budget and the Budget will be on the April 19, 2022, Village Board meeting agenda for approval. In addition, the April 19, 2022, Village Board meeting agenda will include modifications to the Annual Fee and Fine Resolution and the Salary Schedule Ordinance for the Board's consideration.

## **VI. Public Forum**

None

## **VII. Adjournment**

At 6:10 P.M. Trustee Sargon makes a motion, Second by Trustee Saleem to adjourn the Finance committee.

Ayes: Trustee Klatzco, Salem and Sargon

Nays: None

**Minutes Recorded by:**

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Maria Martinez  
Accountant



**Finance Committee Meeting Minutes**

August 23, 2022

Village Hall Council Chambers  
6900 North Lincoln Avenue  
Lincolnwood, Illinois 60712

**Committee Members Present**

Craig Klatzco, Chair  
Atour Sargon  
Mohammed Saleem

**Committee Members Absent**

**Others Present**

Anne Marie Gaura, Village Manager  
Denise Joseph, Finance Director  
Maria Martinez, Assistant to the Finance Director

**I. Call to Order/Quorum Declaration**

- a. Trustee Klatzco called the Finance Committee to order at 5:12 P.M., Tuesday, August 23, 2022, in the Council Chambers of the Municipal Complex, 6900 North Lincoln Avenue, Village of Lincolnwood, County of Cook and the State of Illinois. A quorum was present.

**II. Minutes Approval**

- a. The Minutes of the March 17, 2022 Finance Committee will be distributed at the next Finance Committee meeting.

**III. Fiscal 2023 Financial Update**

Director Joseph provided an update on the first three months of the Fiscal Year. The reports represented 25% of the year and represents unaudited numbers. She stated that some revenues for the first quarter of Fiscal Year 2023 have outperformed actual receipts when comparing July 2021 to July 2022. Those include: Municipal Sales Tax, Food and Beverage tax, Income Tax and Personal Property Replacement Tax (PPRT). Expenditures are performing as budgeted.

Additionally, Director Joseph stated that revenue in the General Fund were \$500,992 more than prior year-to date which represents 23% of the annual budget received. Director Joseph indicated that the second installment of property taxes will not be issued until December 2022, causing a four-month delay in distribution.



## DRAFT

Trustee Klatzco stated that he has been actively inquiring from the county about the property tax second installment as well, but he was told that the second installment would not be mailed until January 2023.

Trustee Sargon stated that based on her knowledge, the second installment would be more likely be mailed by the end of November or December of this year. Finance Director Joseph stated that Cook County indicated that the bills will be due by the end of this year, however, we will likely not receive the revenue until January.

Trustee Klatzco asked Finance Director Joseph if the bills are sent out in August, when would the funds be received. Director Joseph indicated that the funds would be received in September.

Trustee Klatzco asked Director Joseph if the Village was in a good financial position. Director Joseph indicated that the Village is doing well three months into the Fiscal Year. Staff will continue monitoring the revenues and expenditure closely. Moreover, if the revenues decline, staff will prepare a list of projects and purchases that need to be placed on hold.

Trustee Sargon asked Director Joseph if the General Fund has enough funds to cover expenses if we do not receive the second property tax installment timely. Director Joseph indicated, currently the General Fund has sufficient funds. Should major revenue sources decline, staff will be proactive and reduce expenses. The Village has a strong Fund Balance that is over the 35% maximum level.

Trustee Klatzco stated that based on the revenue report provided, revenue is much higher than prior year to date. He asked Director Joseph if this attributed to the Village not being able to purchase some of the vehicles that were intended to be purchased.

Director Joseph stated that is correct. Due to a shortage supply, the vehicles have not been received. Most of the vehicles will likely be delivered in early 2023.

Trustee Sargon stated that is important to highlight that revenues in the General Fund are \$500,000 more than prior year-to date. Trustee Sargon asked Director Joseph if she thinks this increase is attributed to post pandemic, people going out and spending money.

Director Joseph stated that can be one of the factors. Director Joseph also indicated that the memo provided reflected the incorrect year-to-date amounts for State and Home Rule Sales Tax. Actual State and Home Rule Sales Tax were \$283,000 more than prior year-to-date.

Trustee Klatzco asked if the reason the State and Home Rule Sales Tax is higher is due to the Packaged Liquor Tax. Director Joseph stated that that Packaged Liquor Tax has its own revenue line item that is not included in the State and Home Rule Sales Tax. Additionally, Food and Beverage Tax was higher than prior year-to date by \$176,066.

Trustee Sargon wanted to take the time to encourage residents to continue to shop locally to support Lincolnwood business owners.

**DRAFT**

Director Joseph stated that Income Tax was higher than prior year-to-date by \$200,322. She indicated that this is based on its proportion of the total state population. Additionally, Director Joseph indicated that Personal Property Replacement Tax (PPRT) was higher by \$92,576.

Director Joseph stated that expenditures in the General Fund are \$314,010 more than prior year-to-date, which represents 21% of the annual budget. The increase in expenditures when compared to prior-year-to-date is attributed to several vacant positions in various departments being filled this year. Also overtime in the Public Works Department is related to preparing for the Parks and Recreation summer months and Lincolnwood Fest.

Trustee Sargon asked Director Joseph when the Lincolnwood Fest final numbers will be presented to the Board.

Village Manager Gaura stated that Parks and Recreation Director Hawk will be presenting to the Parks and Recreation Board at the September meeting. Following that meeting, Director Hawk will provide the Village Board an update on Lincolnwood Fest at the October Village Board meeting. Additionally, she stated that we might face a decline in our net income this year due to the Village taking on Lincolnwood Fest and the increase in the presence of the Public Works and Police Department personnel to ensure efficiency and safety protocols. She also mentioned that future recommended changes to the Lincolnwood Fest will also be presented at the October Village Board meeting.

Trustee Klatzco mentioned that in prior years, the Public Works Department assisted with the cleanup and setup of Lincolnwood Fest. He also stated that he is not sure if we spent more in Public Works personnel, however, he acknowledges we did spend more in Public Safety.

Village Manager Gaura stated since this was the first time the Village utilized SEM so the Village did utilize staff from the Public Works Department a little bit more for Lincolnwood Fest. Overtime in the Police and Public Work Departments increased to ensure additional safety protocols.

Village Manager Gaura indicated the total cost of Lincolnwood Fest will be presented to the Village Board in October. She also stated that she would make sure the breakdown of donations and overtime gets presented to the Village Board this year for transparency.

Trustee Sargon stated that it would be important for the Village Board to understand the Lincolnwood Fest final numbers.

Director Joseph moved to expenditures and stated that in the first quarter of the fiscal year, expenditures are performing as expected at 21% of the annual as compared to revenues at 23% of the annual budget. The Finance Department will continue monitoring the revenues and expenditures to make sure staff responds accordingly in the event there is a decline in revenues.

#### **IV. Property Tax Levy**

Director Joseph stated that the Village Board adopts the Property Tax Levy by Ordinance at the first Village Board meeting in December. She stated that at the November Finance Committee meeting, the committee indicated that the Village's PTELL policy had served the Village well, however, a larger conversation was needed prior to the December 2022 Tax Levy year.

Director Joseph stated that staff is looking for direction from the Finance Committee if the Village should continue to levy at the maximum allowed under PTELL in accordance to the Village's Financial Policies based on the information received from the Illinois Tax Extension Division.

Trustee Klatzco asked what the levy increase was last year. Director Joseph stated that it was 1.4% last year.

Trustee Klatzco stated that if the Property Tax Levy is increased by 4.9% how much more revenue can we expect if we stay within our policy. Director Joseph stated that the increase will be an additional 4.9% from where we are at right now. The Fiscal Year 2022 budget included \$6 million for Property Tax revenue. She also emphasized that the Village has not received the Police Pension Actuarial Report for 2022 to determine what would be allocated to the Police Pension.

Trustee Klatzco asked when we would be receiving the Actuarial Report. Director Joseph stated that we will be receiving it in the middle of September.

Trustee Sargon asked how much was levied last year. Director Joseph stated that we levied \$6.2 million last year, which included the Police Pension, and \$1 million for Special Recreation.

Trustee Sargon stated that she understands why an in-depth analysis is important, however, she is comfortable with the Village following the policy to levy at the maximum allowed under PTELL.

Trustee Klatzco stated that he is not comfortable at this point to increase the tax levy, unless there is a tangible project that can be justifiable for residents to support.

Village Manager Gaura asked if the recommendation of the Finance Committee to the Village Board is to not make any changes to the Village's Financial Policy as it relates to the Property Tax Levy and continue to levy the maximum amount under PTELL.

Trustee Sargon stated she was in favor with the current Financial Policy to continue to levy the maximum amount under PTELL.

Director Joseph indicated that at the December Village Board meeting, staff will be recommending levying at 4.9%.

There was a consensus amongst the Finance Committee to levy at the recommendation presented.

**V. Intergovernmental Risk Management Agency (IRMA) Excess Surplus**

Director Joseph stated that the Village has been a member of IRMA since 1989 and that IRMA frequently declares an excess surplus credit resulting from favorable return on investments. Village of Lincolnwood's balance as of April 30, 2022, is \$1,816,502. Since Fiscal Year 2020, the amount on account with IRMA has grown from \$1.3 to \$1.8 million in 2022.

Trustee Salem asked Director Joseph if the \$1.8M IRMA surplus is shown in the Village's fund balance. Director Joseph indicated that it is not part of the Village's fund balance.

Trustee Klatzco asked Director Joseph if it was prudent to keep those funds with IRMA. He also stated that IRMA has the ability to invest and get better return on the funds than the Village in Illinois Funds.

Director Joseph stated that she has outlined three options for policy considerations in the event the Village has some adverse claim year. Option one suggested that the Village may wish to establish a minimum cumulative threshold of \$500,000 of the fund; option two suggested that the Village may wish to consider guidelines and policies related to IRMA excess surplus to use for safety projects; and option three suggested the Village can apply that credit to the following year annual contribution amount, which has been past practice.

Trustee Sargon asked how much the Village's Annual Contribution was in 2022. Director Joseph stated that the annual contribution varies, she stated that it was \$287,000 this year. Director Joseph indicated that there are several factors that go into the annual contribution calculation.

Trustee Sargon asked if there is an instance where there is a significant lawsuit if those funds can be utilized to payout the claim. Director Joseph stated that those funds can be used to pay those claims.

Trustee Sargon said if the excess fund continues to grow, would there be an opportunity for those funds to serve another purpose such as contribution toward the Police Pension Fund.

Trustee Klazco stated that he likes the idea of using IRMA funds to contribute toward the Police Pension, but he would like to see the returns with the new Police Pension consolidation before moving forward with this recommendation.

Trustee Sargon stated that if the excess surplus continued, she would like to re-visit this in the future to reallocate those funds potentially to the Police Pension Fund.

Director Joseph stated that Village may wish to consider guidelines or policies related to the use of IRMA excess surplus. Some communities use the excess surplus for safety related projects, such as the upgrade of the EOC/Training Room.

Trustee Sargon stated that the Village is doing a big facilities project. She recommends building that in with the Village Board discussion.

## **DRAFT**

Village Manager Gaura stated that the facilities project is expected to take a year. The Parks and Recreation Master Plan is estimated to take 18 months. Her recommendation is to utilize the IRMA excess surplus to upgrade the EOC/training room. Village Manager Gaura indicated that technology in the EOC/training room needs to be upgraded to handle an emergency.

Trustee Sargon stated that she would like to see a plan on how the funds would be allocated to the EOC/training room upgrade before making any recommendations or decisions. Her main priority is that the funds are allocated to the right project.

Trustee Sargon continued and stated that before committing any funds to the EOC/training room, she would like to see what that means financially.

Trustee Klatzco asked Director Joseph if she knew what the rate of return was the funds at IRMA. Director Joseph stated that she did not have it at the moment, however, she would provide those numbers at a later time.

Director Joseph stated that the upgrade to the EOC/training room was just an example of how the IRMA excess surplus could be used. What the policy consideration is really saying is we have an amount of money sitting at IRMA. Does the committee want to continue leaving it there and let it grow and continue to use those funds to pay for our annual contribution or does the committee want to leave a certain threshold in reserve for any adverse claims and allocate a percentage of the funds to safety projects.

Trustee Klatzco asked how we got to the \$1.8 million in IRMA excess surplus. Director Joseph stated that the funds have been building over time.

Trustee Sargon stated that she would like to see what that past five to ten years have been for the IRMA excess surplus to better allocate those funds. She would also like to see a list of safety projects that are prioritized.

Trustee Sargon asked Director Joseph if she can provide what the premium has been for the past five years. Director Joseph stated that she can provide that information and a draft policy of what other communities are doing in terms of excess surplus policy and bring those ideas to a future Finance Committee meeting.

Trustee Saleem asked how much is the maximum we have paid in our deductible.

Director Joseph stated that she will be provide that information, including an analysis on the annual contribution, and list of safety projects to a future Finance Committee meeting.

## **VI. Other Business**

Trustee Salem asked if staff has a spreadsheet that shows the new source of revenues by date. He would like to see the expected revenues by date and name of project. Trustee Saleem stated that it can be a simple spreadsheet with the revenue information by date and revenue source. Trustee Sargon added that it could be an ongoing Finance Committee list that can be updated easily and can be a timeline of the current quarter and just update it as projects come up.

Trustee Klatzco asked if the sales tax revenue numbers were for January, February, and March. Director Joseph stated that sales tax is received on a three-month lag from the time sale occurs. Revenue received in March, is for December sales.

Trustee Klatzco asked if we know when the Cannabis Dispensary was going to open.

Village Manager Gaura stated that this item will be presented to the Village Board on September 8. She also stated that the cannabis license holder has been working with Community Development to pull permits. She believes they will be needing one more extension and hopefully will be going online by the end of October or beginning of November.

Trustee Klatzco stated that in order for them to open, the State has to inspect them.

Trustee Sargon said that it looks like the building is not ready.

Village Manager Gaura stated that they are not ready to open as of yet. Additionally, she stated that there is a second company that is interested to open a second dispensary.

Trustee Sargon asked if we were to approve another license, and if that person is ready to operate, she said we can't stop this person from opening. Village Manager Gaura stated that we will have to grant an extension.

Trustee Sargon asked if someone from the Village has checked on the dispensary to see if it is close to being finalized. Village Manager Gaura indicated that the Village will make sure we send someone to check on their building status. Village staff has spent significant amount of time to makes sure the layout of the building is in compliance with health and safety rules.

Trustee Kaltzco asked if there were any updates on the cultivation center. Village Manager Gaura stated she did not have any update on that, but she would follow up.

**VII. Public Forum**

None

**VIII. Adjournment**

- a. At 6:06 P.M. Trustee Klatzco moved to adjourn the Finance Committee, seconded by Trustee Saleem. The motion passed with a roll call.

Ayes: Trustees Klatzco, Saleem, and Sargon

Nays: None

**Minutes Recorded by:**

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Maria Martinez  
Assistant to the Finance Director



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# MEMORANDUM

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**TO:** Finance Committee

**FROM:** Anee Marie Gaura, Village Manager  
Denise Joseph, Director of Finance/Treasurer

**DATE:** October 10, 2022

**SUBJECT:** Finance Committee Meeting

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## **Discussion**

As part of the annual budget development process, staff seeks guidance from the Finance Committee on the update and review of the Village's financial policies and any items that may have a significant impact on the Village's budget. At the August 23, 2022, Finance Committee meeting, staff discussed with the committee the Village's excess surplus reserve held at the Intergovernmental Risk Management Agency (IRMA). The committee directed staff to provide additional information on the Village's financial history with the Intergovernmental Risk Management Agency (IRMA).

The committee requested that staff provide a 10-year history on the Village's annual contribution, deductible, and the rate of return on the reserve. Attached as Exhibit A is the data requested. The Village's annual contribution has decreased significantly in the last 10-years, from \$404,340 in 2013 to \$287,204 in 2022. The annual contribution is calculated based on a series of factors, including the Village's safety compliance, revenue base and claims experience. In Fiscal Year 2019, the Village increased the deductible level from \$10,000 to \$25,000. The change in deductible level increased the Village's risk exposure to out-of-pocket costs but decreased the Village's pressure on the contribution as a lower percentage of each claim is now covered by IRMA.

## **IRMA's Excess Surplus**

Annually, if IRMA's costs are less than the total contribution collected by all members of the pool, each member receives a pro-rated rebate of its annual contribution, which is referred to as IRMA excess surplus. As of April 30, 2022, the Village has accumulated \$1,816,502 in excess surplus, which is on reserve with IRMA and can be used to pay the Village's annual premium or

may be used for other purposes as determined by the Village's Financial Policies. The reserve is invested by IRMA and any interest earned is credited to the Village's balance.

At the August Finance Committee meeting, staff proposed drawing down the IRMA excess surplus for safety related projects, while still maintaining a minimum threshold on reserves for unexpected increase to our annual contribution or if the Village were to receive a large claim.

The Finance Committee requested that staff provide a list of safety related projects for consideration. Included as Exhibit B are several projects that could be paid out of the IRMA excess surplus instead of using General Fund funds. Staff has ranked the projects by importance and is recommending using a portion of the excess funds for the upgrade of the Village's Emergency Operations Center, pool front desk enclosure, Community Development emergency door exit and replacement of picnic tables in Stub Year 2023.

### **Lincolnwood Emergency Operation Center (EOC)**

The EOC is the centralized location of emergency and non-emergency response and recovery support operations during incidents. While tactical on-scene operations are conducted the EOC supports and helps coordinate operations and any other adjacent incident operations. Activation of the EOC could be used for Lincolnwood Fest, Turkey Trot, Snow Operations, etc. The use of the EOC can also be utilized for training of internal staff and external partners when needed. This allows familiarity with its use and operation, in addition to the assistance of using the technology available.

Key Village emergency personnel and senior management are trained in Incident Command and their roles and responsibilities. The EOC serves as a critical role in every phase of emergency and on-emergency management, from being the hub for all coordination during an incident to facilitating and directing recover/clean-up.

An EOC Needs Assessment was performed by Fire Chief Barry Liss and Police Chief Jay Parrott as an initial assessment of the hazards, vulnerabilities, and resultant risk to the existing EOC. The assessment focused on the functionality of the EOC and addressed whether a requirement for a particular capability exists, whether the EOC can provide that capability, and whether the provided capability is adequate. EOC's come in all shapes and sizes. The facility will hold a large volume of technical equipment that must be physically secure as well as cyber secure. Staff inside the building need to access that equipment without losing critical productivity. Each agency or department using the facility needs space to function effectively on its own and in teams.

During the initial assessment of the Emergency Operations Center (EOC), staff has identified several necessary components that would provide an effective EOC within the exiting training room in the Fire Department. Those include items such as two-way radio communication with emergency response team, security cameras, back up electrical generator, etc. Additional components of the EOC are attached in Exhibit C. Staff is estimating \$80,000 for the upgrade of the EOC.



### **Pool Front Desk Enclosure**

The front desk area of the pool houses two Parks and Recreation staff who swipe in pool pass holders and collect entrance fees. The desk area has no barrier protecting staff from the public. A barrier will help prevent anyone from reaching over the counter to take cash out of the drawer when open. It will also provide protection to staff should anyone become violent. A protective barrier will need to go around the top portion of the counter with openings for staff to collect money and scan membership. A different door will also need to be installed at the front desk in addition to some type of cooling fan or air conditioner. Staff is estimating \$7,000 for this project.

### **Community Development Door**

The Community Development Department currently has only one entry/exit door, which is from the publicly accessible Village Hall Lobby. If there were a threat to employees from the Lobby area the only current means of exit would be through narrow casement windows, some of which are not operable due to deterioration. The Building Official has reviewed the placement of the door and does not foresee any building code issues. Due to the extensive nature of this project, staff is estimating \$15,000 for this project.

### **Picnic Tables**

Staff is recommending the replacement of approximately 20 failing wooden picnic tables which have been deteriorating over the years. The current tables are breaking and are unsafe. The replacement of the tables can be anywhere between the range of \$1,200 to \$1,400 each. Staff is estimating \$25,000 for the replacement of 20 picnic tables.

### **Recommendation**

1. Staff recommends the addition of an IRMA Excess Surplus Policy in the Financial Policies. Although the Village uses available excess surplus to offset the cost of the annual contribution, staff is recommending a formal policy to formalize the process.
2. Staff recommends setting a threshold of up to \$300,000 for safety related projects in subsequent fiscal years and always retaining at least \$1.5 million in the fund to accommodate claim costs.

### **Direction Requested**

Staff is seeking consensus from the Finance Committee to develop a policy on the utilization of these funds, which will be included and presented as part of the Stub Year 2023 budget process. Department Heads will all be present at the October 12 Finance Committee meeting and will present these items and solicit Committee's feedback.

### **Attachments:**

1. Exhibit A – IRMA History
2. Exhibit B – Safety Related Projects
3. Exhibit C – EOC Components

**EXHIBIT A**

**IRMA History**

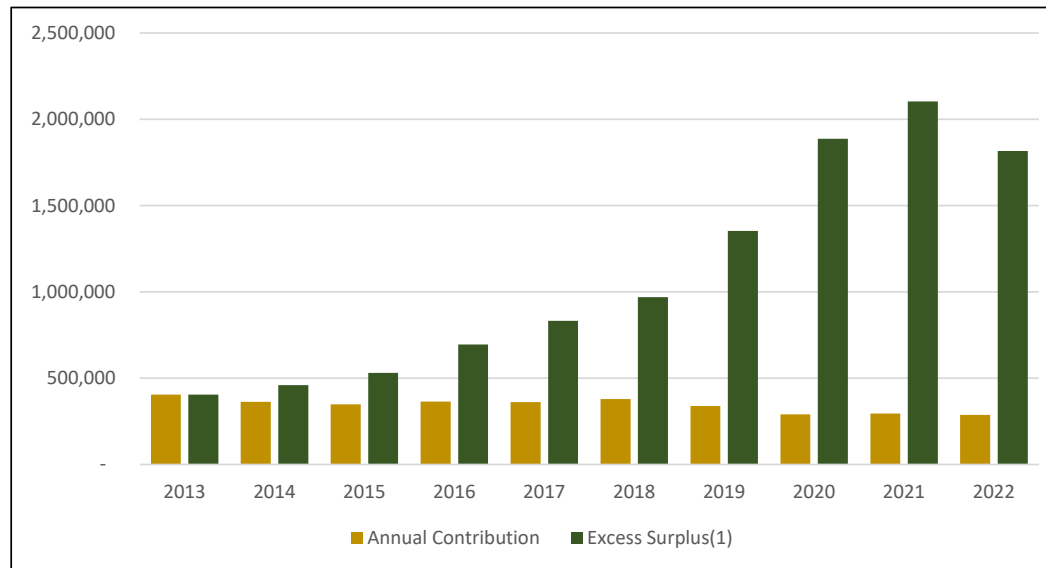
	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Annual Contribution	404,340	362,744	349,312	364,815	361,193	379,694	338,728	289,848	296,003	287,204
Excess Surplus <sup>(1)</sup>	404,915	459,428	531,345	695,147	832,089	970,252	1,352,696	1,887,108	2,103,706	1,816,502
Investment Income <sup>(2)</sup>	34,729	18,908	(2,874)	41,594	70,181	(27,098)	206,144	160,640	207,522	-
Investment Income % <sup>(3)</sup>	13.74%	7.15%	-0.22%	-9.85%	-15.38%	-3.22%	19.08%	11.38%	12.62%	

<sup>(1)</sup> Excess Surplus as of 4/31

<sup>(2)</sup> Investment income is as of 12/31 of each year

<sup>(3)</sup> Approximate percentage

**10-Year Annual Contribution and Excess Surplus History**



**Exhibit B**

**Safety Related Projects**

<b>Priority</b>	<b>Project</b>	<b>Project Description</b>	<b>Estimated Cost</b>	<b>Responsible Departments</b>
1 - SY 2023 Budget	Emergency Operations Center	The center will serve as the Village's primary command and control center in the event of an incident such as a civil disturbance, major fire, flood, tornado, etc. If a major incident occurs, the Village Manager and department representatives, serving as members of the Village's Incident Management Team will report to the Emergency Operations Center.	\$ 80,000	Fire and Police
2 - SY 2023 Budget	Pool Front Desk Enclosure	The front desk area of the pool is a counter where two teenage staff sit to swipe in pool pass holders and collect entrance fees. Staff accepts both cash and credit cards in addition to checking in pool pass members. It is necessary to put up a barrier/divider between staff and the public. A different type of door would also be installed on the front desk in addition to some type of cooling fan or air conditioner.	\$ 7,000	Parks and Recreation and Public Works
3 - SY 2023 Budget	Community Development Door	The Community Development Department currently has only one entry/exit door, which is from the publicly accessible Village Hall Lobby. If there were a threat to employees from the Lobby area the only current means of exit would be through narrow casement window.	\$ 15,000	Community Development and Public Works
4 - SY 2023 Budget	Picnic Tables	Replacement of 20 failing wooden tables with metal powder coated tables. Current tables are breaking and are unsafe. The replacement of the tables can be anywhere between the range of \$1,200 to \$1,400.	\$ 25,000	Parks and Recreation and Public Works
5 - CY 2024 Budget	Turnstiles at the Main Entrance to the Pool	There is a safety and security issue with how lines enter the pool. Currently all patrons stand in line to be checked in or pay at the entrance. It is very easy for someone choosing to skip the line or enter the pool without paying, to do so. Proposing to install turnstiles tied to the pool passes (and guest/daily passes) that only allow someone through after they have swiped a pass or been allowed in by staff. This is a significant project that would require a build out and redesign from the current entrance.	\$30,000 - \$60,000	Parks and Recreation and Public Works Department

## Exhibit C

### EOC Component

- Reliable and working HVAC
- Reliable and working back up electrical generator and power
- Exterior security cameras
- Interior entry door, no glass
- Security fob access to room
- New front facing TV screen, 1 or 2 large to fit space between windows
- Two new side monitors with adjustable tilting mounts
- Two new CAD monitors, left and right side
- Zoom or Polycom camera system
- Tables with wheels
- New chairs
- Two-way radio communications with Fire, Police and Public Works
- Spare portable radio batteries and bank chargers for all type batteries
- CAD connectivity via computer access
- Secured exterior window or shutters, no simple breakable glass
- Dimmable/adjustable ceiling lighting, divide room at least in half or thirds
- New ceiling tiles following work
- All call volume control
- Ensure TV for weather radar capable
- Ensure TV for monitoring live news or social media
- Ensure connectivity to 9-1-1- center
- Computer access to all required documents, folder for EOC with ICONS
- Room microphones
- Adequate room speakers
- Security camera feeds direct into room
- One desk top computer workstation
- Dedicated Verizon hot spot devices
- Weather monitoring station, roof top capture device
- Painting
- Carpet tiles, easy replacement
- Lighting Fixtures (LED)
- Weather alert radio could be free through FEMA or IEMA