

VILLAGE OF BEACH PARK
Minutes of the February 20, 2019
Finance Committee Meeting

Attendees:

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

Trustee Regina Miller – Member
Trustee Linda Sittig – Member

Roll call was taken and the meeting brought to order at 6:05 p.m.

Administrator Kindseth briefly summarized the new governor's budget address from earlier in the day and the potential impact on the village. Staff will continue to review and monitor the state budget process.

January 16, 2018 meeting minutes: Chairman Jensen asked if there were any questions/updates in regards to the minutes from last month's meeting. Hearing none, minutes were approved as presented.

Finance Report: Trustee Miller asked about the potential merger of T-Mobile and Sprint as mentioned in the report's memo. Staff replied that we need to monitor the situation as we have one of each on the same tower in the village, as well as a new T-Mobile cell tower in the works at Braim park. The merger could affect the tower with one of each in that if they merge to one, the revenue could be lower. Also could affect the new one. Staff will continue to keep the committee posted. Administrator Kindseth reported that the reason for the merger is that T-Mobile and Sprint are saying that a merger is the only way they can compete and the only way they could afford to supply 5G. Verizon and AT&T already have an advantage as the preferred providers for many government entities. Chairman Jensen asked about the overage in the Community Development department and discussion was had on the main reasons for the variance: demolition expense, legal for various properties, purchase of BS&A online permitting module, etc.

Budget Update: Finance Director McHugh displayed the worksheet for FY 20 preliminary general fund revenue budget line items. Chairman Jensen had sent some questions so discussion was had on those line items. LGDF or Income Tax revenue was on the spreadsheet at 100% of the most recent IML forecast but after the governor's budget address, committee decided to lower it by 5%, to current levels. Discussion moved to local use tax and the historical trends, noting the positive impact the implementation of sales tax on online purchases has had on this revenue stream. Moved on the Telecommunication tax revenue budget and committee suggested we lower the figure another 3%. Finance Director McHugh noted that hopefully next week department heads will meet to review all the department expense line items to refine the preliminary budget numbers. Staff plans to have as much as possible ready for the March Finance Committee meeting.

Casey's Development Agreement: Administrator Kindseth gave an overview of the proposed agreement. The village is requiring Casey's to construct the watermain as part of their project and Casey's is asking for some assistance. The additional cost to them for the construction of the watermain is estimated to be \$185,000. The village has been in discussions with Casey's, some of which the mayor has been a part of, and the consensus has been that the village would give Casey's the CDBG grant revenue and a partial refund the building permit fees that will be collected. Discussion was had on the

agreement and the development. This agreement is on the board agenda for next week and the committee is in favor of moving this to approval, pending a couple changes discussed and legal review.

Warrant List: Chairman Jensen said we could discuss after adjournment.

New Business: Administrator Kindseth asked for support to provide a performance bonus to an employee. Discussion occurred. Committee is in support. Discussion was had on the open Public Works Director position and the plans for that department. The compensation structure that currently exists was also discussed as it has become somewhat “flat”, due to market adjustments made to staff salaries, but not proportionally made for department heads and the administrator. May need to make some adjustments to get back to more of a “pyramid” structure.

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, March 13, 2019 at 6:00 p.m.