

**VILLAGE OF BEACH PARK**  
**Minutes of the September 19, 2018**  
**Finance Committee Meeting**

**Attendees:**

Trustee Don Jensen – Committee Chair  
Peggy McHugh – Finance Director  
Don Shaw – Auditor from Lauterbach & Amen

Trustee Regina Miller – Member  
Trustee Linda Sittig – Member

Roll call was taken and the meeting brought to order at 6:02 p.m.

**August 15, 2018 meeting minutes:** Chairman Jensen asked if there were any questions in regards to the minutes from last month’s meeting. Hearing none, Chairman Jensen then moved to approve the August 19, 2018 meeting minutes. Trustee Miller motioned to approve, seconded by Trustee Sittig.

**Annual Audit Report:** Auditor Don Shaw began to introduce the 2018 CAFR, beginning with the transmittal letter. Trustee Jensen asked for clarification on the 10% withheld by the state mentioned on page iv. Peggy McHugh stated that he was correct, last year the state withheld 10% of LGDF and this year the amount withheld is 5%. Trustee Jensen then referenced the section on page v that states “should not exceed the benefits likely to be derived” and stated that this applies to the current GASB recommendation that an actuary be hired to estimate the potential OPEB costs. Discussion was had on the GASB requirement and the potential impact it could have. Peggy McHugh stated that the partner at L & A will have their actuary complete the analysis at no cost next year to evaluate the impact, if any.

Don Shaw moved on to congratulate the village for earning the award for excellence in financial reporting. He also stated that the village has again received a “clean” opinion which is the highest opinion the village could receive. Trustee Miller brought up the city of Dixon and the case of Rita Crundwell and discussion was had on how this kind of stealing could possibly happen. Auditor Don Shaw clarified the audit firm’s duty as it relates to fraud and discussion was had on the testing L & A performs and how they would proceed if they came across an issue during the audit process. The audit firm is not required to look for fraud but they are required to dig deeper if an issue presents itself during fieldwork.

Then Don Shaw explained that the next section, the MD&A, is a summary of the results in narrative form. Trustee Jensen started discussion about the depreciation figure on pg 8. He pointed out that straight line is not an accurate way to depreciate a road and that PCA road evaluation would be much more accurate. Auditor Don Shaw indicated that he is not aware of any client that uses anything but the straight line method because of the fact that the figure is for the audit report only and not actually recorded in the ledger. Discussion was had on depreciation, its calculation, and its impact. On page 11, discussion occurred on the water rate and the cost of water from the City of Waukegan. Trustee Jensen stated that he feels the village may not be building an adequate sinking fund for water/sewer infrastructure repair and improvements, something we need to keep on our radar.

Next section of the report is the Financial Statements which start on page 3. Don Shaw briefly covered the statements for both governmental and enterprise funds. The notes to the financial statements start on page 18 and this is where the additional support to the financial statements is shown. Trustee Jensen asked about the legal debt limit on pg. 36 and asked for clarification. Discussion occurred.

Discussion continued as the committee moved through the rest of the report. Then Don Shaw briefly mentioned the management letter and that there were no new comments to add. Hearing no further questions, the committee thanked Auditor Don Shaw for coming and he left the meeting.

**Annual Treasurer's Report:** Peggy McHugh presented the treasurer's report and a few line items under the expenditure summary were clarified with additional detail.

**Monthly Finance Report:** Chairman Jensen then moved the discussion to the August Monthly Finance Report. Discussion was had on the monthly report.

Trustee Miller asked if there was an update to last month's discussion about the County having asked if Beach Park could do some of their inspections in unincorporated areas. Peggy McHugh stated that she was not aware of any updates.

**Warrant List:** Chairman Jensen then moved to the Warrant List questions he had submitted.

Trustee Miller asked about the \$4,470.62 payment to American Building Services LLC and Peggy McHugh stated that was the payment is for the automated doors at the park. Then Peggy McHugh answered the rest of the questions on the warrant list.

**New Business:**

Trustee Sittig asked that we follow up with Retail Strategies to have them look into contacting the Fresh Thyme grocery store. Trustee Sittig had mentioned this grocery store at the last meeting and wants to keep mentioning it as she really thinks this would be a nice addition to the village.

**Adjourn:** Chairman Jensen then asked if there were any public comments. Hearing none, Chairman Jensen then asked for a motion to adjourn, Trustee Sittig made the motion, seconded by Trustee Miller.

The Finance Committee meeting was adjourned at 7:10 p.m.

**Next Finance Committee Meeting:** Wednesday, October 17, 2018 at 6:00 p.m.