

**VILLAGE OF BEACH PARK**  
**Minutes of the February 21, 2018**  
**Finance Committee Meeting**

**Attendees:**

Trustee Don Jensen – Committee Chair  
Peggy McHugh – Finance Director  
Jon Kindseth – Village Administrator

Trustee Regina Miller – Member  
Trustee Linda Sittig – Member - Absent  
Sandi Pastell – Recording Secretary

Roll call was taken and the meeting brought to order at 6:01 p.m.

**January 17, 2018 meeting minutes:** Chairman Jensen asked if there were any questions in regards to the minutes.

Hearing none, Chairman Jensen then asked for a motion to approve the January 17, 2018 meeting minutes. Trustee Miller made a motion and Chairman Jensen seconded. Upon voice vote the January 17, 2018 minutes were approved unanimously.

**Points of Action:** Chairman Jensen then asked if there were any updates to the Points of Action from the January 17, 2018 meeting.

Jon Kindseth said that we are making progress on the **flagging of properties** for lien or recapture as we have hired a new law firm, Ancel-Glink and will keep the committee updated. Jon Kindseth explained that the **priority lien process** is still with the village attorney. Chairman Jensen said to just draft it and bring it to the board. Jon Kindseth stated that when he did that two years ago, it was tabled and the village attorney is still holding it; however, he will push the village attorney again. Jon Kindseth stated he is still exploring options in regards to the **reverse 911**. Jon Kindseth also stated that there is not much new with Retail Strategies.

Peggy McHugh stated that **Azavar** has finished their audit for the American Inn Hotel and found there were deficiencies in their bookkeeping. Peggy McHugh stated that they are not sure if taxes are collected and that late payments were made. Peggy McHugh stated that the village can charge penalties and late fees; however, staff and the Mayor discussed this and decided that the village will fine him a total of \$1,000.00 as the owner was cooperative with the audit. Peggy McHugh stated that they will be changing the way they do their accounting and hopes that we won't have any issues in the future. Peggy McHugh did explain to the committee that they have found a lower rate with four of our AT & T lines and no findings for North Shore Gas and Verizon.

**Monthly Finance Report/State Budget Impact/New Tax Law:** Chairman Jensen then moved the discussion to the Monthly Finance Report/State Budget Impact/New Tax Law.

Peggy McHugh said that there is not much to report; however, we have received notification from Waukegan that the **water rates will be increasing** which will go into effect May 1, 2018. Chairman Jensen said that we should make sure we are passing that increase onto our residents to help with expenses such as the water tower work that has been done and still needs to be done. Jon Kindseth stated that we do have more residents in SAA1 that will need to connect to water which will bring revenue of 1.2 million in connection fees. However, not sure how long that will take to realize the full

revenue potential as some residents will wait until the home is sold, or they like their well and do not want city water, etc.

Peggy McHugh stated that if the village passes the total water increase onto the residents the difference would be 0.18 per 1,000 gallons for additional revenue of \$27,000.00. (Peggy McHugh stated that the telecommunications tax is worse than she thought it would be; however, she is being conservative with the numbers).

**FY 19 Revenue Budget Worksheets:** Chairman Jensen then moved the discussion to the FY19 revenue budget worksheets.

Peggy McHugh stated that Chairman Jensen sent some further analysis on the state income tax and that we need to assume the 10% reduction will happen again this year; however, the decrease is helped by Speedway and Dollar General sales tax. Peggy McHugh stated that they have yet to sit down with all of the department heads. Jon Kindseth stated that we will be tightening our belts; however, this will still be a challenge as the village has not had to bridge a gap this size in the past.

More discussion was had in regards to cost cutting and Jon Kindseth informed the committee that he is trying to get some of the expenses done in FY18 so that we do not have to worry about them in FY19.

**Warrant List:** Chairman Jensen then moved to the Warrant List.

Chairman Jensen had a few questions that Peggy McHugh answered for him.

**New Business:** Chairman Jensen then moved the discussion to new business.

No new business.

**Adjourn:** Chairman Jensen then asked if there were any public comments. Hearing none, Chairman Jensen then asked for a motion to adjourn.

Trustee Miller made the motion. Chairman Jensen seconded. Upon a voice vote, the motion was approved unanimously. The Finance Committee meeting was adjourned at 7:00 p.m.

**Next Finance Committee Meeting:** Wednesday, March 21, 2018 at 6:00 p.m.